

CLOSING DOCUMENTS

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY

\$4,245,000

TAX EXEMPT REVENUE BONDS

(CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT) SERIES 2017

Date and Time of Closing:

May 16, 2017
10:00 A.M.

Place of Closing:

Bond Counsel (US) LLP
30 Rockefeller Plaza, 23rd Floor
New York, New York

The following is a list of the legal documents which will be necessary for the transcripts of proceedings in connection with the above-mentioned bonds. It is requested that eleven (11) copies of all items be prepared for distribution as follows:

- 1 Essex County Industrial Development Agency (the "Issuer")
- 1 Briggs & Norfolk, LLP ("Issuer Counsel")
- 1 Champlain Valley Milling Corp., Inc. ("Company")
- 1 William Kissel, Esq. ("Company's Counsel")
- 1 Squire Patton Boggs (US) LLP ("Bond Counsel")
- 1 ZB, National Association ("Trustee")
- 1 Paparone Law PLLC ("Trustee Counsel")
- 1 Oppenheimer Funds ("Purchaser")
- 1 Kevin Wetmore, Esq. ("Purchaser Counsel")
- 1 Janney Montgomery Scott, LLC ("Underwriter")
- 1 Trespasz & Marquardt, LLP ("Underwriter's Counsel")

BASIC DOCUMENTS:

1.	Trust Indenture (the "Indenture"), dated as of May 1, 2017, by and between the Essex County Industrial Development Agency (the "Issuer") and Zions Bank, N.A., as Trustee (the "Trustee")	Bond Counsel
2.	Specimen Bonds	Bond Counsel
3.	Installment Sale Agreement (the "Installment Sale Agreement"), dated as of May 1, 2017, by and between the Issuer and Champlain Valley Milling Corp., Inc., (the	Bond Counsel

	“Company”) with Deed and Bill of Sale from Issuer to Company upon repayment of Installment Sale Agreement attached thereto as exhibits	
4.	Pledge and Assignment Agreement with acknowledgement (the “Pledge and Assignment”) by the Company between the Issuer and the Trustee, dated as of May 1, 2017	Bond Counsel
5.	Mortgage and Security Agreement from the Issuer and the Company to the Trustee (the “Mortgage”), dated as of May 1, 2017	Bond Counsel
6.	Guaranty Agreement from both the Company and the majority owners of the Company to the Issuer and the Trustee (the “Guaranty”), dated as of May 1, 2017	Bond Counsel
7.	Tax Certificate and Agreement between the Issuer , Borrower and Trustee with attachments (a) Exhibit A – Definitions to Tax Certificate and Agreement (b) Exhibit B – Use of Proceeds Checklist and Remedial Action Instructions (c) Exhibit C – Arbitrage Compliance Checklist (d) Exhibit D – Rebate Instructions (e) Exhibit E –Useful Life Chart – Qualifying Costs Calculation (f) Exhibit F – Underwriter’s Certificate (g) Exhibit G – Underwriter’s Calculations (h) Exhibit H – Form 8038 (i) Exhibit I – Borrower’s Tax Questionnaire Response (j) Exhibit J – Inducement Resolution	Bond Counsel
8.	IRS Form 8038	Bond Counsel
9.	UCC-1 Financing Statements (Issuer to Trustee (Indenture)) securing Mortgage and Pledge and Assignment	Bond Counsel
	CLOSING DOCUMENTS OF THE ISSUER	
10.	Certified copy of Chapter 563 of the Laws of 1973 of the State of New York (the “State”) (Section 914-a of the General Municipal Law), as amended.	Bond Counsel
11.	Certificate as to establishment of the Issuer and as to appointment of the Members thereof and compliance with Title 18-A of the General Municipal Law certified by the Secretary of the Issuer.	Bond Counsel

12.	Certificate as to by-laws of the Issuer.	Bond Counsel
13.	<p>General Certificate of the Issuer regarding incumbency and signatures of officers, execution of the Bonds, the Bond Purchase Agreement the other Financing Documents to be executed by the Issuer, no litigation and continued existence, with the following items included as exhibits:</p> <p>Exhibit A - Issuer Certificate of Establishment, certified by the Secretary of the Issuer; Exhibit B - By-Laws of the Issuer; Exhibit C - Inducement Resolution; Exhibit D - Report of the Public Hearing and Public Approval; Exhibit E - Proof of Publication of notice of the Public Hearing; Exhibit F - Essex County Board of Supervisors Approval of TEFRA Proceedings; and Exhibit G - Bond Resolution and SEQRA Approval</p>	Bond Counsel
14.	Certificate as to Representations and Warranties of the Issuer contained in the Bond Purchase Agreement	Bond Counsel
15.	Certificate as to Recordation of the Mortgage, Installment Sale Agreement, Pledge and Assignment, Deed and the UCC-1 Financings Statements	Bond Counsel
16.	Order Directing the Trustee to Authenticate and Deliver the Bonds	Bond Counsel
17.	Receipt for Bond Proceeds	Bond Counsel
18.	Payment in Lieu of Taxes Agreement ("PILOT")	Bond Counsel
	ITEMS TO BE DELIVERED BY THE COMPANY	
19.	<p>General Certificate of the Company together with the following:</p> <p>(a) Certificate of Incorporation of the Company, certified by the Department of State; (b) By-laws of the Company and any amendments thereto; and (c) Certificate of Good Standing from the State.</p>	Bond Counsel (with exhibits provided by Company/Company Counsel)
20.	Certified copy of the resolution adopted by the Board of Directors of the Company authorizing the undertaking of the financing of the Bonds and related matters	Company
21.	Certificate of Representation and Warranties of the Company contained in the Bond Purchase Agreement	Bond Counsel

22.	Certificate of the Company as to Signatures, Incumbency, No Litigation and Other Matters, including designating the Authorized Representative	Bond Counsel
23.	Certificate of Insurance pursuant to the Installment Sale Agreement	Bond Counsel
24.	Certificate of Title Insurance pursuant to the Installment Sale Agreement & Copy of Title Insurance Policy	Bond Counsel
25.	Bill of Sale from Company to Issuer	Bond Counsel
26.	Deed from Company to Issuer	Bond Counsel
	ITEMS TO BE DELIVERED BY THE UNDERWRITER	
27.	Limited Offering Memorandum	Underwriter Counsel
28.	Bond Purchase Agreement among the Issuer, the Company, and the Underwriter, dated May 10, 2017 (the "Bond Purchase Agreement")	Underwriter's Counsel
29.	Continuing Disclosure Agreement between the Company and the Trustee, dated May 16, 2017.	Underwriter's Counsel
30.	[Reserved]	
	ITEMS TO BE DELIVERED BY THE TRUSTEE	
31.	Certificate of Trustee Relating to Incumbency, Authority to Act and Execution of the Indenture and Banking Good Standing Certificate	Bond Counsel
32.	Trustee's Certificate of Receipt and Delivery and Payment	Bond Counsel
	OPINIONS OF COUNSEL	
33.	Opinion of counsel to the Issuer	Issuer Counsel
34.	Opinion of counsel to the Company	Company Counsel
35.	Opinion of counsel to the Trustee	Trustee Counsel
36.	Opinion of Squire Patton Boggs (US) LLP	Bond Counsel
37.	Supplemental Opinion of Bond Counsel, to the Purchaser and Trustee	Bond Counsel
38.	Reserved	
39.	Opinion of Counsel to Underwriter	Underwriter's Counsel

	MISCELLANEOUS	
40.	Enabling Legislation	Bond Counsel
41.	DTC Blanket Letter of Representations	Bond Counsel
42.	Form of Sales Tax Exemption Certificate from the Company to the Issuer	Bond Counsel
43.	Affidavit relating to Mortgage Recording Tax Exemption	Bond Counsel
44.	Closing and Wiring Instructions and Wire Confirmation	Underwriter
45.	Cross Receipt	Bond Counsel
46.	Certificate of F.A.S.T Agent	Bond Counsel
47.	Consent Letter of Auditor	Underwriter's Counsel

TRUST INDENTURE

**ESSEX COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

AND

**ZB, NATIONAL ASSOCIATION
as Trustee**

Securing the Issuance of

\$4,245,000

**ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
TAX-EXEMPT REVENUE BONDS
(CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT)
SERIES 2017**

DATED AS OF MAY 1, 2017

**THIS INSTRUMENT IS INTENDED TO CONSTITUTE A SECURITY AGREEMENT
UNDER THE UNIFORM COMMERCIAL CODE OF THE STATE OF NEW YORK.**

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and is for convenience of reference only.)

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TRUST INDENTURE

THIS TRUST INDENTURE dated as of May 1, 2017 (the “Indenture”) by and between Essex County Industrial Development Agency, a public benefit corporation of the State of New York (the “State”) having an office for the transaction of business located at 7566 Court Street, Elizabethtown, New York 12932 and its successors and assigns (the “Issuer”) and ZB, National Association, a national banking association organized and existing under the laws of the United States of America, having a place of business located at 401 Liberty Avenue, Suite 1729, Pittsburgh, PA 15222, as trustee (the “Trustee”) for the holders of the Bonds (capitalized terms used but not defined in the following recitals and granting clauses shall have the meanings given to them in Appendix A hereto as provided in Section 101 hereof);

WITNESSETH

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State (the “Enabling Act”) was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State, as amended; and

WHEREAS, the Enabling Act authorizes and provides for 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 dispose of 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, civic, commercial or industrial purposes, in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease or sell any or all of its facilities, 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 and pledge any or all of its facilities, whether then owned or thereafter acquired, and to pledge the revenues and receipts from the lease or sale thereof to secure the payment of such bonds and interest thereon; and

WHEREAS, the Issuer was created, pursuant to and in accordance with the provisions of the Enabling Act, by Chapter 563 of the Laws of 1973 of the State (Section 914-a, Title 2 of Article 18-A of the General Municipal Law of the State), as amended from time to time (including without limitation Chapter 444 of the Laws of 1999 of the State) (collectively, with the Enabling Act, the “Act”) and is empowered under the Act to undertake the Project in order to so advance the job opportunities, health, general prosperity and economic welfare of the people of the State and improve their standard of living; and

WHEREAS, the Champlain Valley Milling Corp., Inc. (the “Company”), a New York corporation, organized and existing under the laws of the State submitted an application to the Issuer which requested that the Issuer consider undertaking a new project and the Issuer, by

resolution adopted on April 19, 2016, determined to issue its tax-exempt revenue bonds for the purpose of assisting in providing financing of such project consisting of (A)(1) the acquisition, construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including land and fixtures, to manufacture grain into flour, to be located at 19 Myers Way all within the Town of Willsboro, New York (the “Facility”), which facility will include an approximately 29,000 square foot building, and (2) certain fixtures and other personal property related thereto (the “Equipment”) (the Facility and the Equipment being collectively referred to as the “Project Facility”); (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt revenue bonds of the Issuer in one or more series in an aggregate principal amount not to exceed \$5,000,000; (C) the funding of a debt service reserve fund for the bonds for the Project; (D) the payment of the costs of issuing such bonds; and (E) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the New York State General Municipal Law) with respect to the foregoing, including an exemption from certain sales and use taxes, real property taxes, deed transfer taxes, and mortgage recording taxes (together with the Project Facility, the “Project”); and

WHEREAS, the Issuer, by resolution adopted on April 6, 2017 (the “Bond Resolution”), determined to issue its (i) \$4,245,000 Tax-Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 (the “Bonds”) for the purpose of financing the costs of undertaking the Project, respectively, authorizing the Issuer to undertake the Project, to issue and sell the Bonds and to execute and deliver the Financing Documents to which the Issuer is a party; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), the Secretary of the Issuer (A) caused notice of a public hearing of the Issuer (the “Public Hearing”) to hear all persons interested in the Project to be published on May 13, 2016 in The Press Republican, a newspaper of general circulation available to residents of the Town of North Elba, New York, (B) conducted the Public Hearing on May 23, 2016, at 9:00 a.m., local time in the offices of the Issuer located at 7566 Court Street, Elizabethtown, New York and (C) prepared a report of the Public Hearing which fairly summarizes the views presented at said public hearing and distributed same to the directors of the Issuer and to the Essex County Board of Supervisors (the “County Board of Supervisors”); and

WHEREAS, by resolution adopted on July 5, 2016, the County Board of Supervisors approved the issuance of the Bonds for purposes of Section 147(f) of the Code; and

WHEREAS, the Project, which consists of the refinancing of outstanding indebtedness, constitutes a “Type II Action” under the New York State Environmental Quality Review Act (“SEQRA”) and is exempt from review under the SEQRA; and

WHEREAS, contemporaneously with the execution of this Indenture, the Issuer and the Company have entered into an Installment Sale Agreement (the “Installment Sale Agreement”) specifying the terms and conditions pursuant to which the Issuer has agreed to acquire, construct, reconstruct and equip the Project Facility and to sell the Project Facility to the Company; and

WHEREAS, the Issuer, by the terms of this Indenture and as security for the Bonds, will grant the Trustee a first lien mortgage on and a security interest in the Trust Revenues; and

WHEREAS, as security for the Bonds and the Company's obligations under the Financing Documents, the Issuer will execute and deliver to the Trustee the pledge and assignment dated as of May 1, 2017 (the "Pledge and Assignment") from the Issuer to the Trustee, which Pledge and Assignment will assign to the Trustee certain of the Issuer's rights and remedies under the Installment Sale Agreement, including the right to collect and receive certain moneys due and to become due thereunder (except for Unassigned Rights); and

WHEREAS, pursuant to the Pledge and Assignment, installment purchase payments made by the Company under the Installment Sale Agreement are to be paid directly to the Trustee; and

WHEREAS, in order to further secure the Company's obligations under the Financing Documents, the Company will execute and deliver to the Issuer a Mortgage and Security Agreement, dated as of May 1, 2017 (the "Mortgage"), pursuant to which the Company will grant to the Issuer mortgage liens on and security interests in the property described in the Mortgage (the "Mortgaged Property"); and

WHEREAS, in order to further secure the Company's obligations under the Financing Documents, the Company and the majority shareholders of the Company (together, the "Guarantors") will execute and deliver to the Issuer a Guaranty Agreement, dated as of May 1, 2017 (the "Guaranty"), pursuant to which the Guarantors will guaranty to the Issuer and the Trustee the full and timely payment, when due of the principal of, premium, if any, and interest on the Bonds and the payment and performance of the Company's obligations under the Financing Documents; and

WHEREAS, the Trustee has the power to enter into this Indenture and to execute the trusts hereby created and in evidence thereof has joined in the execution hereof; and

WHEREAS, the execution and delivery of this Indenture and the issuance of the Bonds under the Act as herein provided have been in all respects approved and duly and validly authorized by the Bond Resolution; and

WHEREAS, the providing of the Project Facility is for a proper purpose, to wit, to promote the job opportunities, the health and the general prosperity and economic welfare of the inhabitants of the State pursuant to the provisions of the Act; and

WHEREAS, the Issuer deems it appropriate and necessary that the proceeds of the sale of the Bonds shall be deposited with the Trustee, and that, upon satisfaction of the requirements set forth herein, the Trustee shall disburse such proceeds to pay the Cost of the Project; and

WHEREAS, the Bonds shall be payable solely from Trust Revenues, which include, without limitation, payments made by the Company under the Installment Sale Agreement; and

WHEREAS, the Bonds and the Trustee's certificate of authentication to be endorsed on the Bonds are to be in substantially the form attached hereto as Exhibit "A" and made a part hereof, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal special and limited obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid pledge of and Lien on the Trust Revenues herein pledged to the payment of the Bonds, have been done and performed, and the creation, execution and delivery of this Indenture, and the execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, (A) the Issuer will (1) execute an arbitrage certificate dated the date of delivery of the Bonds (the "Tax Compliance Certificate") relating to certain requirements set forth in Section 148 of the Code, (2) execute a completed Internal Revenue Service ("IRS") Form 8038 (Information Return for Private Activity Bonds) relating to the Bonds (an "Information Return") pursuant to Section 149(e) of the Code, and (3) file the Information Return with the IRS, (B) the Company will execute a tax certificate and agreement dated the date of delivery of the Bonds (the "Tax Certificate") relating to the requirements in Sections 145, 146, 147, 148 and 149 of the Code and (C) the Purchaser will execute an issue price letter confirming the issue price of the Bonds for purposes of Section 148 of the Code.

NOW, THEREFORE, the Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the holders and owners thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby unto the Trustee and its successors and assigns, for the benefit of the holders and all future holders of the Bonds, GRANT A SECURITY INTEREST IN, PLEDGE AND ASSIGN the following (hereinafter referred to as the "Trust Estate"):

I

All right, title and interest of the Issuer in and to the Trust Revenues and the Financing Documents (other than Unassigned Rights);

II

Any and all moneys, securities and other investment property from time to time held by the Trustee under the terms of this Indenture, except (A) moneys on deposit with or paid to the Trustee for the mandatory purchase of the Bonds, notice of which has been given, (B) moneys deposited with or paid to the Trustee for the redemption of Bonds notice of which has been duly given, (C) moneys on deposit in the Rebate Fund (as hereinafter described), and (D) unclaimed funds held under Section 410 hereof;

III

Any and all other Property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the Issuer or by anyone in its behalf or with its written consent in favor of the Trustee;

This Indenture is also intended to constitute a security agreement under the Uniform Commercial Code of the State so that the Trustee shall have and may enforce a security interest, to secure payment of all sums due or to become due under the Bonds and this Indenture, in so much of the Property described in Clauses "I", "II" and "III" above as may be made subject to such a security interest, including, but not limited to the moneys held by the Trustee hereunder, such security interest to attach at the earliest moment permitted by law and also to include and attach to all additions and accessions thereto, all substitutions and replacements therefor and all proceeds thereof, and all other contract rights and general intangibles of the Issuer (except the Unassigned Rights) obtained in connection with or relating to the Project Facility, as well as any and all items of property in the foregoing classifications which are hereafter acquired;

SUBJECT, HOWEVER, to Permitted Encumbrances (as hereinafter defined);

EXCEPTING THEREFROM, the Unassigned Rights;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby pledged and assigned or agreed, or intended so to be, unto the Trustee and its successors in said trust and to it and its assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all holders and owners of the Bonds issued under and secured by this Indenture, without privilege, priority or distinction as to the Lien or otherwise of any of the Bonds over any other Bonds, respectfully, except as set forth in this Indenture;

PROVIDED, HOWEVER, that if the Issuer or its successors or assigns (A) shall well and truly pay, or cause to be paid, to the Holders and Owners of the Bonds the principal of, premium, if any, and interest due or to become due on the Bonds at the times and in the manner provided herein and in the Bonds, or shall provide for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon as permitted by and in the manner provided in Article X, and shall well and truly cause to be kept, performed and observed all of its covenants contained in this Indenture, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of this Indenture, then upon such final payment, these presents and the Lien upon the Property described in Clauses "I", "II" and "III" above and rights hereby granted shall cease, terminate and be void, and thereupon the Trustee shall execute and deliver to the Person or Persons designated in Article X such instruments in writing as shall be requisite to satisfy the Lien hereof upon the Property described in Clauses "I", "II" and "III" above, and convey to the Person or Persons designated in Article X the moneys and other Property, if any, then held by the Trustee, except moneys held by the Trustee for the payment of interest on, premium, if any, and principal of the Bonds and except as expressly provided in this Indenture; otherwise this Indenture shall remain in full force and effect, upon the trusts and subject to the covenants and conditions hereinafter set forth; and

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and the Lien on all of the Property described in Clauses "I", "II" and "III" above, including without limitation the

revenues, receipts and other moneys hereby assigned and pledged, are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer hereby agrees and covenants with the Trustee and with the respective holders and owners, from time to time, of the Bonds, as follows:

ARTICLE I

DEFINITIONS

SECTION 101. DEFINITIONS.

All of the capitalized terms used in this Indenture and the Preambles hereto not otherwise defined shall have the meanings assigned thereto in the Schedule of Definitions attached hereto as Appendix A and made a part hereof.

SECTION 102. INTERPRETATION.

(A) In this Indenture, unless the context otherwise requires:

(1) the terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Indenture, refer to this Indenture, and the term “heretofore” shall mean before, and the term “hereafter” shall mean after the date of this Indenture;

(2) words of the masculine gender shall mean and include correlative words of the feminine and neuter genders;

(3) words importing the singular number shall mean and include the plural number, and vice versa;

(4) any headings preceding the texts of the several Articles and Sections of this Indenture, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Indenture nor affect its meaning, construction or effect;

(5) words importing the redemption or redeeming of a Bond or the calling of a Bond for redemption do not include or connote the payment of such Bond at its Stated Maturity or the purchase of said Bond;

(6) all references to time in this document refer to New York City time;

(7) any certificates, letters or opinions required to be given pursuant to this Indenture shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Indenture; and

(8) in any case where the date of maturity of interest on or principal of the Bonds, or the date fixed for redemption of any Bonds, shall not be a Business Day, then payment of interest or principal need not be made on such date but may be made on the next Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest shall accrue for the period after such date.

(B) Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any persons, other than the Issuer, the Trustee and the holders of the Bonds, any right, remedy or claim under or by any reason of this Indenture or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee and the holders of the Bonds.

(C) If any one or more of the covenants or agreements provided herein on the part of the Issuer or the Trustee to be performed shall, for any reason, be held or shall, in fact, be inoperative, unenforceable or contrary to law, in any particular case, such circumstance shall not render the provision in question inoperative or unenforceable in any other case or circumstance. Further, if any one or more of the phrases, sentences, clauses, paragraphs or sections herein should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed separable from the remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Indenture or of the Bonds.

SECTION 103. CONDITIONS PRECEDENT SATISFIED.

All acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the execution and entering into of this Indenture have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this Indenture.

ARTICLE II

THE BONDS

SECTION 201. RESTRICTION ON ISSUANCE OF BONDS.

No Bonds may be authenticated and issued under the provisions of this Indenture except in accordance with this Article II. Except as provided in Section 206 and Section 213 hereof, the total aggregate principal amount of Bonds that may be issued and authenticated hereunder is expressly limited to \$4,245,000.

SECTION 202. SPECIFIC DETAILS OF BONDS.

(A) (1) The Bonds shall be Term Bonds issued in the aggregate principal amount of \$4,245,000, shall be numbered "RA-1" and shall be designated "Essex County Industrial Development Agency Tax-Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017". The Bonds shall be issued as fully registered bonds without coupons in the denomination of \$100,000 or any multiple of \$5,000 in excess thereof. Each Bond shall be of a single maturity.

(2) The Bonds shall be dated May 16, 2017 and shall bear interest from their dated date, or from the most recent Interest Payment Date to which interest has been paid. Interest on the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2017 and shall mature

on June 1, 2047 and shall bear interest at the rate of 6.250% (on the basis of a 360-day year with twelve 30-day months) per annum:

(3) The Bonds are subject to scheduled mandatory sinking fund redemption prior to maturity as provided in Article III hereof.

(4) The Bonds are subject to optional and mandatory redemption prior to maturity as provided in Article III hereof.

(5) The Bonds shall initially be issued in book entry form as Book Entry Bonds.

(B) The principal or Redemption Price of the Bonds shall be payable at the principal corporate trust office of the Trustee in Pittsburgh, Pennsylvania, as Paying Agent, or at the corporate trust or any other designated office of any successor Paying Agent.

(C) Interest on the Bonds shall be payable to the Person appearing on the registration books of the Registrar as the registered owner thereof on the Record Date (1) by check mailed on the Interest Payment Date to the registered owner, or (2) by wire transfer on the Interest Payment Date to any owner of at least \$100,000 in aggregate principal amount of Bonds upon written notice provided by the owner to the Registrar not later than ten (10) Business Days prior to the Record Date for such interest payment; except that if and to the extent there shall be a default in the payment of the interest due on any Interest Payment Date, the defaulted interest shall be paid to the owners in whose names the Bonds are registered at the close of business on the fifth (5th) Business Day next preceding the date of payment of the defaulted interest. Interest payments made by check shall be mailed to each owner at his address as it appears on the registration books of the Registrar on the applicable Record Date or at such other address as he may have filed with the Registrar for that purpose. Wire transfer payments of interest shall be made solely to accounts located in the United States of America and at such wire transfer address as the owner shall specify in his notice requesting payment by wire transfer.

(D) Each Bond shall bear interest from the dated date indicated thereon, if authenticated prior to the first Interest Payment Date. If authenticated on or after the first Interest Payment Date, in exchange for or upon the registration or transfer of Bonds, such Bond shall bear interest from and including the Interest Payment Date next preceding the date of authentication thereof, unless the date of such authentication shall be an Interest Payment Date to which interest thereon has been paid in full or duly provided for, in which case, such Bond shall bear interest from and including such Interest Payment Date. Each Bond shall bear interest on overdue principal and, to the extent permitted by law, on overdue interest at the Default Rate computed from the date of the Default or Event of Default.

SECTION 203. DELIVERY OF BONDS.

Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver the Bonds (including a reasonable number of additional bonds to be retained by the Trustee for authentication and delivery upon transfer or exchange of any Bond) to the Trustee, and the Trustee shall authenticate and deliver the Bonds to the Purchaser thereof against payment of the

purchase price therefor, plus accrued interest to the day preceding the date of delivery, upon receipt by the Trustee of the following:

- (A) a certified copy of the Bond Resolution;
- (B) executed counterparts of this Indenture, the Installment Sale Agreement, the Pledge and Assignment and the other Financing Documents;
- (C) a request and authorization to the Trustee on behalf of the Issuer signed by an Authorized Representative of the Issuer to authenticate and deliver the Bonds to or upon the order of the Purchaser there upon payment to the Trustee for the account of the Issuer of the purchase price therefor specified in such request and authorization;
- (D) signed copies of the opinions of counsel to the Issuer, the Company, the Trustee, the Placement Agent and of Bond Counsel, as required by the Bond Purchase Agreement;
- (E) executed copies of the Tax Certificate and the Tax Compliance Certificate;
- (F) a certificate from the Company evidencing that the certificates and policies, if available, of the insurance required by the Installment Sale Agreement have been delivered to the Trustee; and
- (G) such other documents as the Trustee or Bond Counsel may reasonably require.

SECTION 204. EXECUTION.

(A) The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of its Chairman or such other person as may be authorized by resolution of the Issuer, and the Issuer's corporate seal, if any, or a reproduction thereof, shall be impressed, imprinted or otherwise reproduced thereon and attested by the manual or facsimile signature of its Secretary or its Assistant Secretary. All such facsimile signatures shall have the same force and effect as if said officers had manually signed the Bonds. The reproduction of the Issuer's corporate seal, if any, on the Bonds shall have the same force and effect as if the Issuer's corporate seal had been impressed on the Bonds.

(B) In case any officer of the Issuer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond or the issuance of a new Bond following a transfer or exchange, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

SECTION 205. AUTHENTICATION.

Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form set forth in the Form of Bond attached hereto as Exhibit "A" duly executed by the manual signature of an authorized officer of the Trustee, shall be entitled to any right or benefit under this Indenture. No Bonds shall be valid or obligatory for any purpose

unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds.

SECTION 206. MUTILATED, LOST, STOLEN OR DESTROYED BONDS.

(A) In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate a new Bond, executed by the Issuer as provided in Section 204, of like maturity, series, interest rate and denomination as the Bond so mutilated, lost, stolen or destroyed. Any mutilated Bond shall first be surrendered to the Trustee; and in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to the Trustee. The Issuer or the Trustee may charge the Holder or Owner of such Bond a sum sufficient to cover any tax or other governmental charge in connection with such exchange or substitution of such new Bond, together with any other reasonable fees and expenses incurred by the Issuer or the Trustee in connection therewith.

(B) Every Bond issued pursuant to the provisions of this Section 206 shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds secured by this Indenture. However, the Trustee shall not be required to treat both the original Bond and any Bond issued in lieu thereof as being Outstanding for purposes of determining the principal amount of Bonds Outstanding under this Indenture or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original Bond and the Bond issued in lieu thereof shall be treated as one and the same.

(C) Notwithstanding any other provision of this Section 206, in lieu of delivering a new Bond for a Bond which has been mutilated, lost, stolen or destroyed and which has matured, upon receipt of evidence of such mutilation, loss, theft or destruction and indemnity satisfactory to the Trustee, the Trustee may make payment for such Bond.

(D) All Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, wrongfully taken or destroyed Bonds and, to the extent permitted by law, shall preclude any and all other rights and remedies with respect to the replacement or payment of negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or enacted hereafter.

SECTION 207. TRANSFER AND EXCHANGE OF BONDS; PERSONS TREATED AS OWNERS.

(A) The Trustee is designated and agrees to act as Bond Registrar and shall cause a Bond Register to be kept on behalf of the Issuer at the principal office of the Trustee for the registration and transfer of Bonds. Any Bond, upon the surrender of such Bond to the Bond Registrar, may be transferred at the expense of the transferor, but only upon delivery of an

assignment duly executed by the registered owner or his duly authorized legal representative in the form imprinted on the Bond or in such other form as shall be satisfactory to the Bond Registrar.

(B) Upon receipt of such Bond and upon satisfaction of the conditions set forth in Section 207(A) hereof and upon receipt of the payment referred to in Section 207(D) hereof, the Trustee shall immediately record the transfer on the Bond Register and cause the transferee to be the registered owner of such Bond. Upon any such registration of transfer, the Issuer shall execute and the Trustee shall authenticate and deliver in exchange for such Bond one or more new Bonds, executed by the Issuer as provided in Section 204 hereof, registered in the name of the designated transferee thereof, of any denomination or denominations authorized by this Indenture and for the same series and aggregate principal amount as the Bond or Bonds surrendered for transfer.

(C) (1) Any Bond may be exchanged by the Bondholder thereof for an authorized number of Bonds, provided the aggregate principal amount of the Bonds issued in exchange for the original Bond shall be of the same Series, equal to the principal amount of the original Bond and the principal amount of each new Bond shall be in denominations authorized under this Indenture for such Series; provided, further, that prior to the delivery of such new Bonds, the Trustee shall have received the cost of preparing same from the Bondholder.

(2) The Bondholder shall effect such an exchange by delivering to the Trustee, the Bond to be exchanged, together with a written notification of the number and denominations of the new Bonds. After receipt from the Bondholder of the cost of preparing the new Bonds, the Trustee shall cause the Bonds to be prepared and executed by the Issuer in accordance with Section 204 hereof, and to be registered in the name of the Bondholder and shall deliver such new Bonds to the Bondholder.

(D) No service charge shall be made for any transfer or exchange of Bonds, but in all cases in which Bonds shall be transferred or exchanged hereunder, the Issuer or the Trustee may charge the Bondholder making such transfer for every such transfer or exchange of Bonds an amount sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any such new Bond shall be delivered. The payment of such charges shall be, in accordance with Section 207(B) hereof, a condition precedent to such transfer.

(E) The Person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of, or premium if any or interest on, any such Bond shall be made only to or upon the order of the registered owner thereof or his duly authorized legal representative, subject to the terms of Section 208(E) hereof. Such registration may be changed only as provided in this Section 207, and no other notice to the Issuer or the Trustee shall affect the rights or obligations with respect to the transference of a Bond or be effective to transfer any Bond. All payments to the Person in whose name any Bond shall be registered shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(F) The Trustee shall not be required to make any such transfer or exchange of (1) any Bond during the fifteen (15) days next preceding a Bond Payment Date or (2) any Bond selected for redemption in whole or in part under Article III hereof; provided, however, that in the event of a Bond selected for redemption in part, nothing in this paragraph shall prohibit exchange of the remaining portion of such Bond redeemed in part for a new Bond with a reduced principal amount or the transfer or exchange of any such new Bond.

SECTION 208. PAYMENT PROVISIONS.

(A) Payment of the principal of, premium, if any, on and interest on the Bonds shall be made in lawful money of the United States of America.

(B) Subject to the provisions of Section 212, interest on any Bond which is payable, and which is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person appearing on the Bond Register as the Holder of that Bond (or one or more Predecessor Bonds) at the close of business on the Regular Record Date, by check or draft of the Trustee mailed by the Trustee on such Interest Payment Date to such registered owner at his address as it appears on the Bond Register, or at the option of any Holder of Bonds in an aggregate principal amount of \$100,000 or greater be transmitted on such Bond Payment Date by wire transfer, to an account located in the United States of America only, at such Holder's written request to the bank account number on file with the Trustee, provided such Holder has delivered adequate instructions regarding same to the Trustee at least ten (10) Business Days prior to such Bond Payment Date.

(C) Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Person appearing on the Bond Register as the registered owner on the relevant Regular Record Date solely by virtue of such Person having been such registered owner; and the Trustee shall make payment of any Defaulted Interest on Bonds to the Persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Trustee shall determine the amount of Defaulted Interest to be paid on each Bond and establish the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and money in the aggregate amount of the proposed interest payments shall be segregated by the Trustee to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Subsection provided and not to be deemed part of the Trust Revenues. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment. The Trustee shall promptly notify the Issuer and the Company of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed one time, first-class postage prepaid, to each registered owner of a Bond at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date.

(D) Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond, and each such Bond shall bear interest from such date so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

(E) The principal of and premium, if any, due on a Bond at maturity shall be payable at the principal corporate trust office of the Trustee, upon presentation and surrender of such Bond by the registered owner thereof or his duly authorized legal representative at the maturity of such Bond or such other date as such payments become due, by redemption or otherwise. In the event of a partial redemption of any Bond, payment of the Redemption Price shall be made to the registered owner or his duly authorized legal representative only upon surrender to the Trustee of such Bond, and upon such surrender the Trustee shall authenticate a new Bond executed by the Issuer as provided in Section 204 for the unredeemed portion of such Bond.

(F) Notwithstanding any other provision of this Indenture to the contrary, when any Bond is registered in the name of a Depository or its nominee, all payments with respect to the principal of, premium, if any, and interest on such Bond and the Redemption Price thereof and all notices with respect to and surrender or delivery of such Bond shall be made and given, respectively, to or by the Depository as provided in the Depository Letter.

SECTION 209. TEMPORARY BONDS.

(A) Until definitive Bonds are ready for delivery, there may be executed, and upon the request of the Issuer the Trustee shall authenticate and deliver in lieu of definitive Bonds, temporary printed, engraved or lithographed Bonds, in any authorized denomination, in substantially the form set forth in Exhibit "A" hereto and with such appropriate omissions, insertions and variations as may be required.

(B) If the Bonds are no longer Book Entry Bonds and if temporary Bonds shall have been issued, the Issuer shall, at the sole cost and expense of the Company, cause definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation of any temporary Bond to the Trustee at the Office of the Trustee, shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Holder thereof, a definitive Bond or Bonds of an equal aggregate principal amount of the same series and maturity and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds to be issued and authenticated hereunder.

SECTION 210. CANCELLATION OF BONDS.

All Bonds surrendered to the Trustee for payment, redemption, transfer or exchange shall be promptly cancelled by the Trustee. No Bond shall be authenticated in lieu of or in exchange for any Bond cancelled as provided in this Section 210, except as expressly provided by this Indenture. All Bonds cancelled by the Trustee shall be destroyed by the Trustee and shall not be

reissued. At the request of the Company, certificates evidencing such destruction shall be furnished by the Trustee to the Issuer and the Company.

SECTION 211. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS.

In any case where the date of maturity of interest or principal of any Bond or the date fixed for redemption of any Bond shall not be a Business Day, then payment of interest on or principal or Redemption Price of such Bond shall be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

SECTION 212. BOOK ENTRY BONDS.

(A) Notwithstanding any other provision of this Indenture, the Bonds are hereby authorized to be issued in book entry form as Book Entry Bonds, with respect to which the following procedures shall apply. Book Entry Bonds shall be originally issued only to a Depository to be held in a Book Entry System and: (1) the Book Entry Bonds shall be registered in the name of the Depository or its nominee, as Bondholder, and immobilized in the custody of the Depository; (2) unless otherwise requested by the Depository, there shall be a single Bond certificate for each Bond maturity; and (3) the Book Entry Bonds shall not be transferable or exchangeable, except for transfer to another Depository or another nominee of a Depository, without further action by the Issuer as set forth in Section 212(F) hereof. While the Bonds are in book entry only form, Bonds in the form of physical certificates shall only be delivered to the Depository or its designee.

(B) For all purposes of this Indenture, except as provided in Section 212(D) hereof, the Depository shall be deemed to be holder of a Book Entry Bond and neither the Issuer, the Company nor the Trustee shall have responsibility or any obligation to the Beneficial Owner of such Bond or to any Direct Participant or Indirect Participant in such Depository. Without limiting the generality of the foregoing, neither the Issuer, the Company nor the Trustee shall have any responsibility or obligation to any such Direct Participant or Indirect Participant or to the Beneficial Owner of a Book Entry Bond with respect to (1) the accuracy of the records of the Depository or any participant with respect to any Beneficial Ownership Interest in such Book Entry Bond, (2) the delivery to any participant of the Depository, the Beneficial Owner of such Book Entry Bond or any other person, other than the Depository, of any notice with respect to such Book Entry Bond, including any notice of the redemption thereof, (3) the payment to any participant of the Depository, the Beneficial Owner of such Book Entry Bond or any other person, other than the Depository, of any amount with respect to the principal or Redemption Price of, or interest on, such Book Entry Bond or (4) any consent given or any other action taken by the Depository as Holder of the Book Entry Bonds.

(C) For all purposes of this Indenture, except as provided in Section 212(D) hereof, the Issuer and the Trustee may treat the Depository of a Book Entry Bond as the absolute Owner of such Book Entry Bond for all purposes, including (1) payment of the principal of, premium, if any, and interest and Sinking Fund Payments on such Book Entry Bond, (2) giving notices of redemption and of other matters with respect to such Book Entry Bond, (3) registering transfers with respect to such Book Entry Bond, (4) the enforcement of remedies and (5) for all

other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on, such Book Entry Bond only to or upon the order of the Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Book Entry Bonds with respect to such principal of, premium, if any, and interest to the extent of the sum or sums so paid. No person other than the Depository shall receive a Book Entry Bond or other instrument evidencing the Issuer's obligation to make payments of the principal of, premium, if any, and interest thereon.

(D) The crediting of payment of Debt Service Payments on the Bonds and the transmittal of notices and other communications by the Depository to the Direct Participants in whose Depository account the Bonds are recorded, and such crediting and transmittal by Direct Participants to Indirect Participants or Beneficial Owners and by Indirect Participants to Beneficial Owners, are the respective responsibilities of the Depository and the Direct Participants and Indirect Participants and are not the responsibility of the Issuer or the Trustee; provided, however, that the Issuer and the Trustee understand that neither the Depository or its nominee shall provide any consent requested of holders of Bonds pursuant to this Indenture, and that the Depository will mail an omnibus proxy (including a list identifying the Direct Participants) to the Issuer which assigns the Depository's, or its nominee's, voting rights to the Direct Participants to whose accounts at the Depository the Bonds are credited as of the record date for mailing of requests for such consents. Upon receipt of such omnibus proxy, the Issuer shall promptly provide such omnibus proxy (including the list identifying the Direct Participants attached thereto) to the Trustee, who shall then treat such Direct Participants as Bondholders for purposes of obtaining any consents pursuant to the terms of this Indenture.

(E) As long as any of the Bonds are registered in the name of a Depository, or its nominee, the Trustee agrees to comply with the terms and provisions of the operational procedures on file with the Depository, including the provisions of the operational procedures with respect to any delivery of the Bonds to the Trustee, which provisions shall supersede the provisions of this Indenture with respect thereto.

(F) The Issuer, in its sole discretion, upon thirty (30) days prior written notice to the Trustee and without the consent of the Trustee or the beneficial owner of a Book Entry Bond or any other person, may terminate the services of the Depository with respect to a Book Entry Bond if the Issuer determines that (1) the Depository is unable to discharge its responsibilities with respect to such Book Entry Bond or (2) a continuation of the requirement that all of the Outstanding Bonds issued in book entry form be registered in the registration books of the Issuer in the name of the Depository, is not in the best interest of the beneficial owners of such Bonds, and the Issuer shall terminate the services of the Depository upon receipt by the Issuer and the Trustee of written notice from the Depository that it has received written requests that such Depository be removed from its participants having beneficial interests, as shown in the records of the Depository, in an aggregate amount of not less than fifty percent in principal amount of the then Outstanding Book Entry Bonds.

(G) Upon the termination of the services of a Depository with respect to a Book Entry Bond, or upon the resignation of a Depository with respect to a Book Entry Bond, the Issuer may attempt to have established a securities depository/book entry system relationship with another Depository under this Indenture. If the Issuer does not or is unable to do so, the

Issuer and the Trustee, after the Trustee has made provision for notification of the Beneficial Owners by appropriate notice to the then Depository, shall permit withdrawal of the Bonds from the Depository and shall authenticate and deliver Bond certificates in fully registered form to the assignees of the Depository or its nominee or to the Beneficial Owners. Such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing or otherwise preparing and delivering such replacement Bonds) of the Company. Such replacement Bonds shall be in the denominations specified in Section 202(A) hereof. Upon registration of a Bond in the name of the Beneficial Owner thereof as aforesaid, the Beneficial Owner of such Bond shall become the Holder of such Bond.

SECTION 213. ADDITIONAL BONDS.

(A) So long as the Installment Sale Agreement is in effect and no event of default exists thereunder or hereunder (and no event exists which, upon notice or lapse of time or both, would become an Event of Default thereunder or hereunder, the Issuer may, upon request from the Company complying with the provisions of this Section 213 and the requirements of the Installment Sale Agreement, issue one or more series of Additional Bonds for the purpose of (i) paying or completing payment of the cost of the Project Facility, (ii) paying the cost of refinancing through prepayment or payment at maturity of all or part of the Outstanding Bonds of any series (and in each case, paying the expenses of the issuance thereof and to pay amounts required to be deposited in funds established under this Indenture), (iii) costs of making any modifications, additions or improvements to the Project Facility that the Company may deem necessary or desirable, and/or (iv) costs of issuance and sale of the Additional Bonds, capitalized interest, funding of debt service reserves, and other costs reasonably related to the foregoing.

(B) If the Issuer determines to issue Additional Bonds, the Trustee shall, at the request of the Issuer, authenticate the Additional Bonds and deliver them as specified in the request, but only upon receipt of:

(1) an amendment to the Installment Sale Agreement, which amended Installment Sale Agreement shall provide for timely payment by the Company of installment purchase payments in an amount at least equal to the sum of the total Debt Service Payments due on the Bonds and all Additional Bonds and all other costs in connection with the Project Facility and all Additional Projects covered thereby;

(2) evidence that the Financing Documents, as amended or supplemented in connection with the issuance of the Additional Bonds, provide that (a) the Bonds referred to therein shall mean and include the Additional Bonds being issued as well as the Bonds originally issued under this Indenture and any Additional Bonds theretofore issued, and (b) the Project Facility referred to in the Financing Documents includes any Additional Facilities being financed;

(3) a copy of the resolution of the board of directors of the Company, duly certified by the secretary or assistant secretary of the Company, which approves the issuance of the Additional Bonds and authorizes the execution and delivery by the Company of the amendments to the Financing Documents described in paragraphs (1) and (2) above;

(4) a written opinion of counsel to the Company which shall state that the amendments and supplements to the Financing Documents described in paragraphs (1) and (2) above have been duly authorized, executed and delivered by the Company; that the Financing Documents, as amended and supplemented to the Closing Date for such Additional Bonds, constitute legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, subject to the standard exceptions with respect to bankruptcy laws, equitable remedies and specific performance; and that all conditions precedent provided for in this Indenture to the issuance, execution and delivery of the Additional Bonds have been complied with;

(5) a copy of the resolution of the members of the Issuer, duly certified by the secretary or assistant secretary of the Issuer, authorizing the issuance of the Additional Bonds and the execution and delivery by the Issuer of the amendments to the Financing Documents described in paragraph (2) above to be executed by the Issuer in connection therewith;

(6) an opinion of counsel to the Issuer stating that the amendments and supplements to the Financing Documents described above have been duly authorized and lawfully executed and delivered on behalf of the Issuer; and that such amendments and supplements to the Financing Documents are in full force and effect and are valid and binding upon the Issuer, subject to the standard exceptions with respect to bankruptcy laws, equitable remedies and specific performance;

(7) an opinion of Bond Counsel stating that, in the opinion of such Bond Counsel, the Issuer is duly authorized and entitled to issue such Additional Bonds and that, upon the execution, authentication and delivery thereof, such Additional Bonds will be duly and validly issued and will constitute valid and binding special obligations of the Issuer, enforceable in accordance with their terms, subject to the standard exceptions with respect to bankruptcy laws, equitable remedies and specific performance; that the issuance of the Additional Bonds will not, in and of itself, adversely affect the validity of the Bonds originally issued under this Indenture or any Additional Bonds theretofore issued or the exclusion of the interest payable on the Bonds and any Additional Bonds theretofore issued as Tax-Exempt Bonds from the gross income of the Holders thereof for federal income tax purposes; and that all conditions precedent provided for in this Indenture to the issuance, execution and delivery of the Additional Bonds have been complied with;

(8) written evidence from each Rating Agency, if any, by which the Bonds are then rated, at the request of the Issuer, to the effect that the issuance of such Additional Bonds will not, by itself, result in a reduction or withdrawal of the rating(s) on the Outstanding Bonds applicable immediately prior to the issuance of the Additional Bonds;

(9) a written order to the Trustee executed by an Authorized Representative of the Issuer requesting that the Trustee authenticate and deliver the Additional Bonds to the purchasers therein identified; and

(10) such other documents as the Trustee may reasonably request.

SECTION 214. LIMITED OBLIGATIONS.

(A) The Bonds, together with the premium, if any, and the interest thereon, shall be special and limited obligations of the Issuer payable, with respect to the Issuer, solely from Trust Revenues, which, except as otherwise set forth herein, are hereby pledged and assigned for the equal and ratable payment of all sums due under the Bonds, and shall be used for no other purpose than to pay the principal of, premium, if any, on and interest on the Bonds, except as may be otherwise expressly provided herein.

(B) THE BONDS SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF ESSEX COUNTY OR OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE AND SHALL NOT CREATE OR CONSTITUTE AN INDEBTEDNESS, LIABILITY OR OBLIGATION OF ESSEX COUNTY OR OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, MORAL OR OTHERWISE, BUT THE BONDS SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR AS SET FORTH HEREIN. NEITHER THE GENERAL CREDIT OF THE ISSUER NOR THE GENERAL CREDIT OR TAXING POWER OF ESSEX COUNTY OR OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS, OR THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. THE ISSUER HAS NO TAXING POWER.

(C) No recourse shall be had for the payment of the principal of or premium, if any, on or the interest on any Bond or for any claim based thereon or on this Indenture against any past, present or future member, officer, employee or agent (other than the Company), as such, of the Issuer or of any predecessor or successor corporation, either directly or through the Issuer or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise.

ARTICLE III

REDEMPTION OF BONDS PRIOR TO MATURITY

SECTION 301. REDEMPTION OF BONDS PRIOR TO MATURITY.

(A) Optional Redemption.

The Bonds shall also be subject to redemption prior to maturity, at the option of the Company by exercise of its rights to prepay the installment purchase payments payable under the Installment Sale Agreement as provided in Section 5.5 thereof, as a whole at any time or in part on any Interest Payment Date, in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, as follows:

(1) on or after June 1, 2027 at a redemption price of one hundred and three percent (103%) of the principal amount thereof, plus accrued interest to the redemption date;

(2) on or after June 1, 2028 at a redemption price of one hundred and two percent (102%) of the principal amount thereof, plus accrued interest to the redemption date;

(3) on or after June 1, 2029 at a redemption price of one hundred and one percent (101%) of the principal amount thereof, plus accrued interest to the redemption date; and

(4) on or after June 1, 2030 at a redemption price of one hundred and one percent (100%) of the principal amount thereof, plus accrued interest to the redemption date

(B) Mandatory Sinking Fund Redemption.

(1) The Bonds issued as Term Bonds maturing on June 1, 2047 are subject to mandatory Sinking Fund Redemption at a redemption price of one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date, on each June 1, and December 1 commencing December 1, 2019, in accordance with the sinking fund redemption schedule set forth below:

Sinking Fund Payment Date	Sinking Fund Payment	Sinking Fund Payment Date	Sinking Fund Payment
12/1/2019	\$25,000	06/1/2034	\$75,000
06/1/2020	35,000	12/1/2034	75,000
12/1/2020	30,000	06/1/2035	75,000
06/1/2021	30,000	12/1/2035	75,000
12/1/2021	30,000	06/1/2036	80,000
06/1/2022	35,000	12/1/2036	80,000
12/1/2022	35,000	06/1/2037	85,000
06/1/2023	35,000	12/1/2037	85,000
12/1/2023	35,000	06/1/2038	90,000
06/1/2024	40,000	12/1/2038	95,000
12/1/2024	35,000	06/1/2039	95,000
06/1/2025	45,000	12/1/2039	100,000
12/1/2025	40,000	06/1/2040	100,000
06/1/2026	45,000	12/1/2040	110,000
12/1/2026	45,000	06/1/2041	105,000
06/1/2027	45,000	12/1/2041	110,000
12/1/2027	45,000	06/1/2042	115,000
06/1/2028	50,000	12/1/2042	120,000
12/1/2028	50,000	06/1/2043	120,000
06/1/2029	50,000	12/1/2043	125,000
12/1/2029	50,000	06/1/2044	130,000

<u>Sinking Fund Payment Date</u>	<u>Sinking Fund Payment</u>	<u>Sinking Fund Payment Date</u>	<u>Sinking Fund Payment</u>
06/1/2030	60,000	12/1/2044	140,000
12/1/2030	55,000	06/1/2045	135,000
06/1/2031	60,000	12/1/2045	145,000
12/1/2031	65,000	06/1/2046	145,000
06/1/2032	60,000	12/1/2046	155,000
12/1/2032	65,000	06/1/2047*	155,000
06/1/2033	65,000		
12/1/2033	65,000		

* Maturity.

(C) Extraordinary Redemption

The Bonds are subject to redemption prior to maturity (1) as a whole, without premium, as provided in Section 406 hereof, in the event of (a) a taking in Condemnation of, or failure of title to, all or substantially all of the Project Facility, (b) damage to or destruction of part or all of the Project Facility and election by the Company to redeem the Bonds in accordance with Section 7.1 of the Installment Sale Agreement, or (c) a taking in Condemnation of part of the Project Facility and election by the Company to redeem the Bonds in accordance with Section 7.1 of the Installment Sale Agreement, or (2) as a whole, without premium, in the event that (a) the Installment Sale Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as a result of any change in the United States Constitution or legislative or administrative action (whether state or federal), or by final decree or judgment of any court of administrative body, or (b) an Authorized Representative of the Company certifies that unreasonable burdens or excessive liabilities have been imposed on such Company or its property, including, without limitation, taxes not being imposed on the date of the Installment Sale Agreement, or (3) in part, without premium, (a) as provided in Section 406(F) hereof, in the event that (i) excess moneys remain in the Insurance and Condemnation Fund following damage or condemnation of a portion of the Project Facility and completion of the repair, rebuilding or restoration of the Project Facility by the Company, and (ii) such excess moneys are not paid to the Company pursuant to Section 406(F) hereof, (b) as provided in Section 404 hereof, in the event that excess moneys remain in the Project Fund after the Completion Date, or (c) in the event that excess proceeds of recoveries from contractors are applied to redeem Bonds pursuant to Section 4.6 of the Installment Sale Agreement, in each case to the extent of such excess. In any such event, the Bonds shall be redeemed, as a whole or in part, as the case may be, in the manner provided in this Article III, on the earliest practicable date for which the Trustee can give notice of redemption pursuant to Section 303 hereof, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(D) Partial Redemption.

In the event of the redemption of less than all of the Outstanding Bonds of any series issued under this Indenture, the maturity or maturities and amounts within maturities to be redeemed shall be selected by the Trustee at the direction of the Company. If less than all the

Outstanding Bonds of any series of the same maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the redemption date by lot or by such other method as the Trustee may determine, provided that for so long as the Bonds shall be Book-Entry Bonds, the particular Bonds or portions thereof to be redeemed within a maturity shall be selected by lot by the Depository in such manner as the Depository may determine. The Trustee shall apply any partial redemption payments made with respect to any Bonds subject to mandatory Sinking Fund Payments (other than a scheduled mandatory sinking fund redemption) to the schedule of mandatory Sinking Fund Payments for such Bonds in inverse order of maturity. Further, the Trustee may provide for the selection for redemption of portions (equal to \$100,000 or any integral multiples in excess thereof) of Bonds. In no event shall the principal amount of Bonds subject to any partial redemption be other than a whole multiple of \$5,000 thereof.

(E) Determination of Taxability

The Bonds are also subject to redemption prior to maturity upon the occurrence of a Determination of Taxability relating to such Bonds. In such event, the Bonds shall be subject to redemption, as a whole, as soon as possible after the discovery of such Determination of Taxability, at a redemption price equal to the Taxable Call Rate. If any Bonds are paid at maturity or purchased by the Trustee or redeemed subsequent to a Tax Incidence Date relating to such Series without payment of an amount at least equal to the redemption price that would have been received if such Bonds had been redeemed as a result of a Determination of Taxability, the owners of such Bonds at the time of maturity, purchase or redemption, upon establishing their then ownership thereof, shall be entitled to receive, as an additional premium thereon, an amount equal to the difference between the amounts actually received and the amounts that would have been received if such Bonds had been redeemed as a result of a Determination of Taxability.

SECTION 302. COMPANY'S ELECTION TO REDEEM.

(A) The Company shall give written notice to the Trustee and the Issuer of its election to cause redemption of Bonds prior to maturity pursuant to subsection (A) of Section 301 hereof and of the redemption date.

(B) In the event of an election by the Company to prepay the Bonds and such redemption of the Bonds is pursuant to Section 301(B) hereof, such notice shall be given at the time the Company delivers to the Trustee the prepayment of installment purchase payments with which the Bonds are to be redeemed, as described in Section 5.5 of the Installment Sale Agreement, and the redemption date specified in such notice shall be deemed to be (notwithstanding the actual date set forth therein) the first Interest Payment Date occurring more than sixty days after such payment is received by the Trustee.

SECTION 303. NOTICE OF REDEMPTION.

Notice of the intended redemption of each Bond shall be given by the Trustee by first class mail, postage prepaid, to the registered owner at the address of such owner shown on the Bond Registrar's Bond Register. All such redemption notices shall be given not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption. The Trustee shall

not give notice of any redemption of Bonds unless the Trustee shall have, at the time such notice is given, sufficient funds on hand to make such redemption.

Notices shall state the redemption date and the Redemption Price to be paid and, if less than all of the then Outstanding Bonds are called for redemption, shall state (i) the numbers of the bonds to be redeemed by giving the individual certificate of each bond to be redeemed or shall state that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption; (ii) the CUSIP numbers of all Bonds being redeemed if available, (iii) the amount of each Bond being redeemed (in the case of a partial redemption); (iv) the date of issue of the Bonds as originally issued; (v) the rate of interest borne by each of the Bonds redeemed; (vi) the maturity date of each Bond being redeemed and (vii) any other descriptive information needed to identify accurately the Bonds being redeemed. Such notice shall further state that payment of the applicable Redemption Price plus accrued interest to the date fixed for redemption will be made upon presentation and surrender of the Bonds. The notice shall require that such Bonds be surrendered at the principal corporate trust officer of the Trustee and shall state that further interest on such Bonds will not accrue from and after the redemption date.

If notice of redemption shall have been given as aforesaid, the Bonds called for redemption shall become due and payable on the redemption date, provided, however, that with respect to any optional redemption of the Bonds, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem the Bonds. In the event that such notice of optional redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of optional redemption shall be unconditional, or if the conditions of a conditional notice of optional redemption shall have been satisfied, then upon presentation and surrender of the Bonds so called for redemption at the place or places of payment, such Bonds shall be redeemed.

CUSIP number identification with appropriate dollar amounts for each CUSIP number shall also accompany each redemption payment.

In addition to providing notice of redemption as set forth above the Trustee shall send a second notice of redemption within sixty (60) days following the redemption date, by registered mail, overnight mail, overnight delivery service, or other secure means, postage prepaid to the registered owners of any Bonds called for redemption, at their addresses appearing on the Bond registration books maintained by the Trustee, who have not surrendered their Bonds for redemption within thirty (30) days following the redemption date.

Failure to give notice by mailing or any defect in the mailed notice to the registered owner of any Bond designated for redemption or to any depository or information service shall not affect the validity of the proceedings for the redemption of any other Bond if notice of such redemption shall have been mailed as herein provided.

SECTION 304. EFFECT OF NOTICE OF REDEMPTION.

Notice of redemption having been given in the manner provided in this Article III, and money for the redemption being held by the Trustee for that purpose, thereupon the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date, and interest thereon (or on such portion) shall cease to accrue on such date; and such Bonds or portions thereof shall thereafter no longer be entitled to any security or benefit under this Indenture except to receive payment of the Redemption Price thereof and, to the extent provided in Section 208(E) hereof, to receive Bonds for any unredeemed portions of such Bonds.

SECTION 305. PURCHASE IN LIEU OF OPTIONAL REDEMPTION.

In lieu of calling the Bonds for optional redemption, the Bonds shall be subject to mandatory tender for purchase at the direction of the Issuer, upon the direction of the Company, in whole on any date on or after June 1, 2027 at a Purchase Price equal to the applicable Redemption Price for any optional redemption of such Bonds as provided in Section 301(A), plus accrued interest to the purchase date. Purchases of tendered Bonds may be made without regard to any provision of this Indenture relating to the selection of Bonds in a partial optional redemption. The Bonds purchased pursuant to any mandatory tender(s) are not required to be cancelled, and if not so cancelled, shall, prior to any resale by or on behalf of the Company, not be deemed Outstanding in connection with any subsequent partial optional redemption solely for purposes of those provisions of this Indenture relating to the selection of the Bonds in a partial redemption.

Purchases in lieu of an optional redemption shall be permitted, with the consent of the Issuer, upon the delivery to the Issuer and the Trustee of (i) an opinion of Nationally Recognized Bond Counsel addressed to the Issuer and the Trustee substantially to the effect that (A) such purchases in lieu of optional redemption comply with the provisions of this Indenture and (B) neither such purchases in lieu of an optional redemption nor any transaction directly related thereto will adversely affect the exclusion from gross income of interest on the Bonds for purposes of federal income taxation, and (ii) such other opinions, certificates or documentation as the Issuer may require.

ARTICLE IV

FUNDS AND APPLICATION OF PROCEEDS OF BONDS AND REVENUES

SECTION 401. ESTABLISHMENT OF FUNDS.

(A) The Issuer hereby establishes and creates the following special trust funds and accounts comprising such funds:

- (1) Project Fund
 - (a) Project Account
 - (b) Capitalized Interest Account;

- (2) Costs of Issuance Fund;
- (3) Bond Fund;
- (4) Insurance and Condemnation Fund;
- (5) Rebate Fund
 - (a) Rebate Fund Principal Account
 - (b) Rebate Fund Earnings Account; and
- (6) Reserve Fund.

(B) The Funds created under this Indenture shall be maintained by the Trustee and shall be held in the custody of the Trustee. The Issuer authorizes and directs the Trustee to withdraw moneys from said funds for the purposes specified herein, which authorization and direction the Trustee hereby accepts. All moneys required to be deposited with or paid to the Trustee under any provision of this Indenture (1) shall be held by the Trustee in trust, and (2) except for moneys held by the Trustee (a) for the redemption of Bonds, notice of redemption of which has been duly given, or (b) as unclaimed monies in Section 410 hereof, or (c) in the Rebate Fund, shall, while held by the Trustee, constitute part of the Trust Revenues and be subject to the Lien hereof. Moneys which have been deposited with, paid to or received by the Trustee for the redemption of a portion of the Bonds or for the payment of Bonds or interest thereon due and payable otherwise than upon acceleration by declaration, shall be held in trust for and be subject to a Lien in favor of only the Holders of such Bonds so redeemed or so due and payable.

(C) Moneys held in the Rebate Fund shall not be subject to a security interest, pledge, assignment, Lien or charge in favor of the Trustee or any other Person, but shall be used solely for the purposes provided herein.

SECTION 402. APPLICATION OF BOND PROCEEDS

Upon the receipt by the Trustee of the original proceeds of the sale and delivery of the Bonds, including the amount received as accrued interest, if any, thereon, the Trustee shall apply such proceeds as follows:

(A) the sum of \$3,637,597.55 shall be deposited in the Project Account of the Project Fund and used as set forth therein or in Section 4.3 of the Installment Sale Agreement;

(B) the sum of \$143,710.95 shall be deposited into the Capitalized Interest Account of the Project Fund;

(C) the sum of \$325,468.76 an amount equal to the Reserve Fund Requirement with respect to the Bonds into the Reserve Fund established by the Trustee;

(D) the remainder of the proceeds of the Bonds in the amount of \$63,222.74 and the equity contribution in amount of \$101,200 shall be deposited in the Cost of Issuance Fund to pay Costs of Issuance in the amount of \$111,100 and other delivery date expenses in the amount of \$53,322.74.

(E) a sum equal to the accrued interest, if any, paid by the initial purchasers of the Bonds shall be deposited in the Bond Fund established by the Trustee pursuant to Section 405 hereof.

SECTION 403. TRANSFERS OF TRUST REVENUES TO FUNDS.

(A) Commencing the first date on which installment purchase payments are received from the Company pursuant to Section 5.3(A) of the Installment Sale Agreement, and thereafter, the Trustee shall deposit such payments, upon the receipt thereof, in the Bond Fund.

(B) The Net Proceeds of any insurance settlement or Condemnation award received by the Trustee shall, upon receipt thereof, be deposited in the Insurance and Condemnation Fund.

(C) Any amount received by the Trustee from the Company pursuant to Section 5.3(B)(3) or 5.3(B)(4) of the Installment Sale Agreement shall be deposited into the Reserve Fund.

SECTION 404. PROJECT FUND.

(A) In addition to moneys deposited in the Project Fund from the proceeds of the sale of the Bonds pursuant to Section 402 hereof, there shall be deposited in the Project Fund any and all moneys received by the Trustee under or pursuant to this Indenture or the other Financing Documents which, by terms hereof or thereof, are to be deposited in the Project Fund. Moneys on deposit in the Project Fund shall be disbursed and applied by the Trustee to pay the Costs of the Project pursuant to the provisions of Section 4.3 of the Installment Sale Agreement and this Section 404. Moneys on deposit in the Project Fund with respect to the Additional Bonds shall be disbursed in accordance with the provisions of the supplemental indenture authorizing the issuance of the Bonds.

(B) The Trustee is hereby authorized to disburse from the Capitalized Interest Subaccount of the Project Fund, on the third Business Day prior to a Bond Payment Date, for deposit into the Bond Fund, such amount, together with amounts already available as is sufficient to pay the interest on the Bonds coming due on such Bond Payment Date (or, if sufficient funds are then on deposit, the balance in the Capitalized Interest Subaccount).

(C) The Trustee is hereby authorized and directed to disburse moneys from the Project Account Subaccount of the Project Fund upon receipt by the Trustee of a Request for Disbursement, in substantially the form attached hereto as Exhibit C (if such request relates to the portion of the Project intended to be funded out the Project Account Subaccount), certified by an Authorized Representative of the Company in accordance with the applicable provisions of this Indenture and the Installment Sale Agreement. The Trustee shall have no obligation

whatsoever to independently verify any of the information on any Request for Disbursement and shall not be responsible for any disbursement made in accordance with this Section 404(C).

(D) Moneys on deposit in the Project Fund may be invested in Authorized Investments in accordance with Section 411 hereof. All interest and other income accrued and earned on amounts held in the Project Fund shall be deposited by the Trustee into the appropriate account of the Project Fund related to such monies and may be used to pay the Costs of the Project related to such account.

(E) (1) Except for any amount retained for a payment of incurred and unpaid items of the Cost of the Project, after the Completion Date, all moneys in the Project Fund (in excess of any amount required to be transferred to the Rebate Fund pursuant to Section 407 hereof and the Tax Documents) shall be transferred from the Project Fund to the Bond Fund and be applied as soon as possible to the redemption of the Bonds in accordance with Article III hereof.

(1) In the event that the unpaid principal amount of the Bonds shall be accelerated upon the occurrence of an Event of Default, the balance in the Project Fund (in excess of any amount required to be transferred to the Rebate Fund pursuant to Section 407 hereof and the Tax Documents) shall be transferred from the Project Fund to the Bond Fund as soon as possible and shall be used to pay the principal of, premium, if any, and interest on the Bonds.

(F) The Trustee shall maintain adequate records pertaining to the Project Fund and all disbursements therefrom, and shall, upon request of the Issuer or the Company and within sixty (60) days after the Completion Date, file an accounting thereof with the Issuer and the Company.

SECTION 405. BOND FUND.

(A) In addition to the moneys deposited to the Bond Fund, (1) from the proceeds of the Bonds pursuant to Section 402 hereof and (2) pursuant to Section 403, 404, 406, 407 and 408 hereof, there shall be deposited in the Bond Fund (a) all installment purchase payments received from the Company under the Installment Sale Agreement (except payments made with respect to the Unassigned Rights, which shall be paid to the Issuer), (b) any amount in the Insurance and Condemnation Fund directed to be paid into the Bond Fund under Section 406 hereof, (c) any amounts received from the Company pursuant to Section 4.6 of the Installment Sale Agreement, (d) all prepayments by the Company in accordance with Section 5.5 of the Installment Sale Agreement in connection with which notice has been given to the Trustee pursuant to Section 303 hereof, (e) all moneys held in the Accounts in the Reserve Fund which are in excess of the amount required to be held in the Reserve Fund as of such date, and (f) all other moneys received by the Trustee under and pursuant to this Indenture or the other Financing Documents which by the terms hereof or thereof are to be deposited into the Bond Fund, or are accompanied by directions from the Company or the Issuer that such moneys are to be paid into the Bond Funds.

(B) Moneys on deposit in the Bond Fund may be invested in Authorized Investments in accordance with Section 411 hereof. All interest and other income accrued and earned on moneys on deposit in the Bond Fund shall be deposited by the Trustee into the Bond Fund. Moneys on deposit in the Bond Fund shall, subject to Section 405(C) hereof, be applied by the Trustee to pay the principal of, premium, if any, and interest on the Bonds as the same become due, whether at Stated Maturity, upon acceleration of the Bonds or upon redemption of the Bonds, except as provided in Section 412 hereof.

(C) On the Business Day immediately following a Bond Payment Date, if any amounts remain the Bond Fund, such amounts shall be transferred, to the extent necessary, to the Reserve Fund, until the amount held in the Reserve Fund is at least equal to the Reserve Fund Requirement with respect to the Bonds.

(D) On the Business Day immediately following a Bond Payment Date, if any amounts remain in the Bond fund after the Trustee has made the transfers required by Section 405(C) hereof, the Trustee shall inform the Company of the amount remaining in the Bond Fund, and such moneys shall be applied by the Trustee to the Debt Service Payments due on the following Bond Payment Date.

(E) Notwithstanding anything herein to the contrary, except as otherwise provided in the Tax Documents, in no event shall moneys deposited in the Bond Fund be retained for a period in excess of one (1) year.

SECTION 406. INSURANCE AND CONDEMNATION FUND.

(A) The Net Proceeds of any insurance settlement or Condemnation award received by the Trustee in connection with damage to or destruction of or the taking of part or all of the Project Facility shall be deposited into the Insurance and Condemnation Fund. Pursuant to Section VII of the Installment Sale Agreement, all such moneys shall be disbursed for the restoration or repair of the damage to all or part of the Project Facility.

(B) If, pursuant to Sections 7.1 or 7.2 of the Installment Sale Agreement, following damage to or Condemnation of all or a portion of the Project Facility, (1) the Company exercises its option not to repair, rebuild or restore the Project Facility and to require the redemption of the Bonds, or (2) if a taking in Condemnation as described in Section 7.2(C) of the Installment Sale Agreement occurs, the Trustee shall, after any transfer to the Rebate Fund required by the Tax Documents and Section 407 hereof is made, transfer all moneys held in the Insurance and Condemnation Fund to the Bond Fund to be applied to the redemption of the Bonds then Outstanding pursuant to Section 301(C) hereof, except as provided in 412 hereof.

(C) In the event the Company undertakes to repair, rebuild or restore the Project Facility, and provided no Event of Default has occurred and is continuing, moneys held in the Insurance and Condemnation Fund and attributable to the damage to or the destruction of or taking of the Project Facility shall, after any transfer to the Rebate Fund required by the Tax Documents and Section 407 hereof is made, be applied to pay the costs of such repairs, rebuilding or restoration in accordance with the terms and conditions set forth in Section 406(D) hereof.

(D) The Trustee is hereby authorized to and shall make such disbursements, at the Company's request, either upon the completion of such repairs, rebuilding or restoration or periodically as such repairs, rebuilding or restoration progress, upon receipt by the Trustee of a certificate of Authorized Representative of the Company, stating, with respect to each payment to be made (1) the amount or amounts to be paid, the Person or Persons (which may include the Issuer and the Company for reimbursement of such costs) to whom an amount is to be paid and the total amount sum of all such amounts; (2) that the Company has expended, or is expending, concurrently with the delivery of such certificate, such amount or amounts on account of costs incurred in connection with the repair, rebuilding or restoration of the Project Facility; (3) that all contractors, workmen and suppliers have been or will be paid through the date of such certificate from the funds to be disbursed; (4) that there exists no Event of Default and no condition, event or act which, with notice or the lapse of time or both, would constitute an Event of Default; (5) that no certificate with respect to such expenditures has previously been delivered to the Trustee. Each such certificate shall be accompanied by bills, invoices, releases of liens, or other evidences reasonably satisfactory to the Trustee. The Trustee shall be entitled to rely on such certificate.

(E) Upon completion of the repair, rebuilding or restoration of the Project Facility, an Authorized Representative of the Company shall deliver to the Trustee a certificate stating (1) the date of such completion, (2) that all labor, services, materials and supplies used therefor and all costs and expenses in connection therewith have been paid, (3) that the Project Facility has been restored to substantially its condition immediately prior to the damage or as a complete architectural unit of substantially the same usefulness, design and condition as existed immediately prior to the Condemnation thereof, or to a condition of at least equivalent value, operating efficiency and function, (4) that the Issuer has good and valid title to all Property constituting part of the restored Project Facility and that the Project Facility is subject to the Installment Sale Agreement and the Liens and security interests of this Indenture and of the Mortgage, (5) the applicable Rebate Amount with respect to the Net Proceeds of the insurance settlement or Condemnation award and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Trustee of any required transfer to the Rebate Fund), and (6) that the restored Project Facility is ready for occupancy, use and operation for its intended purposes. Notwithstanding the foregoing, such certificate may state (a) that it is given without prejudice to any rights of the Company against third parties which exist at the date of such certificate or which may subsequently come into being, (b) that it is given only for the purposes of this Section 406 and (c) that no Person other than the Issuer or the Trustee may benefit therefrom. Such certificate shall be accompanied by a certificate of an Independent Engineer as to items (3) and (6) above, a certificate of occupancy, if required, and any and all permissions, licenses or consents required of Governmental Authorities for the occupancy, operation and use of the Project Facility for its intended purposes.

(F) All earnings on amounts held in the Insurance and Condemnation Proceeds Fund shall be deposited by the Trustee into the Insurance and Condemnation Fund. All moneys which remain in the Insurance and Condemnation Fund following the date on which the Company shall have no further right to draw on the same shall be transferred to the Bond Fund pursuant to Section 406(G) hereof.

(G) If the cost of the repairs, rebuilding or restoration of the Project Facility effected by the Company shall be less than the amount in the Insurance and Condemnation Fund,

then on the completion of such repairs, rebuilding or restoration as evidenced to the Trustee pursuant to Section 406(E) hereof, the Trustee shall transfer such difference to the Company for its purposes if (1) the Company so requests, and (2) the Trustee obtains, at the Company's expense, an opinion of Bond Counsel that such transfer will not cause the Bonds to be "arbitrage bonds" as defined in Section 148 of the Code; otherwise such difference shall be deposited by the Trustee in the Bond Fund and applied to redeem the Bonds in accordance with Article III hereof.

(H) If the cost of the repair, rebuilding or restoration of the Project Facility shall be in excess of the moneys held in the Insurance and Condemnation Fund, the Company shall expend such additional moneys as necessary to pay the cost of completing such repair, rebuilding or restoration. Prior to making any disbursement pursuant to Section 406(D) hereof, the Trustee shall be entitled (but not obligated) to receive from the Company evidence as to the cost of repair, rebuilding or restoration of the Project Facility and the proposed sources of repayment thereof.

SECTION 407. REBATE FUND.

(A) The Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Representative of the Company, shall deposit in the Rebate Fund, within thirty (30) days after the end of each Bond Year commencing with the first Bond Year, an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of the last day of the prior Bond Year. If there has been delivered to the Trustee a certification of the Rebate Amount in conjunction with the completion of the Project pursuant to Section 404(F) or the restoration of the Project Facility pursuant to Section 406(E) hereof at any time during a Bond Year, the Trustee shall deposit in the Rebate Fund upon receipt of such certification an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated on the Completion Date or at the time of restoration of the Project Facility, as the case may be. The amount to be deposited in the Rebate Fund shall be withdrawn from the fund or funds designated by the Company, or from other moneys made available by the Company.

(B) Amounts on deposit in the Rebate Fund shall be invested in accordance with the provisions of Section 411 hereof and the Tax Documents. All income from such investments shall be deposited in the Rebate Fund and paid to the United States on the date of any payment made pursuant to Section 407(D) hereof.

(C) In the event that on the first day of any Bond Year, after the calculation of the Rebate Amount, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Representative of the Company, shall withdraw such excess amount and deposit it in the Project Fund prior to the completion of the Project, or, after the completion of the Project, transfer such excess to the Bond Fund to be applied to the payment of principal and interest due on the Bonds on the next following Bond Payment Date, or to the extent such moneys exceed such amount, be paid to the Company.

(D) The Trustee, upon the receipt of written instructions from an Authorized Representative of the Company, shall pay to the United States, from amounts on deposit in the Rebate Fund or from other moneys supplied by the Company, (1) not less frequently than once every five (5) years after the date of original issuance of the Bonds, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to ninety percent (90%) of the Rebate Amount with respect to the Bonds as of the date of such payment plus all amounts then held in the Rebate Fund, and (2) not later than thirty (30) days after the date on which all Bonds have been paid in full, one hundred percent (100%) of the Rebate Amount as of the date of such payment plus all amounts then held in the Rebate Fund.

(E) This Section 407 may be amended at the request of the Company to comply with the applicable regulations of the Treasury Department upon the delivery by the Company to the Trustee of an opinion of Bond Counsel that such amendment will not adversely affect the exclusion from gross income for federal income tax purposes applicable to the interest on the Bonds which exists on the Closing Date.

SECTION 408. RESERVE FUND.

(A) Upon the issuance, sale and delivery of the Bonds, the Issuer shall transfer to the Trustee for deposit into the Reserve Fund, an amount equal to the Reserve Fund Requirement for the Bonds to the extent such monies are available for such purpose from the proceeds of the sale of the Bonds. Upon the issuance of any Additional Bonds, the Trustee shall deposit an amount equal to the Reserve Fund Requirement relating to such Additional Bonds into the Reserve Fund.

(B) If, on the Business Day preceding any Bond Payment Date, the amount on deposit in the Bond Fund is not sufficient to pay Debt Service Payments due on such Bond Payment Date with respect to the Bonds then Outstanding, the Trustee shall transfer from the Reserve Fund and deposit into the Bond Fund an amount of money sufficient, when added to the amounts then on deposit in the Bond Fund and available to make available to make Debt Service Payments coming due on the Bonds on such Bond Payment Date.

(C) All earnings on amounts held in the Reserve Fund which, pursuant to Section 411(D) hereof, are deposited by the Trustee into the Bond Fund, may be used to pay Debt Service Payments due on the Bonds. On the seventh Business Day prior to each Bond Payment Date during the term of the Bonds, the Trustee shall ensure that any such investment earnings on money on deposit in the Reserve Fund have been transferred to the Bond Fund, as provided in Section 408(B) hereof. If the principal of all the Bonds shall have become due and payable, whether by maturity, by redemption or otherwise, the Trustee shall transfer from the Reserve Fund and deposit into the Bond Fund any balance remaining within the Reserve Fund.

(D) The Trustee shall notify the Company in writing of any withdrawal from the Reserve Fund, or any deficiency on the amounts required to be on deposit to the credit of the Reserve Fund determined upon periodic valuation thereof pursuant to Section 408(F) and Section 408(H) hereof. Pursuant to Section 5.3(B)(3) of the Installment Sale Agreement, the Company has agreed to replenish any withdrawal from the Reserve Fund in monthly payments commencing immediately succeeding receipt by the Company from the Trustee of notice of such

withdrawal identified in such notice; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement. Pursuant to Section 5.3(B)(4) of the Installment Sale Agreement, the Company has agreed to replenish any deficiency in the Reserve Fund in monthly payments made prior to the next periodic valuation date, each such monthly payment to be in an amount at least equal to one-quarter of the deficiency identified in the notice of deficiency received by the Company from the Trustee; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement.

(E) Reserved.

(F) Quarterly, at least fifteen Business Days prior to each Interest Payment Date, the amounts in the Reserve Fund shall be valued by the Trustee as provided in Section 408(H) hereof. If the amounts held in the Reserve Fund together with any interest and other income received by the investment of moneys therein shall exceed therein over the Reserve Fund Requirement as of such date of withdrawal and such excess shall be first used by the Trustee to pay its fees and expenses for Ordinary and Extraordinary Services and any other amounts owed to the Trustee hereunder and under the other Financing Documents and the balance shall be transferred by the Trustee to the Bond Fund and used to pay Debt Service Payments due on the Bonds on the next succeeding Bond Payment Date and credited to the Company's obligation to make installment purchase payments relating to such Bond Payment Date.

(G) In the event the amount held in the Reserve Fund on the fifteenth Business Day prior to any Bond Payment Date exceeds the principal amount of Bonds which will be Outstanding after such Bond Payment Date, the Trustee shall, after being reasonably satisfied that its fees and expenses for the performance of its services hereunder and any other amounts owed to the Trustee hereunder and under the other Financing Documents will be paid, transfer such excess amounts from the Reserve Fund to the Bond Fund to be applied to the Debt Service Payments on the Bonds on such Bond Payment Date.

(H) In computing the amount in the Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at the par amount of such obligations or the market value thereof, whichever is lower. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be made not less often than semiannually. The Trustee shall notify the Company in writing of any deficiency in the amounts required to be on deposit in the Reserve Fund.

SECTION 409. COSTS OF ISSUANCE FUND

The Trustee shall establish a Costs of Issuance Fund. The moneys on deposit with such fund pursuant to Section 402(B) hereof shall be shall be disbursed by the Trustee to pay the Costs of Issuance then due and payable as directed by the Company in writing.

SECTION 410. NON-PRESENTMENT OF BONDS.

(A) Subject to the provisions of Sections 206, 207 and 208 hereof, in the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, if moneys sufficient to pay such Bond shall have been deposited with the Trustee for the benefit of the Holder thereof, such Bond shall be deemed cancelled, redeemed or retired on such date even if not presented on such date and all liability of the Issuer to the Holder thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged; and thereupon it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the Holder of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or with respect to such Bond.

(B) Subject to any law to the contrary, if any Bond shall not be presented for payment prior to four (4) years following the date when such Bond becomes due, either at maturity or at the date fixed for redemption or otherwise, the Trustee shall return to the Company such amounts theretofore held by it for the payment of such Bond, and (1) the owner of such Bond shall thereafter be entitled to look only to the Company for payment thereof, and then only to the extent of the amount so repaid to the Company, who shall not be liable for any interest thereon and shall not be regarded as a trustee of such money, (2) all liability of the Trustee with respect to such moneys shall terminate, and (3) such Bond shall, subject to the defense of any applicable statute of limitations, thereafter be an unsecured obligation of the Company. The Trustee shall, at least sixty (60) days prior to the expiration of the above described period, give notice to any owner who has not presented any Bond for payment that any moneys held for the payment of any such Bond will be returned as provided in this Section 410 at the expiration of such period. The failure of the Trustee to give any such notice shall not affect the validity of any transfer of funds pursuant to this Section 410.

SECTION 411. INVESTMENT OF FUNDS.

(A) Any moneys held as part of any fund created herein shall be continuously invested and reinvested, from time to time, by the Trustee in Authorized Investments at the written direction of the Company or, in the absence of such direction, held in cash uninvested.

(B) The Company shall direct that any moneys held in any fund shall be invested so that (1) all investments shall mature or be subject to mandatory redemption by the holder of such investments (at not less than the principal amount thereof, or the market value, whichever is lower), and all deposits in time accounts shall be subject to withdrawal, without penalty, not later than the date when the amounts will foreseeably be needed for purposes of this Indenture, (2) investments of moneys on deposit in the Bond Fund shall mature or be subject to mandatory redemption by the holder (at not less than the principal amount thereof) in not more than one-hundred eighty (180) days as needed from the date of acquisition, (3) the weighted average maturity of investments on deposit in the Reserve Fund shall not exceed ten (10) years and in any event such investments shall mature not later than the Final Maturity of the Bonds, (4) no portion of the proceeds derived from the sale of the Bonds or any other moneys held in any fund established under this Article shall be invested, directly or indirectly, in such manner as to cause any Bond to be an "arbitrage bond" within the meaning of that quoted term in Section 148

of the Code and (5) in no event shall any moneys transferred from the Project Fund to the Bond Fund pursuant to Section 404(D) hereof be invested at a “yield” (as defined in Section 148 of the Code) greater than the “yield” on the Bonds. The investments so purchased shall be held by the Trustee and shall be deemed at all times to be a part of the fund in which such moneys were held. The Trustee is directed to sell and reduce to cash a sufficient amount of such investments whenever the cash balance in said fund shall be insufficient to cover a proper disbursement from said fund. The Trustee may make any investment permitted by this Section 411 through its own investment department. The Trustee shall not be liable for any depreciation in the value of any investment made pursuant to this Section 411 or for any loss arising from such investment. All funds and accounts shall be valued at the lesser of the cost of the investments held therein or the market value. All valuations may be based upon the pricing service utilized by the Trustee to value all of its trust investments. Where market prices for investments held hereunder are not readily available, the market price for such investments shall be the cost of such obligations. Any loss on investments in any fund or account created hereunder shall be charged to the fund or account in which such investment was held.

(C) The Trustee is directed to sell and reduce to cash a sufficient amount of such investments (in its sole discretion and without any liability therefor) whenever the cash balance in said fund shall be insufficient to cover a proper disbursement from said fund, and the Trustee shall have no liability with respect to any choice made by it of investments to sell pursuant to this subsection.

(D) Net income or gain received and collected from such investments shall be credited and losses charged to (1) the Rebate Fund Earnings Account with respect to the investment of amounts held in the Rebate Fund and (2) the applicable accounts within the Project Fund, the Bond Fund, the Reserve Fund or the Insurance and Condemnation Fund, as the case may be, with respect to the investment of amounts held in such funds, provided that, subject to Section 408(F), earnings on the accounts within the Reserve Fund, which, if deposited or held in such accounts within the Reserve Fund, would cause the amount on deposit in the accounts within the Reserve Fund to exceed the Reserve Fund Requirement shall be deposited or transferred into the Bond Fund.

(E) For purposes of determining the amount on deposit in any fund held by the Trustee, moneys invested in Authorized Investments shall be valued at the lower of the cost of such Authorized Investment or its market value as of the date of valuation.

(F) Although the Company recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Company agrees that confirmations of permitted investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered and that no statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

SECTION 412. FINAL DISPOSITION OF MONEYS.

In the event there are no Bonds Outstanding, and subject to any applicable law to the contrary, after payment of all fees, charges and expenses, including, but not limited to reasonable

attorney's fees, of the Issuer, the Trustee and the Company and all other amounts required to be paid hereunder and under the other Financing Documents and after payment of any amounts required to be rebated to the United States hereunder and under the Tax Certificate and the Tax Compliance Certificate or any provision of the Code, all amounts remaining in any fund established under this Indenture shall be transferred to the Company (except amounts held with respect to the Unassigned Rights, which amounts shall be paid to the Issuer).

SECTION 413. PERIODIC REPORTS BY TRUSTEE.

Within fifteen (15) days after each June 1 and December 1, the Trustee shall furnish to the Company, commencing on or before the fifteenth day of the first such date following the date in which the Bonds are delivered, a report on the status of each of the funds established under this Article IV, showing at least the balance in such fund as of the final day of the period with respect to which the last such report described (or, if such report is the first such report, as of the Closing Date), the total of deposits into (including interest on investments) and the total of disbursements from such fund, the dates of such deposits and disbursements, and the balance in such fund on the last day of the period to which such report relates (which date shall be not earlier than the last day of the calendar month preceding the date of such report).

ARTICLE V

GENERAL COVENANTS

SECTION 501. AUTHORITY OF ISSUER; VALIDITY OF INDENTURE AND BONDS.

The Issuer hereby represents, warrants and covenants that it is duly authorized under the constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds authorized hereby, to execute this Indenture and to pledge the revenues and receipts in the manner necessary for the issuance of the Bonds authorized hereby; that the execution and delivery of this Indenture has been duly and effectively authorized; and that such Bonds in the hands of the owners thereof are and will be valid and enforceable special and limited obligations of the Issuer according to the import thereof.

SECTION 502. PAYMENT OF PRINCIPAL AND INTEREST.

The Issuer covenants that it shall promptly pay the principal of, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof, subject to the provisions of Section 1109 hereof.

SECTION 503. PROCESSING OF TRANSFERS.

Subject to the provisions of Section 207(C), Section 207(F) and Section 212 hereof, the Trustee represents to and covenants with the Issuer and the Bondholders that it will take all reasonable action required and capable of performance on its part to process transfers of Bonds within seventy-two (72) hours of receipt of a request therefor.

SECTION 504. PERFORMANCE OF COVENANTS; AUTHORITY OF ISSUER.

The Issuer covenants (subject to Sections 515 and 1109 hereof), and the Trustee by executing this Indenture covenants, that each will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings pertaining thereto. The Issuer covenants and represents that it is duly authorized under the laws of the State to issue the Bonds authorized hereby and to execute and deliver this Indenture, to convey the interest; described herein and conveyed hereby, to pledge the revenues, receipts and other moneys hereby pledged in the manner and to the extent herein set forth and to execute and deliver the Financing Documents to which it is a party; that all action on its part for the issuance of the Bonds and the execution and delivery of the Financing Documents to which it is a party has been duly and effectively taken; and that the Bonds in the hands of the holders and owners thereof are and will be valid and enforceable special and limited obligations of the Issuer according to the import thereof.

SECTION 505. PRIORITY OF LIEN OF INDENTURE.

The Issuer hereby represents, warrants and covenants that this Indenture is and will be a first Lien upon the Trust Revenues and the Issuer agrees not to create or suffer to be created any Lien having priority or preference over the Lien of this Indenture upon the Trust Revenues or any part thereof, except as otherwise specifically provided herein.

SECTION 506. INSTRUMENTS OF FURTHER ASSURANCE.

The Issuer covenants (subject to Sections 515 and 1109 hereof) that it will, at the sole expense of the Company, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such indentures supplemental hereto, and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular its interest in all Property purported to be made subject to the Lien hereof by the Granting Clauses hereof, and in the Trust Estate herein described and pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds. Any and all interest in the Trust Estate or any other Property hereafter acquired which is of any kind or nature herein provided to be and become subject to the Lien hereof shall, without any further conveyance, assignment or act on the part of the Issuer or the Trustee, become and be subject to the Lien of this Indenture as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Issuer under this Section. The Issuer covenants and agrees that, except as herein otherwise provided, it has not and will not sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Trust Revenues.

SECTION 507. INSPECTION OF PROJECT BOOKS.

The Issuer covenants and agrees that all books and documents in its possession relating to the Project Facility and the Bonds shall at all times be open to inspection by such accountants or other agencies as the Trustee may from time to time reasonably designate.

SECTION 508. NO MODIFICATION OF SECURITY; LIMITATION ON LIENS.

The Issuer covenants that it will not, without the written consent of the Trustee, alter, modify or cancel, or agree to alter, modify or cancel, the Installment Sale Agreement or any other Financing Document to which the Issuer is a party, or which has been assigned to the Issuer and which relates to or affects the security for the Bonds, except as contemplated hereby or pursuant to the terms of such document. The Issuer further covenants that, except for the Financing Documents and other Permitted Encumbrances, the Issuer will not incur, or suffer to be incurred, any mortgage, Lien, charge or encumbrance on or pledge of any of the Trust Revenues prior to or on a parity with the Lien of this Indenture.

SECTION 509. DAMAGE, DESTRUCTION, OR CONDEMNATION.

The rights and obligations of the Company, the Issuer and the Trustee in the event of damage or destruction of the Project Facility or part thereof shall be determined by reference to Section 7.1 of the Installment Sale Agreement and this Indenture.

SECTION 510. CONDEMNATION.

The rights and obligations of the Company, the Issuer and the Trustee in the event of a taking of part or all of the Project Facility by Condemnation shall be determined by reference to Section 7.1 of the Installment Sale Agreement.

SECTION 511. ACCOUNTS AND AUDITS.

The Trustee shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Project Facility or any part thereof, and which, together with all other books and papers of the Trustee in connection with the Project Facility, shall at all reasonable times be subject to the inspection of the Company and the Issuer, or the holder or holders of the Bonds then Outstanding or their representatives duly authorized in writing.

SECTION 512. RECORDATION; FINANCING STATEMENTS.

The security interest of the Trustee created by this Indenture in the Trust Estate shall be perfected by the filing of financing statements by the Issuer which fully comply with the requirements of the New York Uniform Commercial Code-Secured Transactions in the office of the Secretary of State of the State of New York, and in the office of the County Clerk of the County of Essex, New York. Such financing statements and continuation statements and any additional financing statements or financing statement amendments shall be filed and/or refiled by the Issuer or, by counsel to the Issuer, whenever and wherever as in the opinion of counsel to the Company who shall be reasonably satisfactory to the Trustee shall be necessary to preserve the lien and security interest of this Indenture within the time prescribed by the New York Uniform Commercial Code--Secured Transactions in said office of the Secretary of State and in the office of such County Clerk. The Company will, within ten (10) days after any such filing, refiling or other act, cause to be furnished to the Issuer and the Trustee an opinion of such counsel as to the adequacy and reciting the details of such filing, refiling or other act and specifying any re-recording or re-filing to be effected in the future with respect thereto. The

Issuer hereby irrevocably appoints the Trustee as the Issuer's lawful attorney-in-fact and agent, to prepare and execute any UCC-3 Amendments or Assignments on the Issuer's behalf in order to protect the Trustee's security interests in the Trust Estate, and on the Issuer's behalf to file such Financing Statements signed by the Trustee without the Issuer's execution thereof, in any appropriate public office.

SECTION 513. COVENANT AGAINST ARBITRAGE BONDS.

(A) Notwithstanding any other provision of this Indenture, so long as any Bond shall be Outstanding, the Issuer shall not use or direct or permit the use of the proceeds of the Bonds or any other moneys in its control (including, without limitation, the proceeds of any insurance settlement or Condemnation award with respect to the Project Facility) in such manner as would cause any of the Bonds to be an "arbitrage bond" within the meaning of such quoted term in Section 148 of the Code. Notwithstanding the foregoing, there shall be no such obligation upon the Issuer with respect to the use or investment of its administrative fee, provided, however, that if the Company is required to rebate any amount with respect to such administrative fee, the Issuer shall provide, upon the reasonable request of the Company, such information concerning the investment of such administrative fee as shall be requested by the Company and as shall be reasonably available to the Issuer.

(B) The Issuer shall not be responsible for the calculation or payment of any Rebate Amount required by Section 148 of the Code.

(C) The Trustee shall not be responsible for the calculation or payment from its own funds, of any amount required to be rebated to the United States under Section 148 of the Code. The Trustee shall, however, make such transfers to the Rebate Fund and pay such amounts from the funds and accounts created hereunder and from the Company's funds to the United States as the Company, in accordance with this Indenture and the Tax Documents, shall direct. The Trustee shall be required to cause the calculation of any rebate amount required by Section 148 of the Code to be made by the Rebate Analyst.

SECTION 514. COVENANT REGARDING ADJUSTMENT OF DEBTS.

In any case under the United States Code involving the Issuer as debtor, the Issuer, unless compelled by a court of competent jurisdiction, shall neither list the Trust Revenues or any part thereof or the Project Facility or any part thereof as an asset or property of the Issuer nor list any amounts owed upon the Bonds Outstanding as a debt of or claim against the Issuer.

SECTION 515. LIMITATION ON OBLIGATIONS OF THE ISSUER.

Notwithstanding any provision of this Indenture to the contrary, no order or decree of specific performance with respect to any of the obligations of the Issuer hereunder shall be sought or enforced against the Issuer unless (A) the party seeking such order or decree shall first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Issuer shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request within such ten (10) day period)

or failed to respond within such notice period, (B) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Issuer an amount or undertaking sufficient to cover such reasonable fees and expenses, and (C) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents or employees shall be subject to potential liability, the party seeking such order or decree shall (1) agree to indemnify and hold harmless the Issuer and its members, officers, agents and employees against any liability incurred as a result of its compliance with such demand, and (2) if requested by the Issuer, furnish to the Issuer satisfactory security to protect the Issuer and its members, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request; provided, however, that no limitation on the obligations of the Issuer contained in this Section 515 by virtue of any lack of assurance provided in (A), (B) or (C) hereof shall be deemed to prevent the occurrence and full force and effect of any Event of Default hereunder.

SECTION 516. AGREEMENT TO PROVIDE INFORMATION.

(A) The Trustee agrees, whenever requested in writing by the Issuer or the Company, to provide such information that is known to the Trustee relating to the Bonds as the Issuer or the Company from time to time may reasonably request, including, but not limited to, such information as may be necessary to enable the Issuer or the Company to make any reports required by any Federal, state or local law or regulation.

(B) The Trustee acknowledges receipt from the Company of the Continuing Disclosure Agreement relating to the Bonds.

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

SECTION 601. EVENTS OF DEFAULT.

Each of the following shall be an "Event of Default" with respect to the Bonds under this Indenture:

- (A) default in the due and punctual payment of any interest on any Bond; or
- (B) default in the due and punctual payment of the principal of or premium, if any, on any Bond whether at the Stated Maturity thereof, or on proceedings for redemption thereof, or on the maturity thereof by declaration; or
- (C) an event of default on the part of the Company has occurred under the Installment Sale Agreement or the Mortgage and be continuing and all sums payable by the Company shall have been declared to be immediately due and payable; or

(D) subject to Section 614 hereof, and subject to any right to waive the same as set forth in the Financing Documents, receipt by the Trustee of notice of the occurrence of an Event of Default under any of the other Financing Documents or default (other than Events of Default referenced in paragraphs (A) through (C) above), and the continuance thereof for a period of 30 days following written notice to the Issuer from the Trustee or the registered owners of at least 100% of the Bonds Outstanding at such time specifying such default and requiring the same to be remedied; or

(E) subject to Section 614 hereof, default in the performance or observance of any other covenant, agreement or condition on the part of the Issuer in this Indenture or in any Bond to be performed or observed and the continuance thereof be a period of thirty (30) days after written notice thereof is given to the Issuer and the Company by the Trustee or by the Controlling Bondholders.

SECTION 602. ACCELERATION.

(A) Upon (1) the occurrence of an Event of Default as provided in Section 601(A), (B) or (C), the Trustee shall, or (2) the occurrence of an Event of Default under Section 601(D) through 601(E) hereof and so long as such Event of Default is continuing, the Trustee may, and upon the written request of the Controlling Bondholders the Trustee shall, by notice in writing delivered to the Company, with a copy of such notice being sent to the Issuer, declare the entire principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Upon any such declaration, the Trustee shall immediately declare an amount equal to all amounts then due and payable on the Bonds to be immediately due and payable under the Installment Sale Agreement.

(B) Upon the occurrence of any declaration by the Trustee under this Section 602, the principal of the Bonds then Outstanding and the interest accrued thereon shall thereupon become and be immediately due and payable, and interest shall continue to accrue thereon until the date of payment.

SECTION 603. ENFORCEMENT OF REMEDIES.

(A) Upon the occurrence and during the continuance of any Event of Default, the Trustee shall exercise such of the rights and powers vested in the Trustee by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(B) Upon the occurrence and continuance of any Event of Default, the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce payment of and receive any amounts due or becoming due from the Issuer or the Company under any of the provisions of this Indenture, the Installment Sale Agreement and the other Financing Documents, without prejudice to any other right or remedy of the Trustee or the Bondholders. The Trustee may sue for, enforce payment of and receive any amounts due or becoming due from the Company for principal, premium, interest or otherwise

under any of the provisions of this Indenture or the other Financing Documents, without prejudice to any other right or remedy of the Trustee.

(C) Regardless of the happening of an Event of Default, the Trustee may institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Indenture and the other Financing Documents by any acts which may be unlawful or in violation of this Indenture or any other Financing Document or of any resolution authorizing the Bonds, or to preserve or protect the interest of the Trustee and/or the Bondholders.

SECTION 604. APPOINTMENT OF RECEIVERS.

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the owners of Bonds under this Indenture or any other Financing Documents, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Project Facility and of the revenues, issues, payments and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 605. RIGHTS OF BONDHOLDERS TO OBLIGATE TRUSTEE TO PROTECT BONDHOLDERS.

In an Event of Default shall have occurred and is continuing, and if requested in writing so to do by the Controlling Bondholders, and if secured and indemnified as provided in Section 701(I) herein, the Trustee shall be obligated to proceed to protect its rights and the rights of Bondholders under applicable law, the Installment Sale Agreement, the Bonds, this Indenture and the other Financing Documents, as the Trustee, being advised by Independent Counsel, shall deem most expedient in the interest of the Bondholders.

SECTION 606. REMEDIES NOT EXCLUSIVE; WAIVER AND NON-WAIVER OF EVENT OF DEFAULT.

(A) No remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

(B) No delays or omission in respect of exercising any right or power accruing upon any default shall impair such right or power or be a waiver of such default, and every remedy given by this Article VI may be exercised from time to time and as often as may be deemed expedient.

(C) No waiver of any Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent or concurrent Event of Default or shall impair any rights or remedies consequent thereto.

SECTION 607. RIGHTS OF BONDHOLDERS TO DIRECT PROCEEDINGS

The Majority Bondholders shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee and upon offering the Trustee the security and indemnity provided for in Section 701(I), to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, the Installment Sale Agreement and any other Financing Documents, or the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and is not unduly prejudicial to the interests of the Bondholders not joining such direction and would not involve the Trustee in personal liability.

SECTION 608. WAIVER BY ISSUER.

Upon the occurrence of an Event of Default, to the extent that such right may then lawfully be waived, neither the Issuer, nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisal, valuation, stay, execution or redemption laws now or hereafter in affect in force, in order to prevent or hinder the enforcement of this Indenture or any other Financing Document; and the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it may lawfully do so, the benefit of all such laws and all rights of appraisals and redemption to which it may be entitled under the laws of the State.

SECTION 609. APPLICATION OF MONEY.

A. All moneys received by the Trustee, pursuant to any right given or action taken under the provisions of Article VI hereof shall be transferred to the Bond Fund and all such moneys and other moneys transferred into the Bond Fund pursuant to this Article IV and upon the acceleration of the Bonds, shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and the fees of and the expenses, liabilities and advances incurred or made by the Trustee including attorney's fees and incurred or made by the Trustee, all of which shall be considered administration fees, be applied, together with other moneys held by the Trustee hereunder (other than amounts in the Rebate Fund and unclaimed funds held pursuant to Section 410 hereof), as follows :

(1) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto without any discrimination or privilege;

SECOND: To the payment to the Persons entitled thereto of the unpaid principal of and premium, if any, on the Bonds (including Sinking Fund Payments) which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) which shall have become due, in the order of their maturities, with interest from the date upon which became due,

and, if the amount available shall not be sufficient to pay in full the principal of and premium on Bonds due on any particular date, then to the payment ratably, according to the amount of principal due to the Persons entitled thereto, without any discrimination or privilege;

THIRD: To the payment to the Persons entitled thereto of the principal of, premium, if any and interest on the Bonds which may thereafter become due and payable, and, if the amount available shall not be sufficient to pay in full the principal of and premium on Bonds due on any particular date, then to the payment ratably, according to the amount of principal due to the Persons entitled thereto, without any discrimination or privilege;

FOURTH: To the payment to the Persons entitled thereto of all other amounts constituting Indebtedness due under the Financing Documents.

(2) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal of, premium, if any, and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege.

(B) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to commence and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. Under Section 609(A)(1) the Trustee shall give notice as the Trustee may deem appropriate of the deposit with the Trustee of any of such moneys and of fixing of any such date, and shall not be required to make payment to the owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

SECTION 610. REMEDIES VESTED IN TRUSTEE.

All rights of action, including the right to file proof of claims, under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall be for the benefit as provided herein of the Holders of the Outstanding Bonds.

SECTION 611. REMEDIES OF BONDHOLDERS.

No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or any other Financing Document or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (i) a default shall have occurred of which the Trustee shall have been notified as provided herein; (ii) such default shall have become an Event of Default; (iii) the Controlling Bondholders with respect to which there is an Event of Default shall have made written request to the Trustee and shall have offered reasonable opportunity to the Trustee either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (iv) such Holders shall have offered to the Trustee indemnity as provided herein; and (v) the Trustee shall within 60 days thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture or the rights of any other Holders of Bonds or to obtain priority or preference over any other Holders or to enforce any right under this Indenture. Nothing contained in this Indenture shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, the premium, if any, and interest on any Bond at the maturity thereof or the obligation of the Company to pay the principal of, premium, if any, and interest on the Bonds issued hereunder to the respective Holders thereof, at the time, in the place, from the sources and in the manner expressed in said Bonds.

SECTION 612. TERMINATION OF PROCEEDINGS.

In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

SECTION 613. WAIVERS OF EVENTS OF DEFAULT.

The Trustee shall waive any Event of Default with respect to the Bonds hereunder and its consequences and rescind any declaration of maturity or principal of and interest on the Bonds upon the written request of the Controlling Bondholders; provided, however, that there shall not be waived (A) any Event of Default in the payment of the principal of any Bonds at the date of maturity specified therein, or upon proceedings for mandatory redemption, (B) any default in the payment when due of the interest or premium on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all expenses of the Trustee (including attorney's fees), in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders

shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

SECTION 614. NOTICE OF DEFAULTS; OPPORTUNITY TO CURE.

(A) Anything herein to the contrary notwithstanding, no default under Section 601(D) and 601(E) hereof shall constitute an Event of Default until the Trustee shall have received written notice thereof or shall have actual notice thereof within the meaning of Section 701(N) hereof and until actual notice of such default by registered or certified mail shall be given by the Trustee or by the Controlling Bondholders to the Issuer and the Company (with a copy to the Trustee if given by the Holders), and the Issuer and the Company shall have had thirty (30) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, that if said default is such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the Company within the applicable period and diligently pursued until the default is corrected.

(B) The Trustee shall as soon as reasonably practicable notify the Issuer and the Company of any Event of Default known to the Trustee.

ARTICLE VII

THE TRUSTEE

SECTION 701. ACCEPTANCE OF THE TRUSTS.

The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts upon the following terms and conditions:

(A) The Trustee may execute any of the trusts or powers hereof and perform any of its duties hereunder by or through attorneys, agents, receivers or employees, but shall not be answerable for the conduct of the same if appointed with due care, and shall be entitled to advice of counsel concerning all matters of the trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may be reasonably employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney, who may be the attorney or attorneys for the Issuer, and shall not be responsible for any loss or damage resulting from an action or non-action in reliance upon any such opinion or advice.

(B) Except as expressly provided herein, the Trustee shall not be responsible for any recital herein, in any offering documents or in the Bonds (except in respect to the authentication certificate of the Trustee endorsed on the Bonds), or for the validity of the execution by the Issuer of this Indenture or of any supplements thereto or instruments of further assurance, or for any offering document or instrument or any information contained therein (except for information provided by the Trustee for inclusion in such offering documents) the

sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for insuring the Property subject to the Lien of the Financing Documents, or for the value or title of any of the Property subject to the Lien of the Financing Documents, or for the payment of, or for minimizing taxes, charges, assessments or Liens upon the same, or otherwise as to the maintenance of the security hereof, except as to the safekeeping of the pledged collateral and except that, in the event the Trustee enters into possession of part or all of the Property subject to the Lien of the Financing Documents pursuant to any provision thereof, it shall use due diligence in preserving the same, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenant, condition or agreement on the part of the Issuer or the Company, but the Trustee may require of the Issuer and the Company full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the Property subject to the Lien of the Financing Documents.

(C) The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not the Trustee.

(D) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed to be genuine and correct and to have been signed or sent by the proper Person or Persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the owner of any Bond shall be conclusive and binding upon all future owners of the same Bond and of any Bond or Bonds issued in exchange therefore or in place thereof.

(E) The Trustee may accept a certificate of the Secretary or Assistant Secretary of the Issuer under its corporate seal (if any) to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted and is in full force and effect. As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate of the Company signed by an Authorized Representative of the Company or a certificate of an Authorized Representative of the Issuer under seal (if any), as sufficient evidence of the facts therein contained and, prior to the occurrence of a default of which it has been notified as provided in paragraph (N) of this Section or of which by said paragraph it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is or is not necessary or expedient, but may at its discretion, at the reasonable expense of the Company, in every case secure such further evidence as it may think necessary or advisable, but shall in no case be bound to secure the same.

(F) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty unless so specified herein, and in doing or not doing so the Trustee shall not be answerable for other than its own negligence or willful misconduct.

(G) At any and all reasonable times, the Trustee, and its duly authorized agents, attorneys, experts, accountants and representatives, shall have the right fully to inspect all books, papers and records of the Issuer pertaining to the Project Facility and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(H) Notwithstanding anything elsewhere in this Indenture, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any moneys, the release of any interest in Property or any action whatsoever, within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to those required herein.

(I) Before taking any action hereunder (except declaring an Event of Default), the Trustee may require that a security and indemnity reasonably satisfactory to it be deposited with it for the reimbursement of all fees, costs and expenses including, but not limited to, reasonable attorney's fees to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(J) All moneys received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law or by this Indenture. Neither the Trustee nor any paying agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon with the Issuer.

(K) The Trustee, prior to an Event of Default hereunder and after curing all Events of Default which may have occurred, undertakes to perform only such duties as are specifically set forth in this Indenture. In case an Event of Default has happened which has not been cured, the Trustee shall exercise the rights, duties and powers vested in it by this Indenture in good faith and with that degree of diligence, care and skill which ordinarily prudent persons would exercise under similar circumstances in handling their own affairs.

(L) The Trustee shall furnish to the Issuer during the term of this Indenture upon the written request of the Issuer any reports or other account of the use of any of the Issuer's funds held by the Trustee that may be required by any governmental body.

(M) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(N) The Trustee shall not be required to take notice or be deemed to have notice of the occurrence of any Event of Default other than an Event of Default under Sections 601(A) and 601(B), unless the Trustee shall have actual notice of such Event of Default or unless the Trustee shall be specifically notified in writing of such Event of Default by the Issuer or the Company or by the owners of at least twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding hereunder, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the main office of the Trustee, and, in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default, except as aforesaid.

(O) The Trustee shall not be personally liable for any debts contracted or for damages to Persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts, during any period in which it may be in the possession of or managing any Property subject to the Lien of the Financing Documents as in this Indenture provided.

(P) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

(Q) In no event shall the Trustee be liable for incidental, indirect, special, consequential or punitive damages or penalties (including, but not limited to lost profits), even if the Trustee has been advised of the likelihood of such damages or penalty and regardless of the form of action.

(R) The Trustee shall not be liable for the use of any Bond proceeds paid out in accordance with the provisions hereof.

SECTION 702. FEES, CHARGES AND EXPENSES OF TRUSTEE.

(A) The Trustee shall be entitled to payment for its Ordinary Services and Ordinary Expenses, including, but not limited to, reasonable attorney's fees, rendered or incurred hereunder and, in the event that it should become necessary for the Trustee to perform Extraordinary Services, it shall be entitled to reasonable extra compensation therefor, and to reimbursement for reasonable and necessary Extraordinary Expenses, including, but not limited to, reasonable attorney's fees, in connection therewith; provided that, if such Extraordinary Services or Extraordinary Expenses are occasioned by the negligence or willful misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The fees, charges and expenses of the Trustee shall be payable by the Company in accordance with Section 5.3(B)(1) of the Installment Sale Agreement.

(B) As security for the performance by the Company of its obligations to the Trustee under said sections of the Installment Sale Agreement the Trustee shall have a lien prior to the Bonds upon all property and funds held or collected by the trustee as such, except funds held in trust for the payment of principal of, premium if any, and interest on particular bonds.

SECTION 703. NOTICE TO BONDHOLDERS OF DEFAULT.

If an Event of Default occurs of which the Trustee is, by Section 614 hereof or Section 701(N) hereof, required to take notice or if notice of an Event of Default has been given to it as in said Section 614 or Section 701(N) hereof provided, then the Trustee shall give written notice thereof by mail to all owners of Bonds then Outstanding as shown on the Bond Register maintained by the Trustee.

SECTION 704. INTERVENTION BY TRUSTEE.

In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Bondholders, the Trustee may intervene on behalf of Bondholders and shall do so if requested in writing by the owners of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding and if offered the security and indemnity provided for in Section 701(I). The rights and obligations of the Trustee under this Section 704 are subject to the approval of a court of competent jurisdiction.

SECTION 705. SUCCESSOR TRUSTEE.

Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall, ipso facto, be and become successor Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 706. RESIGNATION BY TRUSTEE.

The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving sixty (60) days written notice to the Issuer and the Company and by registered or certified mail to each owner of Bonds then Outstanding and such resignation shall take effect at the end of such sixty (60) days, but not prior to the acceptance of appointment by a successor Trustee under Section 709 hereof. Such notice to the Issuer and the Company may be served personally or sent by registered mail. If an instrument of acceptance by a successor Trustee shall not be delivered to the Trustee within sixty (60) days after the giving of such notice of resignation, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee. Such notice to the Issuer and the Company may be served personally or sent by registered mail.

SECTION 707. REMOVAL OF TRUSTEE.

(A) The Trustee may be removed at any time, with thirty (30) days' notice by an instrument or concurrent instruments in writing delivered to the Trustee, the Issuer and the Company, and signed by an Authorized Representative of the Company or by the owners of a majority in aggregate principal amount of all Bonds then Outstanding. Such notice shall specify the date that such removal shall take effect.

(B) No removal of the Trustee under this Section 707 shall be effective until a successor Trustee shall have been appointed and shall have accepted the terms and conditions imposed hereby.

SECTION 708. APPOINTMENT OF SUCCESSOR TRUSTEE BY THE BONDHOLDERS; TEMPORARY TRUSTEE.

In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their duly authorized attorneys; provided, nevertheless, that in case of vacancy, the Issuer at the written direction of the Company by an instrument executed and signed by the Chairman or such other person as may be authorized by resolution of the Issuer, and attested by the Secretary or Assistant Secretary of the Issuer under its seal, may appoint a

temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by such Bondholders in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Bondholders. Every such successor or temporary Trustee appointed pursuant to the provisions of this Section 708 shall (A) be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, (B) be located within or outside the State, (C) be duly authorized to exercise trust powers in the State, and (D) maintain a reported capital and surplus of not less than \$50,000,000.

SECTION 709. CONCERNING ANY SUCCESSOR TRUSTEE.

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Company and the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, Properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer (at the direction of the Company), or of its successor, and upon payment of all amounts due such predecessor, execute and deliver an instrument transferring to such successor Trustee all the estates, Properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by a successor Trustee for more fully and certainly vesting in such successor the estates, Properties, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article VII, shall be filed and/or recorded by the successor Trustee in each recording office where this Indenture shall have been filed and/or recorded.

SECTION 710. TRUSTEE PROTECTED IN RELYING UPON RESOLUTIONS, ETC.

The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the withdrawal of moneys hereunder.

SECTION 711. SUCCESSOR TRUSTEE AS TRUSTEE, PAYING AGENT AND BOND REGISTRAR.

In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or has been removed shall cease to be Trustee and paying agent on the Bonds and Bond Registrar, and the successor Trustee shall become such Trustee and paying agent and Bond Registrar.

SECTION 712. TRUST MAY BE VESTED IN SEPARATE OR CO-TRUSTEE.

(A) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction, including particularly the law of the State, denying or restricting the right

of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, and in particular in case of the enforcement of any such instrument on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the trust herein created, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee.

(B) In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee, but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies; and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

(C) Should any deed, conveyance or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such Properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, Properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

SECTION 713. TRUSTEE TO EXERCISE POWERS OF STATUTORY TRUSTEE.

The Trustee shall be and is hereby vested with all of the rights, powers and duties of a Trustee which could be appointed by the Bondholders pursuant to Section 878 of the Act, and the right of the Bondholders to appoint a Trustee pursuant to Section 878 of the Act is hereby abrogated in accordance with the provisions of the Act.

ARTICLE VIII

SUPPLEMENTAL INDENTURES

SECTION 801. SUPPLEMENTAL INDENTURES AND AMENDMENTS NOT REQUIRING CONSENT OF BONDHOLDERS.

(A) The Issuer and the Trustee may without the consent of, or notice to, any of the Bondholders enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof or materially adverse to the Holders of the Bonds for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission therein;

(b) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or Issuer that may lawfully be granted to or conferred upon the Bondholders and the Trustee, or either of them;

(c) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or either of them;

(d) to subject to the lien and pledge of this Indenture additional revenues, properties or collateral;

(e) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar Federal statute hereafter in effect or under any state Blue Sky Law;

(f) to authorize the issuance of and to secure one or more series of Additional Bonds as provided in and upon compliance with Section 213 hereof; or

(g) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the Bondholders and which does not involve certain changes described in the immediately following section and which, in judgment of the Trustee, the Paying Agent, the Registrar and the Trustee, as applicable, is not to the prejudice of the Trustee, the Paying Agent and the Registrar.

(B) Before the Issuer and the Trustee shall enter into any Supplemental Indenture pursuant to this Section, there shall have been filed with the Trustee an Opinion of Bond Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Issuer in accordance with its terms, and that such Supplemental Indenture will not adversely affect the exclusion from federal income taxation of interest on any Series of Tax-Exempt Bonds Outstanding or the validity of any of the Bonds.

(C) In determining whether any amendment, consent or other action to be taken, or any failure to act, under this Indenture would adversely affect the rights of the Holders of any Series of Bonds, the Trustee shall consider the effect of such amendment, consent, action or inaction to the security of such Bonds and may rely on a written opinion of counsel in connection therewith.

SECTION 802. SUPPLEMENTAL INDENTURES AND AMENDMENTS REQUIRING CONSENT OF BONDHOLDERS.

(A) The Holders of not less than two thirds in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto and to any amendment of this Indenture or any supplemental indenture as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any

particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section contained shall permit, or, be construed as permitting (a) an extension of the Stated Maturity or reduction in the principal amount or reduction in the rate, or extension of the time of payment, of interest on, or reduction of any premium payable on the redemption of, any Bonds, without the consent of the Holders of all such Bonds, or (b) the creation of any lien prior to or on a parity with the lien of this Indenture except as provided in Section 213 hereof with respect to Additional Bonds, or (c) a reduction in the aforesaid aggregate principal amount of Bonds the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of all the Bonds at the time Outstanding which would be affected by the action to be taken, or (d) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (e) a privilege or priority of any Bond over any other Bonds.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture or any such amendment for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture or any such amendment to be mailed, postage prepaid, to all registered Bondholders. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be prescribed by the Issuer following the mailing of such notice, the Holders of not less than two thirds in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture or any such amendment shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture or any such amendment as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture has been effected in compliance with the provisions of this Article.

SECTION 803. SUPPLEMENTAL INDENTURES; CONSENT OF THE COMPANY.

(A) Notwithstanding anything contained in this Indenture to the contrary, no supplemental indenture which affects any rights or liabilities of the Company shall become effective unless or until the Company shall have consented in writing to the execution and delivery of such supplemental indenture. In this regard, the trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture to be mailed by certified or registered mail to the Company at least fifteen (15) days prior to the proposed date of execution and delivery of any supplemental indenture if the Trustee has not received a letter of protest or objection signed by the Company within fifteen (15) days after the mailing of said notice and a cop of the supplemental indenture.

(B) The Issuer and the Trustee may rely upon an opinion of Independent Counsel as conclusive evidence whether or not a supplemental indenture affects any rights or liabilities of the Company within the meaning of, and for the purposes of, this Section 803.

SECTION 804. EFFECT OF SUPPLEMENTAL INDENTURES.

Any supplemental indenture executed in accordance with the provisions of this Article VIII shall thereafter form part of the terms and conditions of this Indenture for any and all purposes.

SECTION 805. RELIANCE ON OPINIONS.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article VIII or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and complies with the terms hereof.

ARTICLE IX

**AMENDMENT TO INSTALLMENT SALE AGREEMENT
OR OTHER FINANCING DOCUMENTS**

**SECTION 901. AMENDMENTS TO INSTALLMENT SALE AGREEMENT OR
OTHER FINANCING DOCUMENTS NOT REQUIRING CONSENT
OF BONDHOLDERS.**

The Issuer, the Company and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Installment Sale Agreement or any other Financing Document (other than this Indenture) as may be required (1) by the provisions of any Financing Document, (2) the purpose of curing any ambiguity or formal defect or omission therein, (3) so as to identify more precisely the Project Facility described in the Installment Sale Agreement, (4) in connection with any supplemental indenture entered into pursuant to Section 801 hereof or (5) to obtain or maintain a rating on the Bonds from any Rating Agency then rating the bonds at the Issuer's request, (6) to comply with the provisions of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes, or (7) in connection with any other supplemental indenture.

**SECTION 902. AMENDMENTS TO INSTALLMENT SALE AGREEMENT OR
OTHER FINANCING DOCUMENTS REQUIRING CONSENT OF
BONDHOLDERS.**

Except for the amendments, changes or modifications as provided in Section 901 hereof, neither the Issuer, the Company nor the Trustee shall consent to any other amendment, change or modification of the Installment Sale Agreement or any other Financing Document (other than this Indenture) without mailing of notice and the written approval or consent of the holders of not less than two-thirds in aggregate principal amount of the Bonds at the time Outstanding given as

in this Section 902 provided. If at any time the Issuer and the Company shall request the consent of the Trustee to any such proposed amendment, change or modification of the Installment Sale Agreement or any other Financing Document (other than this Indenture) not authorized by Section 901 hereof, the Trustee shall, upon being satisfactorily secured and indemnified as provided in Section 701(I) hereof with respect to fees, costs and expenses including, but not limited to, reasonable attorneys' fees, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 802 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal office of the Trustee for inspection by all Bondholders.

SECTION 903. RELIANCE ON OPINIONS.

The Trustee may rely upon an opinion of Independent Counsel as conclusive evidence that the creation and delivery of any amendment or supplement to the Installment Sale Agreement or any other Financing Document has been effected in compliance with the provisions of this Article IX.

ARTICLE X

SATISFACTION AND DISCHARGE OF INDENTURE

SECTION 1001. SATISFACTION AND DISCHARGE OF LIEN.

(A) If the Issuer (1) shall pay or cause to be paid, to the holders and owners of the Bonds, the principal of the Bonds and premium, if any, due on the Bonds, at the times and in the manner stipulated therein and herein, (2) shall pay or cause to be paid from any source, to the holders and owners of Bonds, the interest to become due on the Bonds, at the times and in the manner stipulated therein and herein, (3) shall have paid all fees, costs and expenses including, but not limited to, reasonable attorney's fees of the Trustee and each paying agent, and (4) shall pay or cause to be paid the entire Rebate Amount to the United States in accordance with the Tax Compliance Certificate and Section 407 hereof, then these presents and the trust and rights hereby granted shall cease, terminate and be void, and thereupon the Trustee shall (a) cancel and discharge the Lien of this Indenture upon the Trust Revenues and the Trustee's rights under the other Financing Documents and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy same, (b) reconvey to the Issuer the Installment Sale Agreement and the trust hereby conveyed, and (c) assign and deliver to the Company any interest in Property at the time subject to the Lien of this Indenture which may then be in its possession, except amounts held by the Trustee for the payment of principal of, interest and premium, if any, on the Bonds.

(B) All Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in Section 1001(A) if, under circumstances which do not adversely affect the exclusion under the Code of interest on the Bonds from gross income for Federal income tax purposes, the following conditions shall have been fulfilled (1) in case any of the Bonds are to be redeemed on any date prior to their maturity, the provisions in Article III hereof relating to such redemption shall have

been satisfied; or (2) there shall be on deposit with the Trustee moneys, which shall be either cash or non-callable Government Obligations, in an amount sufficient, without the need for further investment or reinvestment, but including any scheduled interest on or increment to such obligations, pay when due the principal, premium, if any, and interest due and to become due on the Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and to pay the Trustee for its Ordinary Services and Ordinary Expenses and for its Extraordinary Services and Extraordinary Expenses under this Indenture. The Trustee may rely upon an opinion of an Accountant as to the sufficiency of the cash or such Government Obligations on deposit.

ARTICLE XI

MISCELLANEOUS

SECTION 1101. CONSENTS AND OTHER INSTRUMENTS OF BONDHOLDERS.

Any consent, request, direction, approval, waiver, objection, appointment or other instrument required by this Indenture to be signed and executed by the Bondholders may be signed and executed in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such instrument, namely:

(A) The fact and date of the execution by any Person of any such instrument may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgements of deeds, certifying to the execution thereof. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

(B) The ownership of Bonds shall be proven by the Bond Register.

(C) Any request, consent or vote of the holder of any Bond shall bind every future holder of the same Bond and the holder of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or permitted to be done by the Trustee or the Issuer pursuant to such request, consent or vote.

(D) In determining whether the holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned by the Issuer, the Company or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or the Company shall be disregarded and deemed not to be Outstanding for the purposes of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver. Only Bonds which the Trustee knows to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as

Outstanding for the purposes of this Section 1101 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 1102. LIMITATION OF RIGHTS.

With the exception of rights herein expressly conferred, nothing expressed or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto and the holders of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions hereof.

SECTION 1103. NOTICES.

(A) All notices, certificate, or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (1) delivered to the applicable address stated below by registered or certified mail, return receipt requested, or by such other means as shall provide the sender with documentary evidence of such delivery, or (2) delivery is refused by the addressee, as evidenced by the Person who attempted to effect such delivery. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

If to the Issuer:

Essex County Industrial Development Agency
7566 Court Street
Elizabethtown, New York 12932
Attention: Executive Director

With a copy to:

Jenifer R. Briggs, Esq.
Briggs Norfolk LLP
2296 Saranac Avenue
Lake Placid, New York 12946

If to the Company:

Champlain Valley Milling Corp., Inc.
6679 Main Street
P.O. Box 454
Westport, New York 12993
Attention: Samuel Sherman

With a copy to:

William Kissel, Esq.
P.O. Box 1598
Lake Placid, New York 12946

If to the Trustee:

ZB, National Association
Corporate Trust
401 Liberty Avenue, Suite 1729
Pittsburgh, PA 15222

(B) A duplicate copy of each notice, certificate and other communication given hereunder by the Company or the Issuer shall also be given to the Trustee. The Issuer, the Company and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificate or other communications shall be sent.

(C) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means; provided, however, that the sending party shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Representatives”) and containing specimen signatures of such Authorized Representatives, which incumbency certificate shall be amended by the Issuer and/or the Company whenever a person is to be added or deleted from the listing. If the Issuer and/or the Company elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Issuer and the Company understand and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Representative listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Representative. The Issuer and the Company shall be responsible for ensuring that only Authorized Representatives transmit such Instructions to the Trustee and that the Issuer and the Company and all Authorized Representatives are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer and/or the Company. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Issuer and the Company agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that each is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Issuer and/or the Company; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 1104. TRUSTEE AS PAYING AGENT AND BOND REGISTRAR.

The Trustee is hereby designated and agrees to act as paying agent and the Bond Registrar for and in respect to the Bonds.

SECTION 1105. COUNTERPARTS.

This Indenture 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 1106. SUCCESSORS AND ASSIGNS.

All the covenants and representations contained in this Indenture, by or on behalf of the Issuer, shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

SECTION 1107. INFORMATION UNDER UNIFORM COMMERCIAL CODE.

The Issuer is the Debtor. The Trustee is the Secured Party. The address of the Trustee from which information concerning the security interest may be obtained and the address of the Issuer are set forth in Section 1103 of this Indenture.

SECTION 1108. APPLICABLE LAW.

This Indenture shall be governed exclusively by the applicable laws of the State.

SECTION 1109. NO RECOURSE; SPECIAL OBLIGATION.

(A) The obligations and agreements of the Issuer contained herein and in the other Financing Documents and any other instrument or document executed in connection therewith, and any other instrument or document supplemental hereto or thereto, shall be deemed the obligations and agreements of the Issuer, and not of any member, officer, agent (other than the Company) or employee of the Issuer in his individual capacity, and the members, officers, agents (other than the Company) and employees of the Issuer shall not be liable personally hereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

(B) The obligations and agreements of the Issuer contained herein shall not constitute or give rise to any obligations of the State or Essex County and neither the State nor Essex County shall be liable thereon, and further, such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute special and limited obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the sale or other disposition of the Project Facility (except for revenues derived by the Issuer with respect to the Unassigned Rights).

(C) No order or decree of specific performance with respect to any of the obligations of the Issuer hereunder (other than pursuant to Section 502 hereof, and then only to the extent of the Issuer's obligations thereunder) shall be sought or enforced against the Issuer unless the party seeking such order or decree shall first have complied with Section 515 hereof.

(D) The Issuer shall be entitled to the advice of counsel (who may be counsel to any party or to any Bondholder) and shall be wholly protected as to any action taken or omitted to be taken in good faith in reliance on such advice. The Issuer may rely conclusively on

any notice, certificate or other document furnished to it under any Financing Document and reasonably believed by it to be genuine. The Issuer shall not be liable for any action taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it, or in good faith omitted to be taken by it and reasonably believed to be beyond such discretion or power, or taken by it pursuant to any direction or instruction by which it is governed under any Financing Document, or omitted to be taken by it by reason of the lack of direction or instruction required for such action under any Financing Document, and shall not be responsible for the consequences of any error of judgment reasonably made by it. When any payment, consent or other action by the Issuer is called for by this Indenture, the Issuer may defer such action pending an investigation or inquiry or receipt of such evidence, if any, as it may require in support thereof. A permissive right or power to act shall not be construed as a requirement to act, and no delay in the exercise of a right or power shall affect the subsequent exercise thereof. The Issuer shall in no event be liable for the application or misapplication of funds or for other acts or defaults by any Person except by its own members, officers and employees.

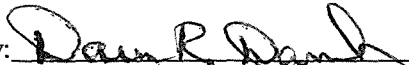
(E) In approving, concurring in or consenting to any action or in exercising any discretion or in making any determination under this Indenture, the Issuer may consider the interests of the public, which shall include the anticipated effect of any transaction on tax revenues and employment, as well as the interests of the other parties hereto and the Bondholders; provided, however, that nothing herein shall be construed as conferring on any Person other than the Trustee and the Bondholders any right to notice, hearing or participation in the Issuer's consideration, and nothing in this Section 1110 shall be construed as conferring on any of them any right additional to those conferred elsewhere herein. Subject to the foregoing, the Issuer shall not unreasonably withhold any approval or consent to be given by it hereunder.

SECTION 1110. NOTICE TO RATING AGENCIES.

(A) If the Bonds have received a rating, the Trustee shall use its best efforts to provide such Rating Agency rating the Bonds with prompt written notice prior to or concurrent with the effective date of such event of (1) the appointment of a Successor Trustee, (2) any amendment or supplement to this Indenture, the Installment Sale Agreement or any other Financing Document, (3) the redemption in whole or defeasance of the Bonds, (4) the use of project reserves to meet debt service requirements, (5) any change of the Investment Agreement provider, or (6) an impending sale of collateral.

IN WITNESS WHEREOF, the Issuer has caused these presents to be signed in its name and behalf by its Chairman and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf by one of its duly authorized trust officers, all as of the day and year first hereinabove written.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

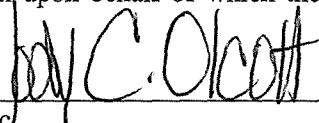
By:  _____
Name: Darren Darrah
Title: Chairman

ZB, NATIONAL ASSOCIATION, as Trustee

By: _____
Name: Eric Mitzel
Title: Vice President

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the 9 day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the **ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, personally known to me 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.



Notary Public


JODY C OLCOTT
NOTARY PUBLIC STATE OF NEW YORK
QUALIFIED IN ESSEX COUNTY
NO - 01OL6049649
MY COMM. EXPIRES OCTOBER 23, 2018

IN WITNESS WHEREOF, the Issuer has caused these presents to be signed in its name and behalf by its Chairman and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf by one of its duly authorized trust officers, all as of the day and year first hereinabove written.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Darren Darrah
Title: Chairman

ZB, NATIONAL ASSOCIATION, as Trustee

By:  _____
Name: Eric Mitzel
Title: Vice President

STATE OF NEW YORK

)

) SS:

COUNTY OF NEW YORK

)

On the 9th day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Eric Mitzel, the authorized officer of **ZB, National Association** personally known to me 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.

Notary Public

RUDY D. GREEN
Notary Public, State of New York
No.: 02GR4962723
Qualified in New York County
Commission Expires February 26, 2018

EXHIBIT A

[Form of Bond]

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK COMPANY (“DTC”) TO ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR THE USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

ANY BONDHOLDER WHO FAILS TO DELIVER THIS BOND FOR PURCHASE AT THE TIMES AND AT THE PLACE HEREIN SHALL HAVE NO FURTHER RIGHTS HEREUNDER EXCEPT THE RIGHT TO RECEIVE THE PURCHASE PRICE HEREOF UPON PRESENTATION AND SURRENDER OF THIS BOND TO THE TRUSTEE AS DESCRIBED HEREIN, AND SHALL HOLD THIS BOND AS AGENT FOR THE TRUSTEE.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAX EXEMPT REVENUE BONDS (CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT) SERIES 2017

NO.: RA-1 PRINCIPAL AMOUNT: \$4,245,000

INTEREST RATE: 6.250% per annum MATURITY DATE: June 1, 2047

DATED DATE: May 16, 2017 CUSIP: 296830 AH5

REGISTERED OWNER: Cede & Co.

Essex County Industrial Development Agency, a public benefit corporation of the State of New York (the “Issuer”), for value received, hereby promises to pay, solely from the sources hereinafter described, to the registered owner indicated above, and its registered assigns, on the Maturity Date identified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount identified above (subject to reduction as hereinafter provided) and interest thereon (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date set forth above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for (unless authenticated after a Regular Record Date and on or before such succeeding Interest Payment Date, in which event from such succeeding Interest Payment Date), to the Maturity Date identified above (or such

earlier date on which the principal hereof has been paid or duly provided for), at the Interest Rate identified above (except as provided below), on March 1, June 1, September 1 and December 1 of each year (each an "Interest Payment Date"), commencing June 1, 2017.

The principal of this Bond shall be paid upon presentation and surrender hereof at the principal office of ZB, National Association, as trustee (together with its successors in trust, the "Trustee") under the trust indenture dated as of May 1, 2017 (from time to time, as amended or supplemented, the "Indenture") by and between the Issuer and the Trustee, or at the duly designated office of any successor trustee under the Indenture. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

Except when the Bonds are Book-Entry Bonds, the installments of interest described above shall, as provided in the Indenture, be paid to the Person in whose name this Bond (or one or more Predecessor Bonds, as defined in the Indenture) is registered at the close of business on the fifteenth day (whether or not a Business Day) of the calendar month immediately preceding the applicable Interest Payment Date (the "Regular Record Date"), and shall be paid by check or draft of the Trustee mailed by the Trustee on such Interest Payment Date to such registered owner at his address appearing on the registration books of the Issuer, or at the option of any Holder of Bonds in an aggregate principal amount of \$100,000 or greater be transmitted on such Interest Payment Date by wire transfer, to an account located in the United States of America only, at such owner's written request to the bank account number on file with the Trustee as provided in the Indenture. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the Person in whose name this Bond (or one or more Predecessor Bonds) is registered at the close of business on a date for the payment of such defaulted interest to be fixed by the Trustee (the "Special Record Date"), notice whereof being given to registered owners of the Bonds not less than ten (10) days prior to such Special Record Date, or may be paid in any other lawful manner as shall be determined by the Trustee. The principal of, premium, if any, on and interest on this Bond are payable in lawful money of the United States of America.

This Bond is one of a duly authorized issue of bonds of the Issuer designated "Essex County Industrial Development Agency Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project)" in the aggregate principal amount of \$4,245,000 (the "Bonds").

The Bonds are issued for the purpose of assisting in the financing of a project (the "Project") consisting of (A)(1) the acquisition, construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including land and fixtures, to manufacture grain into flour, to be located at 19 Myers Way all within the Town of Willsboro, New York (the "Facility"), which facility will include an approximately 29,000 square foot building, and (2) certain fixtures and other personal property related thereto (the "Equipment") (the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt revenue bonds of the Issuer in one or more series in an aggregate principal amount not to exceed \$5,000,000; (C) the funding of a debt service reserve fund for the bonds for the Project; (D) the payment of the costs of issuing such bonds; and (E) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the New York State General Municipal Law) with respect to the foregoing, including an exemption from certain sales and use taxes, real

property taxes, deed transfer taxes, and mortgage recording taxes (together with the Project Facility, the “Project”).

The Bonds are issued under and are equally and ratably secured by the Indenture. The Indenture grants the Trustee a first lien on and a security interest in the Trust Revenues (as defined in and subject to the provisions of, the Indenture).

The Issuer and the Company have entered into Installment Sale Agreement dated as of May 1, 2017 (the “Installment Sale Agreement”).

As security for the payment of principal of, premium, if any, and interest on the Bonds, the Issuer has assigned to the Trustee all of the Issuer’s rights and remedies under the Installment Sale Agreement (except the Unassigned Rights, as therein defined), including the right to receive installment payments and other amounts payable thereunder, pursuant to a pledge and assignment dated as of May 1, 2017 (the “Pledge and Assignment”) from the Issuer to the Trustee. Pursuant to the Pledge and Assignment, installment payments made by the Company under the Installment Sale Agreement are to be paid directly to the Trustee. As further security for the repayment of the Bonds, the Company has delivered a Mortgage and Security Agreement, dated as of May 1, 2017, to the Issuer. The Mortgage is to be recorded in the office of the County Clerk of Essex County, New York.

Reference is hereby made to the Indenture, the Installment Sale Agreement, the Pledge and Assignment and the Mortgage and to all amendments and supplements thereto, for a description of the nature and extent of the security for the Bonds, the terms and conditions upon which the Bonds are issued and secured and the rights, duties and obligations of the Issuer, the Trustee, the Company and the Bondholders. Copies of such documents are on file in the principal office of the Trustee.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM PAYMENTS MADE BY THE COMPANY UNDER THE INSTALLMENT SALE AGREEMENT, MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE INDENTURE, AND THE SECURITY PROVIDED BY THE PLEDGE AND ASSIGNMENT, AND THE MORTGAGE.

(A) Optional Redemption.

The Bonds shall also be subject to redemption prior to maturity on or after June 1, 2027, at the option of the Company by exercise of its rights to prepay the installment purchase payments payable under the Installment Sale Agreement as provided in Section 5.5 thereof, as a whole at any time or in part on any Interest Payment Date, in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, at a redemption price of one hundred and three percent (103%) of the principal amount thereof, plus accrued interest to the redemption date:

(B) Mandatory Sinking Fund Redemption.

(1) The Bonds issued as Term Bonds maturing on June 1, 2047 are subject to mandatory Sinking Fund Redemption at a redemption price of one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption

date, on each June 1, and December 1 commencing December 1, 2019, in accordance with the sinking fund redemption schedule set forth below:

<u>Sinking Fund Payment Date</u>	<u>Sinking Fund Payment</u>	<u>Sinking Fund Payment Date</u>	<u>Sinking Fund Payment</u>
12/1/2019	\$25,000	06/1/2034	\$75,000
06/1/2020	35,000	12/1/2034	75,000
12/1/2020	30,000	06/1/2035	75,000
06/1/2021	30,000	12/1/2035	75,000
12/1/2021	30,000	06/1/2036	80,000
06/1/2022	35,000	12/1/2036	80,000
12/1/2022	35,000	06/1/2037	85,000
06/1/2023	35,000	12/1/2037	85,000
12/1/2023	35,000	06/1/2038	90,000
06/1/2024	40,000	12/1/2038	95,000
12/1/2024	35,000	06/1/2039	95,000
06/1/2025	45,000	12/1/2039	100,000
12/1/2025	40,000	06/1/2040	100,000
06/1/2026	45,000	12/1/2040	110,000
12/1/2026	45,000	06/1/2041	105,000
06/1/2027	45,000	12/1/2041	110,000
12/1/2027	45,000	06/1/2042	115,000
06/1/2028	50,000	12/1/2042	120,000
12/1/2028	50,000	06/1/2043	120,000
06/1/2029	50,000	12/1/2043	125,000
12/1/2029	50,000	06/1/2044	130,000
06/1/2030	60,000	12/1/2044	140,000
12/1/2030	55,000	06/1/2045	135,000
06/1/2031	60,000	12/1/2045	145,000
12/1/2031	65,000	06/1/2046	145,000
06/1/2032	60,000	12/1/2046	155,000
12/1/2032	65,000	06/1/2047*	155,000
06/1/2033	65,000		
12/1/2033	65,000		

* Maturity.

(C) Extraordinary Redemption

The Bonds are subject to redemption prior to maturity (1) as a whole, without premium, as provided in Section 406 of the Indenture, in the event of (a) a taking in Condemnation of, or failure of title to, all or substantially all of the Project Facility, (b) damage to or destruction of part or all of the Project Facility and election by the Company to redeem the Bonds in accordance with Section 7.1 of the Installment Sale Agreement, or (c) a taking in Condemnation of part of the Project Facility and election by the Company to redeem the Bonds in accordance with Section 7.1 of the Installment Sale Agreement, or (2) as a whole, without premium, in the event that (a) the Installment Sale Agreement shall have become void or unenforceable or

impossible of performance in accordance with the intent and purposes of the parties as a result of any change in the United States Constitution or legislative or administrative action (whether state or federal), or by final decree or judgment of any court of administrative body, or (b) an Authorized Representative of the Company certifies that unreasonable burdens or excessive liabilities have been imposed on such Company or its property, including, without limitation, taxes not being imposed on the date of the Installment Sale Agreement, or (3) in part, without premium, (a) as provided in Section 406(F) of the Indenture, in the event that (i) excess moneys remain in the Insurance and Condemnation Fund following damage or condemnation of a portion of the Project Facility and completion of the repair, rebuilding or restoration of the Project Facility by the Company, and (ii) such excess moneys are not paid to the Company pursuant to Section 406(F) of the Indenture, (b) as provided in Section 404 of the Indenture, in the event that excess moneys remain in the Project Fund after the Completion Date, or (c) in the event that excess proceeds of recoveries from contractors are applied to redeem Bonds pursuant to Section 4.6 of the Installment Sale Agreement, in each case to the extent of such excess. In any such event, the Bonds shall be redeemed, as a whole or in part, as the case may be, in the manner provided in Article III of the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption pursuant to Section 303 of the Indenture, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(D) Partial Redemption.

In the event of the redemption of less than all of the Outstanding Bonds of any series issued under the Indenture, the maturity or maturities and amounts within maturities to be redeemed shall be selected by the Trustee at the direction of the Company. If less than all the Outstanding Bonds of any series of the same maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the redemption date in inverse order of maturity, and within each maturity by lot or by such other method as the Trustee may determine, provided that for so long as the Bonds shall be Book-Entry Bonds, the particular Bonds or portions thereof to be redeemed within a maturity shall be selected by lot by the Depository in such manner as the Depository may determine. The Trustee shall apply any partial redemption payments made with respect to any Bonds subject to mandatory Sinking Fund Payments (other than a scheduled mandatory sinking fund redemption) to the schedule of mandatory Sinking Fund Payments for such Bonds in inverse order of maturity. Further, the Trustee may provide for the selection for redemption of portions (equal to \$100,000 or any integral multiples of \$5,000 in excess thereof) of Bonds. In no event shall the principal amount of Bonds subject to any partial redemption be other than a whole multiple of \$5,000 thereof.

(E) Determination of Taxability

The Bonds are also subject to redemption prior to maturity upon the occurrence of a Determination of Taxability relating to such Bonds. In such event, the Bonds shall be subject to redemption, as a whole, as soon as possible after the discovery of such Determination of Taxability, at a redemption price equal to the Taxable Call Rate. If any Bonds are paid at maturity or purchased by the Trustee or redeemed subsequent to a Tax Incidence Date relating to such Series without payment of an amount at least equal to the redemption price that would have been received if such Bonds had been redeemed as a result of a Determination of Taxability, the

owners of such Bonds at the time of maturity, purchase or redemption, upon establishing their then ownership thereof, shall be entitled to receive, as an additional premium thereon, an amount equal to the difference between the amounts actually received and the amounts that would have been received if such Bonds had been redeemed as a result of a Determination of Taxability. Notice of the intended redemption of each Bond shall be given by the Trustee by Electronic Means or by first class mail, postage prepaid, to the registered owner at the address of such owner shown on the Bond Registrar's bond register. All such redemption notices shall be given not less than 30 days nor more than 60 days prior to the date fixed for redemption. In addition to providing notice of redemption as set forth above the Trustee shall send a second notice of redemption within 60 days following the redemption date, by registered mail, overnight mail, overnight delivery service, or other secure means, postage prepaid to the registered owners of any Bonds called for redemption, at their addresses appearing on the Bond registration books maintained by the Trustee, who have not surrendered their Bonds for redemption within 30 days following the redemption date.

Bonds (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Indenture shall thereupon cease to be entitled to the Lien of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

The principal hereof may be declared or may become due on the conditions and in the manner and at the time set forth in the Indenture upon the occurrence of an Event of Default as provided in the Indenture.

The Bonds are issuable in the denomination of \$100,000 or any multiple of \$5,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, this Bond, upon surrender for transfer at the principal office of the Trustee as Bond Registrar, is transferable upon an assignment duly executed by the registered owner hereof or his duly authorized legal representative, and, upon such transfer, one or more new Bonds of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, at the option of the Holder, Bonds may be exchanged for other Bonds of the same series and maturity, of any authorized denomination and of a like aggregate principal amount, upon surrender of the Bonds to be exchanged at the office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Bonds which the Holder making the exchange is entitled to receive.

No service charge shall be made for any transfer or exchange of Bonds, but the Issuer or the Trustee may make a charge for transfer or exchange of Bonds sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any new Bond shall be delivered.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PRICE OF OR THE INTEREST ON THIS BOND OR FOR ANY CLAIM BASED HEREON OR ON THE INDENTURE, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER, OFFICER, EMPLOYEE OR AGENT (EXCEPT THE COMPANY), AS SUCH, OF THE ISSUER OR OF ANY PREDECESSOR OR SUCCESSOR CORPORATION, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE HEREOF, EXPRESSLY WAIVED AND RELEASED.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of the Trustee shall be endorsed hereon.

THIS BOND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF ESSEX COUNTY OR OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION OF THE STATE OF NEW YORK AND SHALL NOT CREATE OR CONSTITUTE AN INDEBTEDNESS, LIABILITY OR OBLIGATION OF ESSEX COUNTY OR OF THE STATE OF NEW YORK OR OF ANY POLITICAL SUBDIVISION THEREOF, MORAL OR OTHERWISE, BUT THIS BOND SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR AS SET FORTH HEREIN AND IN THE INDENTURE. NEITHER THE GENERAL CREDIT OF THE ISSUER NOR THE GENERAL CREDIT OR TAXING POWER OF ESSEX COUNTY OR OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION OF THE STATE OF NEW YORK IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THIS BOND, OR THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. THE ISSUER HAS NO TAXING POWER.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture, and the issuance of this Bond, do exist, have happened and have been performed in the time, form and manner as required by law, and that the issuance of the Bonds does not violate any constitutional or statutory limitation. The provisions of this Bond and the Indenture shall be governed by the laws of the State of New York.

This Bond is one of the Bonds of the issue described in the within mentioned Indenture.

IN WITNESS WHEREOF, the Essex County Industrial Development Agency has caused this Bond to be executed on its behalf by the manual/facsimile signature of the Chairman of the Board of Directors and its corporate seal to be impressed hereon, and this Bond and such seal to be attested by the facsimile signature of its Secretary on this 16th day of May, 2017.

ATTEST:

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Jamie Rogers
Title: Secretary

By: _____
Name: Darren Darrah
Title: Chairman

(SEAL)

Date of Authentication

**ZB, NATIONAL ASSOCIATION,
as Trustee**

By: _____
Authorized Signer

[Form of Assignment for Transfer]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto (please insert name, address and social security or tax identification number of assignee):

_____ the within Bond and does hereby irrevocably constitute and appoint _____ to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond with the name(s) as it (they) appear(s) on the face of the within Bond in every particular.

In the presence of:

Signature Guaranteed:

Signature must be guaranteed by an "eligible guarantor Company" meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK COMPANY ("DTC") TO ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR THE USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

ANY BONDHOLDER WHO FAILS TO DELIVER THIS BOND FOR PURCHASE AT THE TIMES AND AT THE PLACE HEREIN SHALL HAVE NO FURTHER RIGHTS HEREUNDER EXCEPT THE RIGHT TO RECEIVE THE PURCHASE PRICE HEREOF UPON PRESENTATION AND SURRENDER OF THIS BOND TO THE TRUSTEE AS DESCRIBED HEREIN, AND SHALL HOLD THIS BOND AS AGENT FOR THE TRUSTEE.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAX EXEMPT REVENUE BONDS (CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT) SERIES 2017

NO.: RA-1

PRINCIPAL AMOUNT: \$4,245,000

INTEREST RATE: 6.250% per annum

MATURITY DATE: June 1, 2047

DATED DATE: May 16, 2017

CUSIP: 296830 AH5

REGISTERED OWNER: Cede & Co.

Essex County Industrial Development Agency, a public benefit corporation of the State of New York (the "Issuer"), for value received, hereby promises to pay, solely from the sources hereinafter described, to the registered owner indicated above, and its registered assigns, on the Maturity Date identified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount identified above (subject to reduction as hereinafter provided) and interest thereon (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date set forth above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for (unless authenticated after a Regular Record Date and on or before such succeeding Interest Payment Date, in which event from such succeeding Interest Payment Date), to the Maturity Date identified above (or such earlier date on which the principal hereof has been paid or duly provided for), at the Interest Rate

identified above (except as provided below), on March 1, June 1, September 1 and December 1 of each year (each an "Interest Payment Date"), commencing June 1, 2017.

The principal of this Bond shall be paid upon presentation and surrender hereof at the principal office of ZB, National Association, as trustee (together with its successors in trust, the "Trustee") under the trust indenture dated as of May 1, 2017 (from time to time, as amended or supplemented, the "Indenture") by and between the Issuer and the Trustee, or at the duly designated office of any successor trustee under the Indenture. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

Except when the Bonds are Book-Entry Bonds, the installments of interest described above shall, as provided in the Indenture, be paid to the Person in whose name this Bond (or one or more Predecessor Bonds, as defined in the Indenture) is registered at the close of business on the fifteenth day (whether or not a Business Day) of the calendar month immediately preceding the applicable Interest Payment Date (the "Regular Record Date"), and shall be paid by check or draft of the Trustee mailed by the Trustee on such Interest Payment Date to such registered owner at his address appearing on the registration books of the Issuer, or at the option of any Holder of Bonds in an aggregate principal amount of \$100,000 or greater be transmitted on such Interest Payment Date by wire transfer, to an account located in the United States of America only, at such owner's written request to the bank account number on file with the Trustee as provided in the Indenture. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the Person in whose name this Bond (or one or more Predecessor Bonds) is registered at the close of business on a date for the payment of such defaulted interest to be fixed by the Trustee (the "Special Record Date"), notice whereof being given to registered owners of the Bonds not less than ten (10) days prior to such Special Record Date, or may be paid in any other lawful manner as shall be determined by the Trustee. The principal of, premium, if any, on and interest on this Bond are payable in lawful money of the United States of America.

This Bond is one of a duly authorized issue of bonds of the Issuer designated "Essex County Industrial Development Agency Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project)" in the aggregate principal amount of \$4,245,000 (the "Bonds").

The Bonds are issued for the purpose of assisting in the financing of a project (the "Project") consisting of (A)(1) the acquisition, construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including land and fixtures, to manufacture grain into flour, to be located at 19 Myers Way all within the Town of Willsboro, New York (the "Facility"), which facility will include an approximately 29,000 square foot building, and (2) certain fixtures and other personal property related thereto (the "Equipment") (the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt revenue bonds of the Issuer in one or more series in an aggregate principal amount not to exceed \$5,000,000; (C) the funding of a debt service reserve fund for the bonds for the Project; (D) the payment of the costs of issuing such bonds; and (E) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the New York State General Municipal Law) with respect to the foregoing, including an exemption from certain sales and use taxes, real

property taxes, deed transfer taxes, and mortgage recording taxes (together with the Project Facility, the "Project").

The Bonds are issued under and are equally and ratably secured by the Indenture. The Indenture grants the Trustee a first lien on and a security interest in the Trust Revenues (as defined in and subject to the provisions of, the Indenture).

The Issuer and the Company have entered into Installment Sale Agreement dated as of May 1, 2017 (the "Installment Sale Agreement").

As security for the payment of principal of, premium, if any, and interest on the Bonds, the Issuer has assigned to the Trustee all of the Issuer's rights and remedies under the Installment Sale Agreement (except the Unassigned Rights, as therein defined), including the right to receive installment payments and other amounts payable thereunder, pursuant to a pledge and assignment dated as of May 1, 2017 (the "Pledge and Assignment") from the Issuer to the Trustee. Pursuant to the Pledge and Assignment, installment payments made by the Company under the Installment Sale Agreement are to be paid directly to the Trustee. As further security for the repayment of the Bonds, the Company has delivered a Mortgage and Security Agreement, dated as of May 1, 2017, to the Issuer. The Mortgage is to be recorded in the office of the County Clerk of Essex County, New York.

Reference is hereby made to the Indenture, the Installment Sale Agreement, the Pledge and Assignment and the Mortgage and to all amendments and supplements thereto, for a description of the nature and extent of the security for the Bonds, the terms and conditions upon which the Bonds are issued and secured and the rights, duties and obligations of the Issuer, the Trustee, the Company and the Bondholders. Copies of such documents are on file in the principal office of the Trustee.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM PAYMENTS MADE BY THE COMPANY UNDER THE INSTALLMENT SALE AGREEMENT, MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE INDENTURE, AND THE SECURITY PROVIDED BY THE PLEDGE AND ASSIGNMENT, AND THE MORTGAGE.

(A) Optional Redemption.

The Bonds shall also be subject to redemption prior to maturity on or after June 1, 2027, at the option of the Company by exercise of its rights to prepay the installment purchase payments payable under the Installment Sale Agreement as provided in Section 5.5 thereof, as a whole at any time or in part on any Interest Payment Date, in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, at a redemption price of one hundred and three percent (103%) of the principal amount thereof, plus accrued interest to the redemption date:

(B) Mandatory Sinking Fund Redemption.

The Bonds issued as Term Bonds maturing on June 1, 2047 are subject to mandatory Sinking Fund Redemption at a redemption price of one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date, on

each June 1, and December 1 commencing December 1, 2019, in accordance with the sinking fund redemption schedule set forth below:

<u>Sinking Fund Payment Date</u>	<u>Sinking Fund Payment</u>	<u>Sinking Fund Payment Date</u>	<u>Sinking Fund Payment</u>
12/1/2019	\$25,000	06/1/2034	\$75,000
06/1/2020	35,000	12/1/2034	75,000
12/1/2020	30,000	06/1/2035	75,000
06/1/2021	30,000	12/1/2035	75,000
12/1/2021	30,000	06/1/2036	80,000
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12/1/2022	35,000	06/1/2037	85,000
06/1/2023	35,000	12/1/2037	85,000
12/1/2023	35,000	06/1/2038	90,000
06/1/2024	40,000	12/1/2038	95,000
12/1/2024	35,000	06/1/2039	95,000
06/1/2025	45,000	12/1/2039	100,000
12/1/2025	40,000	06/1/2040	100,000
06/1/2026	45,000	12/1/2040	110,000
12/1/2026	45,000	06/1/2041	105,000
06/1/2027	45,000	12/1/2041	110,000
12/1/2027	45,000	06/1/2042	115,000
06/1/2028	50,000	12/1/2042	120,000
12/1/2028	50,000	06/1/2043	120,000
06/1/2029	50,000	12/1/2043	125,000
12/1/2029	50,000	06/1/2044	130,000
06/1/2030	60,000	12/1/2044	140,000
12/1/2030	55,000	06/1/2045	135,000
06/1/2031	60,000	12/1/2045	145,000
12/1/2031	65,000	06/1/2046	145,000
06/1/2032	60,000	12/1/2046	155,000
12/1/2032	65,000	06/1/2047*	155,000
06/1/2033	65,000		
12/1/2033	65,000		

* Maturity.

(C) Extraordinary Redemption

The Bonds are subject to redemption prior to maturity (1) as a whole, without premium, as provided in Section 406 of the Indenture, in the event of (a) a taking in Condemnation of, or failure of title to, all or substantially all of the Project Facility, (b) damage to or destruction of part or all of the Project Facility and election by the Company to redeem the Bonds in accordance with Section 7.1 of the Installment Sale Agreement, or (c) a taking in Condemnation of part of the Project Facility and election by the Company to redeem the Bonds in accordance with Section 7.1 of the Installment Sale Agreement, or (2) as a whole, without premium, in the event that (a) the Installment Sale Agreement shall have become void or unenforceable or

impossible of performance in accordance with the intent and purposes of the parties as a result of any change in the United States Constitution or legislative or administrative action (whether state or federal), or by final decree or judgment of any court of administrative body, or (b) an Authorized Representative of the Company certifies that unreasonable burdens or excessive liabilities have been imposed on such Company or its property, including, without limitation, taxes not being imposed on the date of the Installment Sale Agreement, or (3) in part, without premium, (a) as provided in Section 406(F) of the Indenture, in the event that (i) excess moneys remain in the Insurance and Condemnation Fund following damage or condemnation of a portion of the Project Facility and completion of the repair, rebuilding or restoration of the Project Facility by the Company, and (ii) such excess moneys are not paid to the Company pursuant to Section 406(F) of the Indenture, (b) as provided in Section 404 of the Indenture, in the event that excess moneys remain in the Project Fund after the Completion Date, or (c) in the event that excess proceeds of recoveries from contractors are applied to redeem Bonds pursuant to Section 4.6 of the Installment Sale Agreement, in each case to the extent of such excess. In any such event, the Bonds shall be redeemed, as a whole or in part, as the case may be, in the manner provided in Article III of the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption pursuant to Section 303 of the Indenture, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(D) Partial Redemption.

In the event of the redemption of less than all of the Outstanding Bonds of any series issued under the Indenture, the maturity or maturities and amounts within maturities to be redeemed shall be selected by the Trustee at the direction of the Company. If less than all the Outstanding Bonds of any series of the same maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the redemption date in inverse order of maturity, and within each maturity by lot or by such other method as the Trustee may determine, provided that for so long as the Bonds shall be Book-Entry Bonds, the particular Bonds or portions thereof to be redeemed within a maturity shall be selected by lot by the Depository in such manner as the Depository may determine. The Trustee shall apply any partial redemption payments made with respect to any Bonds subject to mandatory Sinking Fund Payments (other than a scheduled mandatory sinking fund redemption) to the schedule of mandatory Sinking Fund Payments for such Bonds in inverse order of maturity. Further, the Trustee may provide for the selection for redemption of portions (equal to \$100,000 or any integral multiples of \$5,000 in excess thereof) of Bonds. In no event shall the principal amount of Bonds subject to any partial redemption be other than a whole multiple of \$5,000 thereof.

(E) Determination of Taxability

The Bonds are also subject to redemption prior to maturity upon the occurrence of a Determination of Taxability relating to such Bonds. In such event, the Bonds shall be subject to redemption, as a whole, as soon as possible after the discovery of such Determination of Taxability, at a redemption price equal to the Taxable Call Rate. If any Bonds are paid at maturity or purchased by the Trustee or redeemed subsequent to a Tax Incidence Date relating to such Series without payment of an amount at least equal to the redemption price that would have been received if such Bonds had been redeemed as a result of a Determination of Taxability, the

owners of such Bonds at the time of maturity, purchase or redemption, upon establishing their then ownership thereof, shall be entitled to receive, as an additional premium thereon, an amount equal to the difference between the amounts actually received and the amounts that would have been received if such Bonds had been redeemed as a result of a Determination of Taxability. Notice of the intended redemption of each Bond shall be given by the Trustee by Electronic Means or by first class mail, postage prepaid, to the registered owner at the address of such owner shown on the Bond Registrar's bond register. All such redemption notices shall be given not less than 30 days nor more than 60 days prior to the date fixed for redemption. In addition to providing notice of redemption as set forth above the Trustee shall send a second notice of redemption within 60 days following the redemption date, by registered mail, overnight mail, overnight delivery service, or other secure means, postage prepaid to the registered owners of any Bonds called for redemption, at their addresses appearing on the Bond registration books maintained by the Trustee, who have not surrendered their Bonds for redemption within 30 days following the redemption date.

Bonds (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Indenture shall thereupon cease to be entitled to the Lien of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

The principal hereof may be declared or may become due on the conditions and in the manner and at the time set forth in the Indenture upon the occurrence of an Event of Default as provided in the Indenture.

The Bonds are issuable in the denomination of \$100,000 or any multiple of \$5,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, this Bond, upon surrender for transfer at the principal office of the Trustee as Bond Registrar, is transferable upon an assignment duly executed by the registered owner hereof or his duly authorized legal representative, and, upon such transfer, one or more new Bonds of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, at the option of the Holder, Bonds may be exchanged for other Bonds of the same series and maturity, of any authorized denomination and of a like aggregate principal amount, upon surrender of the Bonds to be exchanged at the office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Bonds which the Holder making the exchange is entitled to receive.

No service charge shall be made for any transfer or exchange of Bonds, but the Issuer or the Trustee may make a charge for transfer or exchange of Bonds sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any new Bond shall be delivered.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PRICE OF OR THE INTEREST ON THIS BOND OR FOR ANY CLAIM BASED HEREON OR ON THE INDENTURE, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER, OFFICER, EMPLOYEE OR AGENT (EXCEPT THE COMPANY), AS SUCH, OF THE ISSUER OR OF ANY PREDECESSOR OR SUCCESSOR CORPORATION, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE HEREOF, EXPRESSLY WAIVED AND RELEASED.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of the Trustee shall be endorsed hereon.

THIS BOND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF ESSEX COUNTY OR OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION OF THE STATE OF NEW YORK AND SHALL NOT CREATE OR CONSTITUTE AN INDEBTEDNESS, LIABILITY OR OBLIGATION OF ESSEX COUNTY OR OF THE STATE OF NEW YORK OR OF ANY POLITICAL SUBDIVISION THEREOF, MORAL OR OTHERWISE, BUT THIS BOND SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR AS SET FORTH HEREIN AND IN THE INDENTURE. NEITHER THE GENERAL CREDIT OF THE ISSUER NOR THE GENERAL CREDIT OR TAXING POWER OF ESSEX COUNTY OR OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION OF THE STATE OF NEW YORK IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THIS BOND, OR THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. THE ISSUER HAS NO TAXING POWER.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture, and the issuance of this Bond, do exist, have happened and have been performed in the time, form and manner as required by law, and that the issuance of the Bonds does not violate any constitutional or statutory limitation. The provisions of this Bond and the Indenture shall be governed by the laws of the State of New York.

This Bond is one of the Bonds of the issue described in the within mentioned Indenture.

IN WITNESS WHEREOF, the Essex County Industrial Development Agency has caused this Bond to be executed on its behalf by the manual/facsimile signature of the Chairman of the Board of Directors and its corporate seal to be impressed hereon, and this Bond and such seal to be attested by the facsimile signature of its Secretary on this 11th day of May, 2017.

ATTEST:

By: 

Name: Jamie Rogers

Title: Secretary

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 

Name: Darren Darrah

Title: Chairman

(SEAL)

 **COPY**

May 16, 2017
Date of Authentication

**ZB, NATIONAL ASSOCIATION,
as Trustee**



COPY

By: _____
Authorized Signer

**ESSEX COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

AND

CHAMPLAIN VALLEY MILLING CORP., INC.

INSTALLMENT SALE AGREEMENT

DATED AS OF MAY 1, 2017

CERTAIN RIGHTS OF ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "ISSUER") UNDER THIS INSTALLMENT SALE AGREEMENT, AND CERTAIN MONEYS DUE AND TO BECOME DUE TO THE ISSUER HEREUNDER, HAVE BEEN ASSIGNED TO ZB, NATIONAL ASSOCIATION, AS TRUSTEE (THE "TRUSTEE"), PURSUANT TO A PLEDGE AND ASSIGNMENT DATED AS OF MAY 1, 2017, FROM THE ISSUER TO THE TRUSTEE.

THIS INSTALLMENT SALE AGREEMENT IS INTENDED TO CONSTITUTE A SECURITY AGREEMENT UNDER THE UNIFORM COMMERCIAL CODE OF THE STATE OF NEW YORK.

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and is for convenience of reference only.)

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INSTALLMENT SALE AGREEMENT

THIS INSTALLMENT SALE AGREEMENT dated as of May 1, 2017 (the “Installment Sale Agreement”) by and between **ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York having an office for the transaction of business located at 7566 Court Street, Elizabethtown, New York 12932 (the “Issuer”), and **CHAMPLAIN VALLEY MILLING CORP., INC.**, a corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 6679 Main Street, PO Box 454, Westport, New York 12993-0454 (the “Company”);

WITNESSETH:

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

WHEREAS, the Enabling Act authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State of New York (the “State”) and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and dispose of 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, civic, commercial or industrial purposes, in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease or sell any or all of its facilities, 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 and pledge any or all of its facilities, whether then owned or thereafter acquired, and to pledge the revenues and receipts from the lease or sale thereof to secure the payment of such bonds and interest thereon; and

WHEREAS, the Issuer was created, pursuant to and in accordance with the provisions of the Enabling Act, by Chapter 563 of the Laws of 1973 of the State (Section 914-a, Title 2 of Article 18-A of the General Municipal Law of the State), as amended from time to time (including without limitation Chapter 444 of the Laws of 1999 of the State) (collectively, with the Enabling Act, the “Act”) and is empowered under the Act to undertake the Project (as hereinafter defined) in order to so advance the job opportunities, health, general prosperity and economic welfare of the people of the State and improve their standard of living; and

WHEREAS, the Issuer, by resolution adopted on April 19, 2016 (the “Inducement Resolution”), determined to issue its tax-exempt revenue bonds for the purpose of assisting in providing financing of a project (the “Project”) consisting of (A)(1) the acquisition, construction,

reconstruction, equipping and installation of buildings and building improvements and equipment, including land and fixtures, to manufacture grain into flour, to be located at 19 Myers Way all within the Town of Willsboro, New York (the "Facility"), which facility will include an approximately 29,000 square foot building, and (2) certain fixtures and other personal property related thereto (the "Equipment") (the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt revenue bonds of the Issuer in one or more series in an aggregate principal amount not to exceed \$5,000,000; (C) the funding of a debt service reserve fund for the bonds for the Project; (D) the payment of the costs of issuing such bonds; and (E) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the State General Municipal Law) with respect to the foregoing, including an exemption from certain sales and use taxes, real property taxes, deed transfer taxes, and mortgage recording taxes (together with the Project Facility, the "Project"); and

WHEREAS, the Issuer, by resolution adopted on April 6, 2017 (the "Bond Resolution"), authorized the issuance of its Tax-Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 in the aggregate principal amount of \$4,245,000 (the "Bonds") for the purpose of financing the costs of undertaking the Project; and

WHEREAS, contemporaneously with the execution of this Installment Sale Agreement, the Issuer and ZB, National Association, as trustee (the "Trustee") have entered into a trust indenture dated as of May 1, 2017 (the "Indenture") specifying the terms and conditions upon which the Bonds are to be issued and secured; and

WHEREAS, the Issuer, by the terms of the Indenture and as security for the Bonds, will grant the Trustee a first lien on and a security interest in the Trust Revenues (as defined in the Indenture); and

WHEREAS, the Issuer proposes to undertake the Project, appoint the Company as agent of the Issuer to undertake the acquisition, construction, reconstruction and equipping of the Project Facility and transfer its interest in the Project Facility to the Company, and the Company desires to act as agent of the Issuer to undertake the acquisition, construction, reconstruction and equipping of the Project Facility and accept the transfer of such interest in the Project Facility from the Issuer, all pursuant to the terms and conditions hereinafter set forth in this Installment Sale Agreement; and

WHEREAS, the providing of the Project Facility by the Issuer and the transfer of its interest in the Project Facility to the Company pursuant to this Installment Sale Agreement is for a proper purpose, to wit, to advance the job opportunities, health, general prosperity and economic welfare of the inhabitants of the State, pursuant to the provisions of the Act; and

WHEREAS, all things necessary to constitute this Installment Sale Agreement a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this Installment Sale Agreement have in all respects been duly authorized by the Issuer and the Company;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS HEREINAFTER CONTAINED, THE PARTIES HERETO HEREBY FORMALLY COVENANT, AGREE AND BIND THEMSELVES AS FOLLOWS, TO WIT:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions.

Terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture, as amended from time to time.

Section 1.2. Interpretation.

In this Installment Sale Agreement, unless the context otherwise requires:

(A) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Installment Sale Agreement, refer to this Installment Sale Agreement, and the term “heretofore” shall mean before, and the term “hereafter” shall mean after, the date of this Installment Sale Agreement;

(B) Words of masculine gender shall mean and include correlative words of the feminine and neuter genders;

(C) Words importing the singular number shall mean and include the plural number, and vice versa; and

(D) Any certificates, letters or opinions required to be given pursuant to this Installment Sale Agreement shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Installment Sale Agreement.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.1. Representations, Warranties And Covenants Of Issuer.

The Issuer makes the following representations, warranties and covenants as the basis for the undertakings on its part herein contained:

(A) The Issuer is duly established under the provisions of the Act and has the power to enter into this Installment Sale Agreement and to carry out its obligations hereunder. Based upon the representations of the Company as to the utilization of the Project Facility, the Project Facility will constitute a “project,” as such quoted term is defined in the Act. By proper official action, the Issuer has been duly authorized to execute, deliver and perform this

Installment Sale Agreement and the other Financing Documents to which the Issuer is a party (the "Issuer Documents").

(B) Neither the execution and delivery of this Installment Sale Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of the other Issuer Documents will conflict with or result in a breach or constitute a default by the Issuer of any of the terms, conditions or provisions of the Act, the by-laws of the Issuer or any order, judgment, restriction, agreement or instrument to which the Issuer is a party or by which the Issuer is bound, or will constitute a default by the Issuer under any of the foregoing.

(C) The Issuer will cause the Project Facility to be acquired, constructed, reconstructed and equipped and will sell the Project Facility to the Company pursuant to this Installment Sale Agreement, all for the purpose of advancing the job opportunities, health, general prosperity and economic welfare of the people of the State and improving their standard of living.

(D) The Issuer, to the extent of its interest therein, shall not sell, assign, transfer, encumber or pledge as security the Project Facility or any part thereof and shall maintain the Project Facility free and clear of all Liens or encumbrances, except for Permitted Encumbrances and as allowed by the terms of this Installment Sale Agreement and the other Financing Documents.

(E) To finance certain of the Costs of the Project Facility, the Issuer will issue and sell the Bonds in the aggregate principal amount of \$4,245,000. The Bonds will be issued, mature, bear interest, be redeemable and have other terms and provisions as provided for in the Indenture.

(F) In no event will the Issuer issue and sell additional obligations to pay the Cost of the Project Facility if the issuance and sale of such further obligations would cause interest on the Bonds to be or become included in gross income for federal income tax purposes under the Code. The Issuer shall cooperate with the Company in the filing by the Company, as agent of the Issuer, of such returns and other information with the Internal Revenue Service as the Trustee or the Company requests in writing and which Bond Counsel advises the Issuer in writing is necessary to preserve the tax-exempt status of the interest payable on the Bonds, provided the Company shall bear all costs of preparing, gathering and/or filing such returns and other information. In addition, the Issuer, at the request of the Company, shall cooperate with the Company in the filing by the Company, as agent of the Issuer, of such returns and other information with the State and Essex County, New York.

(G) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service that the Issuer is a bond issuer whose arbitrage certifications may not be relied upon.

(H) The Issuer Documents constitute, or upon their execution and delivery in accordance with the terms thereof will constitute valid and legally binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except as such

enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting the enforceability of creditors' rights generally and except as such enforceability is subject to the application of the principles of equity (regardless of whether the issue of enforceability is considered in a proceeding in equity or law) including, without limitation (i) the possible unavailability of specific performance, injunctive relief or any other equitable remedy, and (ii) concepts of materiality, reasonableness, good faith and fair dealing.

(I) So long as any Bond shall be Outstanding, the Issuer will not take any action (or omit to take any action required by any of the Financing Documents, or which the Trustee or the Company, together with Bond Counsel, advise the Issuer in writing should be taken) or, to the extent within its control, allow any action to be taken, which action (or omission) would in any way (1) cause the proceeds from the sale of the Bonds to be applied in a manner contrary to that provided in the Financing Documents, or (2) adversely affect the exclusion of the interest payable on any Bond from gross income for federal income tax purposes. Notwithstanding the foregoing, there shall be no such obligation upon the Issuer with respect to the use or investment of its administrative fee, provided, however, that if the Company is required to rebate any amount with respect to such administrative fee, the Issuer shall provide, upon the reasonable request of the Company, such information concerning the investment of such administrative fee as shall be requested by the Company and as shall be reasonably available to the Issuer.

(J) The Issuer will comply with all of the terms, conditions and provisions of the Tax Compliance Certificate. All of the representations, certifications, statements of reasonable expectation and covenants made by the Issuer in the Tax Compliance Certificate are hereby incorporated by this reference as though set forth in full herein.

Section 2.2. Representations, Warranties and Covenants of Company.

The Company makes the following representations, warranties and covenants as the basis for the undertakings on its part herein contained:

(A) The Company is a corporation organized and existing under the laws of the State, is duly authorized to do business in the State, has the power to enter into this Installment Sale Agreement and the other Financing Documents to which the Company is a party (the "Company Documents") and to carry out its obligations hereunder and thereunder, has been duly authorized to execute this Installment Sale Agreement and the other Company Documents and is qualified to do business in all jurisdictions in which its operations or ownership of Properties so require. This Installment Sale Agreement and the other Company Documents and the transactions contemplated hereby and thereby, have been duly authorized by all necessary action on the part of the Company's board of trustees.

(B) Neither the execution and delivery of this Installment Sale Agreement or any of the other Company Documents, the consummation of the transactions contemplated hereby and thereby nor the fulfillment of or compliance with the provisions hereof or thereof will (1) conflict with or result in a breach of or default under any of the terms, conditions or provisions of the Certificate of Incorporation or bylaws of the Company or any other corporate

restriction, order, judgment, agreement or instrument to which the Company is a party or by which the Company or any of its Property is bound, or constitute a default under any of the foregoing, or result in the creation or imposition of any Lien of any nature upon the Project Facility under the terms of any such instrument or agreement, other than the Mortgage and other Permitted Encumbrances, or (2) require consent under (which has not been heretofore received) any corporate restriction, agreement or instrument to which the Company is a party or by which the Company or any of its Property may be bound or affected, or (3) require consent under (which has not been heretofore received or if not received is not yet required to be obtained), conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any government, governmental instrumentality or court (domestic or foreign) having jurisdiction over the Company or any of the Property of the Company.

(C) The completion of the Project Facility by the Issuer and the transfer of its interest therein by the Issuer to the Company will not result in the removal of a commercial, manufacturing or industrial plant of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State.

(D) The Company Documents constitute, or upon their execution and delivery in accordance with the terms thereof will constitute, valid and legally binding obligations of the Company, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights and by restrictions on the availability of equitable remedies.

(E) The Project Facility is, and so long as any Bond shall be Outstanding, the Project Facility will continue to be a "project", as such quoted term is defined in the Act, and the Company will not take any action (or omit to take any action required by the Financing Documents or which the Trustee or the Issuer, together with Bond Counsel, advise the Company in writing should be taken), or allow any action to be taken, which action (or omission) would in any way (1) cause the Project Facility not to constitute a "project", as such quoted term is defined in the Act, (2) adversely affect the exclusion of the interest paid or payable on any Bond from gross income for federal income tax purposes, or (3) cause the proceeds of the Bonds to be applied in a manner contrary to that provided in the Financing Documents.

(F) The Project Facility and the operation thereof will comply in all material respects with all Applicable Laws, and the Company will defend and save the Issuer and its officers, members, agents and employees harmless from all fines and penalties due to failure to comply therewith. The Company shall cause all notices required by all Applicable Laws to be given, and shall comply or cause compliance with all Applicable Laws, and the Company will defend and save the Issuer and its officers, members, agents, directors and employees harmless from all fines and penalties due to the failure to comply therewith.

(G) The Project will not have a “significant impact on the environment”: (within the meaning of such term as used in the New York State Environmental Quality Review Act (“SEQRA”)), and the Company hereby covenants to comply with all mitigation measures, requirements and conditions, if any, enumerated in the negative declaration issued by the Issuer on April 6, 2017 under SEQRA applicable to the construction, reconstruction, equipping and operation of the Project Facility and in any other approvals issued by any other Governmental Authority with respect to the Project Facility. No material changes with respect to any aspect of the Project Facility have arisen from the date of the issuance of such determination which would cause the determinations contained therein to be untrue.

(H) The Project Facility and the use, occupancy and operation thereof in the manner presently contemplated by the Financing Documents will comply in all material respects with all Applicable Laws.

(I) The Company will comply with all of the terms, conditions and provisions of the Tax Certificate. All of the representations, certifications, statements of reasonable expectation and covenants made by the Company in the Tax Certificate are hereby declared to be for the benefit of, among others, the Issuer and, by this reference, are incorporated by this reference as though set forth in full herein.

(J) All proceeds of the Bonds shall be used to pay the Cost of the Project, and such total Cost of the Project, including all costs related to the issuance of the Bonds, shall not be less than the total Bond Proceeds advanced by the Trustee under the Indenture. In no event will “costs of issuance” (within the meaning of Section 147(g) of the Code) paid from the proceeds of the Bonds exceed two percent (2%) of the proceeds of the Bonds.

(K) There are no actions, suits or proceedings pending, or to the knowledge of the Company, threatened against or affecting it or the Project Facility or involving the validity or enforceability of this Installment Sale Agreement or any of the other Financing Documents, at law or in equity or before or by any governmental authority, except actions, suits and proceedings fully covered by insurance or which, if adversely determined, would not materially impair the ability of the Company to pay when due any amounts which may become payable in respect of this Installment Sale Agreement; and to the Company’s knowledge it is not in default with respect to any order, writ, injunction, decree or demand of any court or any governmental authority.

(L) No assessments of any nature will remain unpaid after the final construction disbursement, including but not limited to assessments relating to streets, roads, entrances, waterlines, sanitary and storm sewers, gas lines and all other utilities including acreage fees and trunk sewers.

(M) The Company agrees to give promptly notice in writing to the Trustee of the occurrence or existence of any material litigation, labor dispute or governmental proceeding or investigation affecting the Company which could reasonably be expected to interfere substantially with its normal operations or materially and adversely affect its financial conditions.

(N) The Company agrees to pay or to reimburse the Trustee for any Rebate Fee and related expenses incurred in connection with calculations of any required Rebate Amount.

(O) The Project is located within Essex County, New York.

(P) Except for the interim loan from Champlain National Bank (the “Interim Loan”) to pay a portion of the costs of the Project, which will be partially paid with proceeds of the Bonds, the Company has no material liabilities, direct or contingent, except those disclosed to the Issuer and the Trustee or in the Company’s financial statements and there is no fact presently known to the Company which materially adversely affects or in the future may materially adversely affect the business, operations, properties or assets of the Company, which have not been set forth herein or in a document, certificate or other writing delivered to the Issuer and the Trustee prior to the Closing Date.

(Q) No Collateral for the Bonds shall be applied to secure the Interim Loan or any outstanding or future loan secured from any source in which the Company or any Guarantor is an obligor or guarantor.

(R) Except in the normal course of its business, the Company has not made any investments in, advances to, or guarantees of the obligations of any company, individual or other entity outstanding other than those disclosed to the Issuer and the Trustee.

(S) The Company has filed all required federal, State and local tax returns as they have become due and no claims have been assessed by any federal, State or local authorities with respect to such taxes.

(T) The Company will comply with all requirements imposed upon it by any Rating Agency providing a rating on the Bonds in order to maintain a rating on the Bonds.

(U) The statements made in the final Limited Offering Memorandum relating to the Bonds that are descriptive of the Company or the Project Facility have been prepared or reviewed by the Company and did not on the date of the Limited Offering Memorandum, do not on the date of the Indenture and will not on the date of initial delivery of the Bonds contain any untrue statement of a material fact or omit to state any material fact necessary in order to make such statements, in light of the circumstances under which they were made, not misleading.

(V) The Company will prepare or cause to be prepared an annual audit of the Company and of the Project Facility to be provided to the purchaser of the Bonds within 120 days of the end of each fiscal year of the Company during the period which the Bonds are Outstanding.

(W) The Company will prepare or cause to be prepared unaudited financial statements, including (internal) income statement & balance sheets, of the Company to be provided to the purchaser of the Bonds within forty-five (45) days of the end of each quarterly period during the first three years the Bonds are Outstanding.

(X) Not later than thirty days after closing, the Company shall maintain keyman life insurance on the majority shareholders of the Company in the amount of \$500,000 per majority shareholder during the period which the Bonds are Outstanding and shall assign the policy to the Trustee for the benefit of the Bondholders and until such policy has been assigned to the Trustee, will not, after the submission of the initial requisition at closing, submit any requisition for disbursement of proceeds hereunder to the Trustee, provided that no keyman life insurance will be required if after five consecutive years, no Event of Default has occurred or is continuing.

(Y) The Company and the majority shareholders of the Company (together the “Guarantors”) will guaranty to the Issuer and the Trustee the full and timely payment, when due of the principal of, premium, if any, and interest on the Bonds and the payment and performance of the Company’s obligations under this Installment Sale Agreement and the other Financing Documents pursuant to the Guaranty.

Section 2.3. Covenant with Trustee and Bondholders.

The Issuer and the Company agree that this Installment Sale Agreement and the Tax Compliance Certificate are executed in part to induce the Bondholders to purchase the Bonds by the Holders and Beneficial Owners from time to time of the Bonds. Accordingly, all representations, covenants and agreements on the part of the Issuer and the Company set forth in this Installment Sale Agreement and the Tax Compliance Certificate, other than the Unassigned Rights, are hereby declared to be for the benefit of the Issuer, the Trustee and the Holders and Beneficial Owners from time to time of the Bonds.

ARTICLE III

TRANSFER AND USE OF PROJECT FACILITY

Section 3.1. Transfer to Issuer.

(A) The Company has or will transfer, or will cause to be transferred, to the Issuer the Company’s interest in the Project Facility pursuant to the Deed to Issuer and the Bill of Sale to the Issuer. The Company represents and warrants that it has and will convey to the Issuer good and marketable title to the portions of the Project Facility that exist on the Closing Date, free and clear of all Liens except for Permitted Encumbrances, and agrees that it will defend, indemnify and hold the Issuer and the Trustee harmless from any expense or liability due to any defect in title thereto.

Section 3.2. Title Insurance.

The Company has obtained or will obtain title insurance for the benefit of, and in form reasonably satisfactory to, the Issuer in an amount equal to the principal amount of the Bonds insuring title to the Project Facility. To the extent not used to clear title to the Project Facility, the Net Proceeds of such insurance shall be applied to redeem the Bonds pursuant to the Indenture.

Section 3.3. Use of Project Facility.

Subsequent to the Closing Date, (A) unless an Event of Default has occurred and is continuing, the Company shall have sole and exclusive (as between the Company and the Issuer) possession and use of the Project Facility and (B) the Company shall not use the Project Facility, or permit the Project Facility to be used, by any Nonexempt Person or in any “unrelated trade or business”, within the meaning of Section 513(a) of the Code, in such manner or to such extent as would cause the interest paid or payable on the Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes.

Section 3.4. Hazardous Wastes.

(A) The Company represents, warrants and covenants that the Company has not used Hazardous Materials on, from, or affecting the Project Facility in any manner which violates federal, state or local laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, and that, to the best of the Company’s knowledge, no prior owner of the Project Facility or any tenant, subtenant, prior tenant or prior subtenant has used Hazardous Materials on, from or affecting the Project Facility in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials.

(B) The Company shall not cause or permit the Project Facility to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in compliance with all applicable federal, state and local laws or regulations.

(C) The Company shall comply in all respects with, and ensure compliance by all tenants and subtenants with, all applicable federal, state and local laws, ordinances, rules and regulations regarding Hazardous Materials whenever and by whomever triggered, and shall obtain and comply in all respects with, and ensure that all tenants and subtenants obtain and comply in all respects with, any and all approvals, registrations or permits required thereunder.

(D) The Company shall (1) prior to the Completion Date conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials, on, from, or affecting the Project Facility (a) in accordance with all applicable federal, state and local laws, ordinances, rules, regulations and policies, (b) to the satisfaction of the Issuer, and (c) in accordance with the orders and directives of all federal, state and local Governmental Authorities and (2) defend, indemnify, and hold harmless the Issuer, its employees, agents, officers and members from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (a) the disposal, release or threatened release of any Hazardous Materials relating to the Project Facility which are on, from, or affecting soil, water, vegetation, buildings, personal property, persons, animals or otherwise; (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (c) any

lawsuit brought or threatened, settlement reached, or any government order relating to Hazardous Materials relating to the Project Facility, and/or (d) any violations of laws, orders, regulations, requirements or demands of Government Authorities which are based upon or in any way related to Hazardous Materials relating to the Project Facility, including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses.

ARTICLE IV

ACQUISITION, CONSTRUCTION, RECONSTRUCTION AND EQUIPPING OF PROJECT FACILITY; ISSUANCE OF BONDS; USE OF PROCEEDS

Section 4.1. Acquisition, Construction, Reconstruction and Equipping of Project Facility.

(A) The Company shall, on behalf of the Issuer, promptly acquire, construct, reconstruct and equip the Project Facility, or cause the acquisition, construction, reconstruction and equipping of the Project Facility, all in accordance with the Plans and Specifications.

(B) No material change in the Plans and Specifications shall be made unless the Company shall furnish the Issuer and the Trustee with an unqualified opinion of Bond Counsel that the construction of and reconstruction of the Facility and the acquisition and equipping of the Equipment in accordance with the revised Plans and Specifications will not adversely affect the tax-exempt status of the interest paid or payable on the Bonds.

(C) Title to all materials, equipment, machinery and other items of Property intended to be incorporated or installed in and to become part of the Project Facility shall vest in the Issuer immediately upon the execution of the Bill of Sale to the Issuer. Title to all materials, equipment, machinery and other items of Property acquired by the Company subsequent to the Closing Date and intended to be incorporated or installed in and to become part of the Project Facility shall vest in the Issuer immediately upon incorporation or installation of the Project Facility. The Company shall execute, deliver and record or file all instruments necessary or appropriate to vest title to the above in the Issuer and shall take all action necessary or appropriate to protect such title against claims of any third Persons.

(D) The Issuer shall enter into, and accept the assignment of, such contracts as the Company may request in order to effectuate the purposes of this Section 4.1; provided, however, that the liability of the Issuer thereunder shall be limited to moneys disbursed under the Indenture.

(E) The Issuer hereby appoints the Company as its true and lawful agent to perform the following in compliance with the terms, purposes and intent of the Financing Documents, and the Company hereby accepts such agency to: (1) acquire, construct, reconstruct and install the Project Facility, (2) make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other Persons, and in general to do all things which may be requisite or proper, all for the acquisition, construction, reconstruction and equipping of the Project Facility, with the same powers and with the same validity as the Issuer could do if acting in its own behalf, provided that the liability of the Issuer thereunder shall be limited to moneys advanced under the Indenture, (3) pay all fees, costs and expenses incurred in the

acquisition, construction, reconstruction, equipping and installation of the Project Facility from funds made available therefore in accordance with this Installment Sale Agreement and the other Financing Documents, (4) request on behalf of the Issuer, and receive for the purpose of paying the Cost of the Project, disbursements of the proceeds of the Bonds pursuant to the Financing Documents, and (5) ask, demand, sue for, levy, recover and receive all such sums of money, debts, dues and other demands whatsoever which may be due, owing and payable to the Issuer under the terms of any contract, order, receipt or writing in connection with the acquisition, construction, reconstruction and equipping of the Project Facility and to enforce the provisions of any contract, agreement, obligation, bond or other performance security in connection with the same.

(F) The Company has given or will give or cause to be given all notices and has complied or will comply or cause compliance in all material respects with all Applicable Laws and the Company will defend, indemnify and save the Issuer and the Trustee and their respective officers, members, directors, agents, servants and employees harmless from all fines and penalties due to failure to comply therewith. All permits and licenses necessary for the prosecution of work on the Project Facility shall be procured promptly by the Company.

(G) To the extent required by applicable law, the Company will cause (1) compliance with the requirements of Article 8 of the New York Labor Law, and (2) any contractors, subcontractors and other persons involved in the acquisition, construction, reconstruction and equipping of the Project Facility to comply with Article 8 of the New York Labor Law. The covenant in this subsection is not intended as a representation that Article 8 of the New York Labor Law applies.

(H) In compliance with Section 13 of the New York Lien Law to the extent to which that Section may be found to apply by its terms, the Company covenants that it (1) will hold the right to receive the proceeds of the Bonds, which have been deposited by the Issuer in a trust fund for the purpose of paying the Cost of the Project, as a trust fund to be applied first for the purpose of paying the “cost of improvement” (as said term is defined in Section 2(5) of the New York Lien Law), and (2) will apply the same first to the payment of the “cost of improvement” before using any part of the total of the same for any other purpose. The covenants in this subsection is not intended as a representation that this Installment Sale Agreement or the Indenture is a “building loan contract,” as defined in Section 2(13) of the New York Lien Law.

Section 4.2. Issuance of Bonds.

In order to finance the Costs of the Project, together with other payments and incidental expenses in connection therewith, the Issuer agrees that it will issue, sell and cause to be delivered to the purchaser thereof the Bonds, as provided in the Indenture. **THE ISSUER MAKES NO REPRESENTATION, EXPRESS OR IMPLIED, THAT THE NET PROCEEDS OF THE BONDS WILL BE SUFFICIENT TO COMPLETE THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION EQUIPPING AND INSTALLATION OF THE PROJECT FACILITY.**

Section 4.3. Application of Proceeds of Bonds.

(A) The Bond Proceeds shall be deposited by the Issuer with the Trustee as provided in the Indenture and, upon submission to the Trustee of a Request for Disbursement certified by an Authorized Representative of the Company complying with the requirements of Section 404 of the Indenture, shall be applied to pay the following items of cost and expense incurred in connection with the Project Facility subsequent to the Inducement Date (except to the extent that the Company receives an opinion of Bond Counsel that payment of amounts incurred prior to such date will not adversely affect the tax-exempt status of the interest paid or payable on the Bonds), and for no other purpose:

(1) the cost of preparing the Plans and Specifications as they relate to the Project Facility (including any preliminary study or planning for the Project Facility or any aspect thereof);

(2) all costs incurred in connection with the acquisition, construction, reconstruction, equipping and installation of the Project Facility (including architectural, engineering and supervisory services with respect thereto);

(3) all fees, taxes, charges and other expenses for recording or filing, as the case may be, the Financing Documents, any other agreement contemplated thereby, any financing or continuation statements and any title curative documents that the Issuer or the Trustee may deem desirable in order to perfect or protect the Issuer's, the Trustee's or the Company's respective interests in the Project Facility, and any security interests contemplated by the Financing Documents;

(4) all fees and expenses in connection with any actions or proceedings in order to perfect or protect the Issuer's, the Trustee's or the Company's respective interests in the Project Facility, except for removing Permitted Encumbrances;

(5) any expenses of the Company in enforcing any remedy against any contractor, subcontractor or materialman in accordance with Section 4.6 hereof;

(6) the cost of all insurance maintained with respect to the Project Facility pursuant to Section 6.3 hereof during the Construction Period and the cost of maintaining any payment and performance bond or letter of credit in substitution therefor), if any, with respect to the Project Facility;

(7) all interest payable on the Bonds during the Construction Period;

(8) all interest payable on any interim financing the Company may have secured with respect to the Project Facility in anticipation of the issuance of the Bonds;

(9) all legal, accounting, financial advisory, investment banking, underwriting, rating agency, blue sky, legal investment and any other fees, discounts, costs and expenses incurred by the Issuer, the Company or the Trustee in connection with the preparation, reproduction, authorization, issuance, execution, delivery and sale of the

Bonds and the other Financing Documents and all other documents in connection therewith, with the acquisition, construction, reconstruction, equipping and installation of the Project Facility, and with any other transaction contemplated by the Bonds, the Indenture and this Installment Agreement;

(10) the administration and acceptance fees, costs and expenses (including, but not limited to, reasonable attorneys' fees) of the Issuer and the Trustee;

(11) all title insurance, appraisal and surveying costs;

(12) payment of taxes and assessments relating to the Project Facility payable during or allocable to the Construction Period; and

(13) reimbursement to the Company for any of the above enumerated costs and expenses paid and incurred by the Company subsequent to the Inducement Date.

Section 4.4. Completion of Project Facility.

The Company will proceed with due diligence to complete the acquisition, construction, reconstruction, equipping and installation of the Project Facility. Completion shall be evidenced by a certificate signed by an Authorized Representative of the Company to the Issuer and Trustee stating (A) the date of such completion, (B) that all labor, services, materials and supplies used for the acquisition, construction, reconstruction, equipping and installation of the Project Facility and all costs and expenses in connection therewith have been paid, (C) that the acquisition, construction, reconstruction, equipping and installation of the Project Facility have been completed, with the exception of ordinary punchlist items and work awaiting seasonal opportunity, (D) that the Company or the Issuer has good and valid title to all Property constituting the Project Facility, free and clear of all Liens and encumbrances except Permitted Encumbrances, and that the Project Facility is subject to this Installment Sale Agreement, (E) the applicable Rebate Amount with respect to the Net Proceeds of the Project Fund and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Trustee relating to any required transfer to the Rebate Fund), and (F) that the Project Facility is ready for occupancy, use and operation for its intended purposes. Notwithstanding the foregoing, such certificate may state (1) that it is given without prejudice to any rights of the Company against third parties which exist at the date of such certificate or which may subsequently come into being, (2) that it is given only for the purposes of this Section 4.4, and (3) that no Person other than the Issuer and the Trustee may benefit therefrom. Such certificate shall be accompanied by a certificate of occupancy, or a letter from the local Governmental Authority stating no certificate of occupancy is required, and any and all permissions, licenses or consents required of Governmental Authorities for the occupancy, operation and use of the Project Facility for its intended purposes.

Section 4.5. Completion by Company.

(A) In the event that the Bond Proceeds are not sufficient to pay in full all costs of acquiring, constructing, reconstructing and installing the Project Facility, in accordance with the Plans and Specifications, the Company agrees, for the benefit of the Issuer, to complete

such acquisition, construction, reconstruction, equipping and installation and to pay all such sums as may be in excess of the available Bond Proceeds. Title to portions of the Project Facility acquired, constructed, reconstructed and installed at the Company's cost shall immediately upon such acquisition, construction, reconstruction or installing vest in the Issuer. The Company shall execute, deliver and record or file such instruments as the Issuer or the Trustee may request in order to perfect or protect the Issuer's title to such portions of the Project Facility and to all equipment purchased with the Bond Proceeds.

(B) No payment by the Company pursuant to this Section 4.5 shall entitle the Company to any reimbursement for any such expenditure from the Issuer or the Trustee or to any diminution or abatement of any amounts payable by the Company under this Installment Sale Agreement or under any other Financing Document.

Section 4.6. Remedies to Be Pursued Against Contractors, Subcontractors, Materialmen and Their Sureties.

In the event of a default by any contractor, subcontractor, materialman or other Person under any contract made by it in connection with the acquisition, construction, reconstruction, equipping and installation of the Project Facility or in the event of a breach of warranty or other liability with respect to any materials, workmanship or performance guaranty, the Company at its expense, shall proceed, either separately or in conjunction with others, to exhaust the remedies of the Company and the Issuer against the contractor, subcontractor or materialman so in default and against each surety for the performance of such contract. The Company may, in its own name or, with the prior written consent of the Issuer, in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor, materialman or surety which the Company deems reasonably necessary, and in such event the Issuer hereby agrees, at the Company's sole expense, to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Issuer in such action or proceeding. The Company shall advise the Issuer and the Trustee of any actions or proceedings taken hereunder. The Net Proceeds of any recovery secured by the Company as a result of any action pursued against a contractor, subcontractor, materialman or their sureties pursuant to this Section 4.6 shall be deposited with the Trustee and applied as provided in Section 7.1 hereof and the Indenture.

ARTICLE V

AGREEMENT TO TRANSFER PROJECT FACILITY; INSTALLMENT PURCHASE PAYMENTS AND OTHER AMOUNTS PAYABLE

Section 5.1. Installment Sale.

In consideration of the Company's covenant herein to make installment purchase payments, and in consideration of the other covenants of the Company contained herein, including the covenant to make additional and other payments required hereby, the Issuer hereby agrees to transfer the Project Facility, and the Company agrees to purchase and acquire the Project Facility from the Issuer, subject only to Permitted Encumbrances and the terms of the Financing Documents.

Section 5.2. Transfer of Interest; Instrument Survival.

(A) The Issuer's interest in the Project Facility shall be conveyed (subject to Permitted Encumbrances and the terms of the Financing Documents) from the Issuer to the Company on or after the date on which the Bonds are no longer Outstanding.

(B) The transfer of the Issuer's right, title and interest in and to the Facility shall be affected by the delivery of the Deed to Company (in substantially the form attached hereto as Exhibit "C"). The sale and conveyance of the Issuer's right, title and interest in and to the Equipment shall be effected by the delivery to the Company of the Bill of Sale to Company (in substantially the form attached hereto as Exhibit "D" and by this reference made a part hereof).

(C) The Company agrees to prepare the Deed to Company and/or the Bill of Sale to Company and all schedules thereto, together with all the necessary documentation, and to forward same to the Issuer at least thirty (30) days prior to the date that the Issuer's interest in the Project Facility or any portion thereof is to be conveyed to the Company.

(D) The Company hereby agrees to pay all expenses and taxes, if any, applicable to or arising from the transfers contemplated by this Section 5.2.

(E) This Installment Sale Agreement shall survive the transfer of the Issuer's interest in the Project Facility to the Company pursuant to this Section 5.2 and shall remain in full force and effect until all of the Indebtedness shall have been paid in full, and thereafter the obligations of the Company shall survive as set forth in Section 12.8 hereof.

(F) Upon the payment in full of all the Indebtedness, and notwithstanding the survival of certain obligations of the Company as described in Section 12.8 hereof, the Issuer and the Trustee shall upon the request of the Company execute and deliver to the Company such documents as the Company may reasonably request, in recordable form if so requested, to evidence the termination and release of all Liens granted to the Issuer and the Trustee hereunder.

Section 5.3. Installment Purchase Payments and Other Amounts Payable.

(A) The Company shall pay installment purchase payments for the Project Facility as follows.

(1) on or before the Business Day immediately preceding each Bond Payment Date, the Company shall make available moneys to the Trustee for deposit into the Bond Fund, in an amount which, when added to any amounts then held in the Bond Fund, shall equal the amount payable as principal, interest and premium, if any, on the Bonds on such Bond Payment Date; and

The Company shall pay as additional installment purchase payments hereunder any premium due on the Bonds and the following:

(1) within thirty (30) days after receipt of a demand therefor from the Trustee, the Company shall pay to the Trustee the following amounts: (a) the reasonable

fees and expenses of the Trustee in connection with the carrying out of the Trustee's duties and obligations under the Indenture or any of the other Financing Documents, (b) the sum of the expenses of the Trustee reasonably incurred in performing the obligations of (i) the Company under this Installment Sale Agreement, or (ii) the Issuer under the Bonds, this Installment Sale Agreement, and (c) the Trustee's reasonable attorneys' fees incurred in connection with the foregoing and other moneys due to the Trustee pursuant to the provisions of any of the Financing Documents.

(2) within thirty (30) days after receipt of a demand therefor from the Issuer, the Company shall pay the reasonable fees and expenses of the Issuer at the request of the Issuer in writing related to the issuance of the Bonds and the ownership, financing or sale of the Project Facility or in connection with the carrying out of the Issuer's duties and obligations under this Installment Sale Agreement or any of the other Financing Documents, and any other fee or expense of the Issuer with respect to the Project Facility, the sale of the Project Facility to the Company, the Bonds or any of the other Financing Documents, the payment of which is not otherwise provided for under this Installment Sale Agreement.

(3) upon receipt of notice from the Trustee pursuant to Section 408(D) of the Indenture that a withdrawal has been made from the Reserve Fund, the Company will make available to the Trustee for deposit in the Reserve Fund moneys to replenish such withdrawal from the Reserve Fund in monthly payments commencing immediately succeeding the date of receipt by the Company from the Trustee of notice of such withdrawal, each such monthly payment to be in an amount at least equal to one-twelfth of the withdrawal identified in such notice; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement.

(4) upon receipt of notice from the Trustee pursuant to 408(D) of the Indenture that the periodic valuation of the Reserve Fund has determined that a deficiency exists in the amount required to be on deposit to the credit of the Reserve Fund, the Company will make available to the Trustee for deposit in the Reserve Fund moneys to replenish such deficiency in the Reserve Fund in monthly payments made prior to the next periodic valuation date, each such monthly payment to be in an amount at least equal to one quarter of the deficiency identified in such notice; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement.

(B) The Company, under the provisions of this Section 5.3, agrees to make the above-mentioned payments in immediately available funds and without any further notice in lawful money of the United States of America. In the event the Company shall fail to timely make any payments required in Section 5.2(A) for a period of more than ten (10) days from the date such payment is due, the Company shall pay the same together with interest thereon, at the rates borne by the Bonds. In the event the Company shall fail to timely make any payments required in Section 5.3(B) a period of more than ten (10) days, the Company shall pay the same together with interest on such payments at the Default Rate but in no event at a rate higher than

the maximum lawful prevailing rate, from the date on which such payment was due until the date on which such payment is made.

(C) In the event of an application of moneys in the Project Fund toward prepayment of the principal of the Bonds pursuant to Section 404(E) of the Indenture, there shall be no abatement or reduction in the amounts payable by the Company under this Section 5.3.

(D) The Company shall be entitled to a credit against the installment purchase payments next required to be made under Section 5.3(A) to the extent that the balance of the Bond Fund is then in excess of amounts required (1) for payment of Bonds theretofore matured or theretofore called for redemption, (2) for payment of interest for which checks or drafts have been drawn and mailed by the Trustee, and (3) for deposit in the Bond Fund for use other than for the payment of Debt Service Payments on the Interest Payment Date next following the applicable date such installment purchase payments are due pursuant to Section 5.3(A) hereof. In any event, however, if on any Interest Payment Date, the balance in the Bond Fund is insufficient to make required payments of Debt Service Payments on the Bonds, the Company forthwith will pay to the Trustee, for the account of the Issuer and for deposit in into the Bond Fund.

Section 5.4. Nature of Obligations of Company Hereunder.

(A) The obligations of the Company to make the payments required by this Installment Sale Agreement and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be general obligations of the Company and shall be absolute and unconditional irrespective of any defense or any rights of set-off, recoupment or counterclaim the Company may otherwise have against the Issuer or the Trustee. The Company agrees that it will not suspend, discontinue or abate any payment required by, or fail to observe any of its other covenants or agreements contained in this Installment Sale Agreement, or terminate this Installment Sale Agreement for any cause whatsoever, including, without limiting the generality of the foregoing, failure to complete the acquisition, construction, reconstruction, equipping and installation of the Project Facility, any defect in the title, design, operation, merchantability, fitness or condition of the Project Facility or any part thereof or in the suitability of the Project Facility or any part thereof for the Company's purposes or needs, failure of consideration for, destruction of or damage to, Condemnation of title to or the use of all or any part of the Project Facility, any change in the tax or other laws of the United States of America or of the State or any political subdivision thereof, or any failure of the Issuer to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Installment Sale Agreement.

(B) Nothing contained in this Section 5.4 shall be construed to release the Issuer from the performance of any of the agreements on its part contained in this Installment Sale Agreement, and, in the event the Issuer should fail to perform any such agreement, the Company may institute such action against the Issuer as the Company may deem necessary to compel performance or recover damages for non-performance (subject to the provisions of Section 12.10 hereof); provided, however, that the Company shall look solely to the Issuer's estate and interest in the Project Facility for the satisfaction of any right or remedy of the Company for the collection of a judgment (or other judicial process) requiring the payment of

money by the Issuer in the event of any liability on the part of the Issuer, and no other Property or assets of the Issuer or of the members, officers, agents (other than the Company) or employees of the Issuer shall be subject to levy, execution, attachment or other enforcement procedure for the satisfaction of the Company's remedies under or with respect to this Installment Sale Agreement, the relationship of the Issuer and the Company hereunder or the Company's purchase of and title to the Project Facility, or any other liability of the Issuer to the Company.

Section 5.5. Prepayment of Installment Purchase Payments.

At any time that the Bonds are subject to redemption under Article III of the Indenture, the Company may, at its option, prepay, in whole or in part, the installment purchase payments payable hereunder by: (i) causing there to be moneys in an amount equal to the Redemption Price of the Bonds being redeemed on deposit with the Trustee sixty (60) days prior to the date such moneys are to be applied to the redemption of such Bonds under Section 301 of the Indenture; or (ii) if the notice of redemption given pursuant to Section 303 of the Indenture states that it is conditional upon the receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds to be redeemed, the Company may pay such amount to the Trustee not later than five business days prior to the date fixed for redemption. In no event will prepayment be permitted unless the Company gives to the Trustee the notice required by the Indenture.

Section 5.6. Rights and Obligations of Company Upon Discharge of Lien of Indenture.

(A) Subject to the provisions of Section 5.6(B) hereof, in the event the Bonds and all sums due under the other Financing Documents shall have been paid in full, the Issuer shall request the Trustee to do all acts and execute all documents as may be reasonably necessary to effect the satisfaction and discharge of the Lien of the Indenture.

(B) The conditions that must be satisfied in order to obtain the discharge and satisfaction of the Lien of the Indenture on any interest of the Company or the Issuer in the Project Facility shall be determined in accordance with the provisions of the Indenture. In the event that such conditions are satisfied, the Issuer shall request the Trustee to do all acts and execute all documents as may reasonably be necessary to effect discharge of the Lien of the Indenture on such interest in the Project Facility and at the request of the Company shall do all acts and execute all documents as may reasonably be necessary to discharge the Lien of this Installment Sale Agreement on the Project Facility to the extent the same may be discharged.

Section 5.7. Grant of Security Interest.

The Company hereby grants the Issuer a security interest in all of the right, title and interest of the Company in the Project Facility and in all additions and accessions thereto, all replacements and substitutions therefore and all proceeds thereof, all books, records and accounts of the Company pertaining to the Project Facility and all proceeds thereof as security for payment of the installment purchase payments and all other payments and obligations of the Company hereunder. The Company hereby irrevocably appoints the Issuer as its attorney-in-fact to execute and deliver and file any instruments necessary or convenient to perfect and continue the security interest granted herein.

ARTICLE VI

MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

Section 6.1. Maintenance of and Modifications to Project Facility.

(A) **Maintenance.** So long as any of the Bonds are Outstanding and during the term of this Installment Sale Agreement, the Company shall, (1) keep and maintain the Project Facility, including all appurtenances thereto and any personal property therein or thereon, in good repair and good operating condition and preserve the same against waste, loss, damage and depreciation, ordinary wear and tear excepted, (2) make all necessary repairs and replacements to the Project Facility or any part thereof (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen), and (3) operate the Project Facility in a sound and economic manner.

(B) **Additions, Modifications and Improvements to the Project Facility.** The Company shall have the right from time to time may make any additions, modifications or improvements to the Project Facility which it may deem desirable so long as the Project Facility remains a “project” under the Act and the provisions of SEQRA are complied with and any such addition, modification, or improvement does not reduce the fair market value of the Project Facility. All additions, modifications or improvements shall become a part of the Project Facility.

Section 6.2. Taxes, Assessments and Utility Charges; Liens.

(A) The Company shall pay or cause to be paid, as the same respectively become due, (1) all taxes, payments in lieu of taxes, and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Project Facility, (2) all utility and other charges, including “service charges”, incurred or imposed for the operation, maintenance, use, occupancy, upkeep and improvement of the Project Facility, and (3) all assessments, and charges of any kind whatsoever lawfully made by any Governmental Authority for public improvements; provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated hereunder to pay only such installments as are required to be paid during all periods that any Bond shall be Outstanding and/or during the term of this Installment Sale Agreement or any other Financing Document.

(B) Notwithstanding the provisions of subsection (A) of this Section 6.2, after prior notice to the Trustee, in the case of any material item, the Company, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or the application in whole or in part any such taxes, assessments and other charges, provided that (1) no default shall have occurred and shall be continuing under any of the Financing Documents, (2) the Company is permitted to do so under the provisions of any mortgage or deed of trust superior in lien to the Financing Documents, (3) such proceedings shall suspend the collection of the contested taxes, assessments or charges from the Company and from the Project Facility, (4) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which the Company or

the Project Facility is subject and shall not constitute a default thereunder, (5) neither the Project Facility nor any part thereof nor any interest therein (including, without limitation, the Liens of the Financing Documents) will be in danger of being sold, forfeited, terminated, cancelled or lost, and (6) the Company shall have set aside in an interest-bearing account with the Trustee, and otherwise in a manner satisfactory to the Trustee, adequate cash reserves for the payment of the contested taxes, assessments and charges, together with all interest and penalties thereon, and, provided further, that if at any time the Trustee determines, in its sole and absolute discretion, that payment of any tax, assessment or other charge shall become necessary to prevent the delivery of a tax deed conveying the Project Facility or any portion thereof because of non-payment of any such sums, then the Company shall pay or cause to be paid the sums in sufficient time to prevent the delivery of such tax deed.

Section 6.3. Insurance Required.

So long as the Bonds are Outstanding and during the term of this Installment Sale Agreement, the Company shall maintain insurance with respect to the Project Facility against such risks and for such amounts as are customarily insured against by businesses of like size and type, paying, as the same become due and payable, all premiums with respect thereto, including but not necessarily limited to:

(A) “All Risk” Property Insurance against loss or damage by fire, lightning and other casualties customarily insured against, such insurance to be in an amount not less than the full replacement value of the completed Improvements, exclusive of footings and foundations, as determined by the Company.

(B) Insurance protecting the Issuer, the Company, the Trustee and against loss or losses from liability imposed by law or assumed in any written contract and arising from personal injury, including bodily injury or death, or damage to the property of others, caused by an accident or occurrence with a limit of liability of not less than \$1,000,000 per occurrence for Bodily Injury, Personal Injury and Property Damage and with Excess Liability Coverage in an amount not less than \$5,000,000 protecting the Issuer, the Company and the Trustee against any loss or liability or damage for personal injury, bodily injury or death, or property damage.

(C) A policy or policies of flood insurance in an amount not less than the aggregate principal amount of the bonds or the maximum amount of flood insurance available with respect to the Project Facility under the Flood Disaster Protection Act of 1973, as amended, whichever is less. This requirement will be waived upon presentation of evidence that no portion of the Land is located within an area identified by the U.S. Department of Housing and Urban Development as having special flood hazards.

THE ISSUER DOES NOT IN ANY WAY REPRESENT THAT THE INSURANCE SPECIFIED THEREIN, WHETHER IN SCOPE OR IN LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE COMPANY’S BUSINESS OR INTERESTS.

Section 6.4. [Reserved].

ARTICLE VII

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.1. Damage, Destruction or Condemnation.

If, as a result of fire or other casualty, the Project Facility, or any material part thereof, is damaged or destroyed, or the Project Facility, or any material part thereof, shall be condemned or acquired for public use, the Trustee shall within thirty (30) after receiving actual notice of such damage, destruction or Condemnation, and after written notice to the Issuer, shall take the course of action set forth below:

(A) If the Project Facility can be repaired or restored to substantially the same condition as it existed prior to the event causing such damage or destruction, or the effect of the Condemnation can be relieved so that the status of the Project Facility will be restored to substantially the same status as it existed prior to the event causing such Condemnation, without, in either case, jeopardizing repayment of the principal of and interest on the Bonds, all in accordance with the opinion of an expert or experts selected by the Company as referred to below, then, upon receipt by the Trustee of the written consent of the Company, the Company shall so repair and restore the Project Facility and the Company may and/or the Trustee shall apply the Net Proceeds of any insurance relating to such damage, destruction or Condemnation or any Condemnation award to the payment or the reimbursement of the costs of such repair or restoration. Such reimbursement of the costs of repair or restoration shall be paid to the Company by the Trustee periodically as construction progresses pursuant to Section 4.3 hereof and Section 406 of the Indenture. The Trustee may rely on the advice of architects, engineers, accountants, financial consultants, attorneys and other experts reasonably selected by the Company in the foregoing matters.

(B) Notwithstanding anything to the contrary contained in subsection (A) of this Section 7.1, in the event that the Net Proceeds for insurance covering the damage to the Project Facility or the Net Proceeds received from Condemnation exceeds the sum of all Indebtedness then secured by a Lien on the Project Facility or any part thereof, the Company shall not be obligated to replace, repair, rebuild or restore the Project Facility, and the Net Proceeds of any insurance settlement or Condemnation shall not be applied as provided in subsection (A) of this Section 7.1, if the Company shall notify the Issuer and the Trustee that it elects to cause the Bonds to be redeemed, which notice shall state that the Company is entitled hereunder to make such election. In such event, or if an Event of Default shall have occurred and be continuing (or if an event exists which with the passage of time or notice or both would become an Event of Default), the lesser of (1) the total amount of the Net Proceeds collected under any and all policies of insurance covering the damage to or destruction of the Project Facility or the Total Net Proceeds of Condemnation, or (2) the amount necessary to redeem the Bonds in whole and all interest accrued thereon, together with any other sums payable to the Issuer or the Trustee pursuant to this Installment Sale Agreement, shall be transferred by the Trustee from the Insurance and Condemnation Fund to the Bond Fund to be applied to the redemption of the Bonds and payment of all such amounts to the Issuer and the Trustee. If the Net Proceeds collected under any and all policies of insurance or from Condemnation and deposited by the Company with the Trustee are less than the amount necessary to redeem the

Bonds in full and pay any and all amounts payable to the Issuer and the Trustee, the Company shall pay the difference between such amounts and the Net Proceeds of all insurance settlements so deposited by the Company with the Trustee, so that all of the Bonds then Outstanding shall be redeemed and any and all amounts payable under the Financing Documents to the Issuer and the Trustee shall be paid in full.

Section 7.2. Additions to Project Facility.

All replacements, repairs, rebuilding or restoration made pursuant to Section 7.1, whether or not requiring the expenditure of the Company's own moneys, shall automatically become part of the Project Facility as if the same were specifically described herein.

ARTICLE VIII

SPECIAL COVENANTS

Section 8.1. No Warranty of Condition or Suitability By Issuer; Acceptance "As Is".

THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE PROJECT FACILITY OR ANY PART THEREOF OR AS TO THE SUITABILITY OF THE PROJECT FACILITY OR ANY PART THEREOF FOR THE COMPANY'S PURPOSES OR NEEDS. THE COMPANY SHALL ACCEPT TITLE TO THE PROJECT FACILITY "AS IS", WITHOUT RECOURSE OF ANY NATURE AGAINST THE ISSUER FOR ANY CONDITION NOW OR HEREAFTER EXISTING. NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY IS MADE. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE, WHETHER PATENT OR LATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO.

Section 8.2. Hold Harmless Provisions.

(A) The Company hereby releases the Issuer and its members, officers, agents (other than the Company) and employees from, agrees that the Issuer and its members, officers, agents (other than the Company) and employees shall not be liable for and agrees to indemnify, defend and hold the Issuer and its members, officers, agents (other than the Company) and employees harmless from and against any and all claims, causes of action, judgments, liabilities, damages, losses, costs and expenses arising as a result of the Issuer's undertaking the Project, including, but not limited to, (1) liability for loss or damage to Property or bodily injury to or death of any and all Persons that may be occasioned, directly or indirectly, by any cause whatsoever pertaining to the Project 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 Project Facility, (2) liability arising from or expense incurred by the Issuer's financing, acquiring, constructing, reconstructing, equipping, installing, owning or selling the Project Facility, including, without limiting the generality of the foregoing, any sales or use taxes which may be payable with respect to goods supplied or services rendered with respect to the Project Facility, all liabilities or claims arising as a result of the Issuer's obligations under this

Installment Sale Agreement or any of the other Financing Documents or the enforcement of or defense of validity of any provision of any Financing Documents, and all liabilities or claims arising as a result of or in connection with the offering, issuance, sale or resale of the Bonds, (3) all claims arising from the exercise by the Company of the authority conferred on it pursuant to Section 4.1(E) hereof, and (4) all causes of action and attorneys' fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing; provided that any such claims, causes of action, judgments, liabilities, damages, losses, costs or expenses of the Issuer are not incurred or do not result from the intentional wrongdoing of the Issuer or any of its members, officers, agents (other than the Company) or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Issuer or any of its officers, members, agents or employees and notwithstanding the breach of any statutory obligation or any rule of comparative or apportioned liability.

(B) In the event of any claim against the Issuer or its members, officers, agents (other than the Company) or employees by any employee of the Company or any contractor of the 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 the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Company or such contractor under workers' compensation laws, disability benefits laws or other employee benefit laws.

(C) Notwithstanding any other provisions of this Installment Sale Agreement, the obligations of the Company pursuant to this Section 8.2 shall remain in full force and effect after the termination of this Installment Sale 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 and the payment of all expenses, charges and costs incurred by the Issuer, or its officers, members, agents (other than the Company) or employees, relating thereto.

Section 8.3. Right of Access to Project Facility.

The Company agrees that the Issuer and the Trustee and their duly authorized agents shall have the right at all reasonable times and in such manner as shall not disrupt the activities of the residents of the Company to enter upon and to examine and inspect the Project Facility.

Section 8.4. Company Not To Terminate Existence Or Dispose Of Assets; Conditions Under Which Exceptions Permitted.

The Company agrees that, so long as the Bonds are Outstanding, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation, or permit one or more corporations to consolidate with or merge into it; provided, however, that, if no Event of Default specified in Article X hereof shall have occurred and be continuing, the Company may consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided:

(A) that either the surviving, resulting or transferee corporation (the “Survivor”) is a public corporation organized under the laws of the State;

(B) (b) that the Survivor assumes in writing all of the obligations of and restrictions on the Company under this Installment Sale Agreement and the other Financing Documents;

(C) (c) that such transaction will not adversely affect the tax exempt status of the interest paid or payable on the Bonds;

(D) (d) that as of the date of such transaction, the Trustee and the Issuer shall be furnished with (i) an opinion of counsel to the Company as to compliance with items (a), (b) and (e) of this Section 8.4, (ii) an opinion of Bond Counsel as to the compliance with item (c) of this Section 8.4, and (iii) a certificate, dated the effective date of such transaction, signed by an Authorized Representative of the Company and of the Survivor to the effect that immediately after the consummation of the transaction and after giving effect thereto, no Event of Default exists under this Installment Sale Agreement and no event exists which, with notice or lapse of time or both, would become such an Event of Default;

(E) (e) the Survivor has met all licensing requirements to which the Company is subject.

Section 8.5. Agreement to Provide Information.

The Company agrees, whenever requested by the Issuer or the Trustee, to provide and certify or cause to be provided and certified such information concerning the Company, its finances and other topics as the Issuer or the Trustee from time to time reasonably considers necessary or appropriate, including, but not limited to, such information as to enable the Issuer or the Trustee to make any reports required by law or governmental regulation. In no event shall the Company be required to disclose any information which it is required by Applicable Law to maintain confidential.

Section 8.6. Books of Record and Account.

The Company agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles as applicable to a New York corporation, of all transactions and events relating to the business and affairs of the Company.

Section 8.7. Compliance with Applicable Laws.

(A) The Company agrees that it will, during any period in which any Bond is Outstanding and during the term of this Installment Sale Agreement, comply in all material respects with all Applicable Laws.

(B) Notwithstanding the provisions of Section 8.7(A), the Company may in good faith actively contest the validity or the applicability of any Applicable Laws, provided that the Company (1) first shall have notified the Issuer in writing of such contest, (2) is not in default

under any of the Financing Documents and (3) shall have set aside adequate reserves for any such Applicable Laws. Otherwise, the Company shall promptly take such action with respect thereto as shall be satisfactory to the Issuer.

(C) Notwithstanding the provisions of Section 8.7(B), if the Issuer or any of its members, officers, agents, servants or employees may be liable for prosecution for failure to comply therewith, the Company shall promptly take such action with respect thereto as shall be satisfactory to the Issuer.

Section 8.8. Discharge of Liens and Encumbrances.

(A) The Company, throughout the term of this Installment Sale Agreement, shall not permit or create or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Project Facility or any part thereof by reason of any labor, services or materials rendered or supplied or claimed to be rendered or supplied with respect to the Project Facility or any part thereof. The Company will not enter into a “lockbox” or similar arrangement, whereby the revenues of the Company, or any portion thereof, are required to be deposited into an account which is subject to control or restrictions on the priority of payments therefrom by a lender or other third party.

(B) For the purposes hereof, Permitted Encumbrances shall include the following:

(1) any lien or security interest to secure Long-Term Indebtedness permitted by Section 8.14;

(2) any lien or security interest which is existing on the date hereof, provided that (i) no such lien or security interest may attach or extend to the Company’s accounts receivable and (ii) no lien or security interest so described or the indebtedness secured thereby may be extended or renewed (which terms shall not apply to the filing of any continuation statements under the Uniform Commercial Code) or modified to spread to any Property not subject to such lien or security interest on the date of this Indenture, except to the extent that such lien or security interest, as so extended, renewed or modified could have been granted or created under any provision of this Installment Sale Agreement;

(3) any lien or encumbrance granted to the Issuer or the Trustee to secure the Company’s obligations under this Installment Sale Agreement;

(4) any lease which, in the judgment of the Company whose property is subject thereto, is reasonably necessary or appropriate for or incidental to the proper and economical operation of such property, taking into account the nature and terms of the lease and the nature and purposes of the property subject thereto; provided that prior to granting any lease with respect to any portion of the Project Facility, the Company shall deliver to the Trustee an opinion of Bond Counsel that such lease will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes;

(5) utility, access and other easements, rights-of-way, restrictions and other minor defects, encumbrances, and irregularities in the title to any property which do not materially impair the use of such property for its intended purpose or materially and adversely affect the value thereof;

(6) any judgment lien against the Company so long as (i) the finality of such judgment is being contested in good faith and execution thereon is stayed, or (ii) in the absence of such a contest and stay, no other property of the Company will be materially impaired or subject to material loss or forfeiture;

(7) any liens on any property for taxes, assessments, levies, fees, water and sewer rents, and other governmental and similar charges and any liens of mechanics, materialmen and laborers for work or services performed for materials furnished in connection with such property (i) which are not due and payable or are not delinquent, (ii) the amount or validity of which are being contested in good faith and on which execution is stayed, or (iii) the existence of which will not subject any property of the Company to loss or forfeiture;

(8) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law, affecting any property, to (i) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such right would not materially impair the use of such property for its intended purpose or materially and adversely affect the value thereof, or (ii) purchase, condemn, appropriate or recapture, or designate a purchaser of such property;

(9) rights reserved to or vested in any municipality or public authority to control or regulate any property or to use such property in any manner, which rights have not been violated and do not materially impair the use of such property for its intended purposes or materially and adversely affect the value thereof;

(10) liens arising under state or federal laws or regulations governing third-party reimbursement programs, in favor of residents in the Project Facility with respect to moneys deposited with the Company;

(11) any lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license;

(12) any lien arising by reason of deposits with, or the giving of any form of security to enable the Company to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with worker's compensation, unemployment insurance, old age pensions or other social security, or to share in the privileges or benefits required for institutions participating in such arrangements; and

(13) liens arising by reason of good faith deposits by the Company in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Company to secure public or statutory obligations, or to secure or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges.

(C) Notwithstanding the provisions of subsection (A) hereof, the Company may in good faith contest any such Lien. In such event, the Company may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Company certifies to the Issuer and the Trustee that by nonpayment of any such item or items, the Lien on the Project Facility or any part thereof may be subject to loss or forfeiture, in which event the Company shall promptly secure payment of all such unpaid items by filing a bond, in form and substance satisfactory to the Issuer, thereby causing such Lien to be removed or by taking such other actions as may be satisfactory to the Issuer to protect its interests. Notwithstanding the foregoing, mechanics' and public improvement Liens shall be discharged or bonded within thirty (30) days of the filing or perfection thereof.

Section 8.9. Performance by Issuer or Trustee of Company Obligations.

Should the Company fail to make any payment or to do any act as herein provided, the Issuer or the Trustee may, but need not, without notice to or demand on the Company and without releasing the Company from any obligation herein, make or do the same, including, without limitation, appearing in and defending any action purporting to affect the rights or powers of the Company or the Issuer, and paying all expenses, including, without limitation, reasonable attorneys' fees; and the Company shall pay immediately upon demand all sums so incurred or expended by the Issuer or the Trustee under the authority hereof, all fees, costs and expenses, together with interest thereon at the rate of one percent (1%) per month or the maximum rate permitted by law, whichever is less.

Section 8.10. Employment Opportunities; Notice of Jobs.

The Company covenants and agrees that, in consideration of the participation of the Issuer in the transactions contemplated herein, it will, except as otherwise provided by collective bargaining contracts or agreements to which it is a party, cause any new employment opportunities created in connection with the Facility to be listed with the State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the Facility is located (collectively, the "Referral Agencies"). The Company also agrees that except as otherwise provided by collective bargaining contracts or agreements to which it is a party, it will first consider for such new employment opportunities persons eligible to participate in federal job training partnership (PL 97-300) programs that shall be referred by the Referral Agencies.

Section 8.11. Covenant against Arbitrage Bonds.

So long as any Bond shall be Outstanding, neither the Issuer nor the Company shall use, or direct or permit the use of, the proceeds of the Bonds or any other moneys within their respective control (including, without limitation, the proceeds of any insurance settlement or any

Condemnation award with respect to the Project Facility) in any manner that would cause any of the Bonds to be an “arbitrage bond” within the meaning ascribed to such quoted term in Section 148 of the Code. The Company agrees that it will comply with all of its covenants in the Tax Certificate relating to the restrictions contained in Section 148 of the Code. The Issuer authorizes the Company, on the Issuer’s behalf, to calculate and make the rebate payments required by Section 148(f) of the Code. Notwithstanding the foregoing, there shall be no such obligation upon the Issuer with respect to the use or investment of its administrative fee, provided, however, that if the Company is required to rebate any amount with respect to such administrative fee, the Issuer shall provide, upon the reasonable request of the Company, such information concerning the investment of such administrative fee as shall be requested by the Company and as shall be reasonably available to the Issuer.

Section 8.12. Identification of Equipment.

All Equipment which is or may become part of the Project Facility pursuant to the provisions of this Installment Sale Agreement shall be properly identified by the Company by appropriate records, including computerized records.

Section 8.13. Indemnification of Trustee.

(A) The Company hereby releases the Trustee and its directors, officers, agents and employees from, agrees that the Trustee and its directors, officers, agents and employees shall not be liable for and agrees to indemnify, defend and hold the Trustee and its directors, officers, agents and employees harmless from and against any and all claims, causes of action, judgments, liabilities, damages, losses, costs and expenses arising as a result of the Trustee’s involvement in the Project, including, but not limited to, (1) liability for loss or damage to Property or bodily injury to or death of any and all Persons that may be occasioned, directly or indirectly, by any cause whatsoever pertaining to the Project 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 Project Facility, (2) liability arising from or expense incurred by the Trustee’s participation in the financing the Project Facility, including, without limiting the generality of the foregoing, all liabilities or claims arising as a result of the Trustee’s obligations under this Installment Sale Agreement or any of the other Financing Documents or the enforcement of or defense of validity of any provision of any Financing Documents, and all liabilities or claims arising as a result of or in connection with the offering, issuance, sale or resale of the Bond, (3) all causes of action and attorneys’ fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing; provided that any such claims, causes of action, judgments, liabilities, damages, losses, costs or expenses of the Trustee are not incurred or do not result from the negligence or intentional wrongdoing of the Trustee or any of its directors, officers, agents or employees.

(B) Notwithstanding any other provisions of this Installment Sale Agreement, the obligations of the Company pursuant to this Section 8.13 shall remain in full force and effect after the termination of this Installment Sale 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 and the payment of all reasonable fees, expenses

and charges paid or incurred by the Trustee, or its directors, officers, agents or employees, relating thereto.

Section 8.14. Permitted Indebtedness.

The Company represents, covenants and agrees that it has not and will not hereafter incur or assume (the terms “incur” and “assume”, for the purposes hereof, to mean and include the guaranteeing of, or the direct or indirect assumption of liability for, the debts of others) other than (i) a working capital credit line in the amount of up to \$300,000 and (ii) the existing unsecured bank loan in the amount of \$299,000, any Long Term Indebtedness or Parity Indebtedness after the date of closing whether secured or unsecured, unless and until the Company shall have obtained the written consent of the Controlling Bondholder.

ARTICLE IX

ASSIGNMENTS AND PLEDGE OF INTERESTS

Section 9.1. Restriction on Sale of Project Facility.

(A) Except as otherwise specifically provided in this Article IX and in Article X hereof, the Issuer shall not sell, convey, transfer, encumber or otherwise dispose of the Project Facility or any part thereof or any of its rights under this Installment Sale Agreement, without the prior written consent of the Company.

(B) No conveyance of any part of, or interest in, the Project Facility or the Land affected under the provisions of this Section 9.1 shall entitle the Company to any abatement or diminution of the amounts payable by it under this Installment Sale Agreement.

(C) Except as otherwise permitted by this Installment Sale Agreement, the Company may not remove, sell, lease, loan, assign, grant or otherwise dispose of its property, including without limitation, cash, marketable securities, accounts receivable, or any property, structures, improvements, fixtures or equipment, provided that the foregoing shall not be construed to limit or prevent (i) payments for goods and services in arm’s length transactions or (ii) investments in marketable securities.

(D) So long as no Event of Default has occurred and is continuing, the Company may from time to time sell or otherwise dispose of any real property, tangible personal property, fixtures or equipment (other than the Project Facility) for fair market value in an arm’s length transaction;

(E) So long as no Event of Default has occurred and is continuing, the Company may from time to time sell or otherwise dispose of any tangible personal property, fixtures or equipment provided, however, that the book value of the same shall not exceed three percent (3%) of Net Property, Plant and Equipment in any fiscal year; and provided, further, that the book value of property subject to such transfers for any three consecutive fiscal years shall not exceed seven and one-half percent (7.5%) of Net Property, Plant and Equipment.

(F) The Company shall not sell, lease, donate, tend, exchange or otherwise dispose of any of its intangible assets, including cash and investments to any entity, unless an Accountant certifies to the Trustee that, immediately following such transfer, the Company will have at least 60 Days' cash on hand.

Section 9.2. Removal of Equipment.

(A) The Issuer shall not be under any obligation to remove, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary item of Equipment. In any instance where the Company determines that any item of Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such items from the Project Facility and may sell, trade-in, exchange or otherwise dispose of the same, as a whole or in part, provided that such removal will not materially impair the operation of the Project Facility for the purpose for which it is intended or change the nature of the Project Facility so that it does not constitute a "project" under the Act.

(B) The Issuer shall execute and deliver to the Company all instruments necessary or appropriate to enable the Company to sell or otherwise dispose of any such item of Equipment. The Company shall pay any costs (including reasonable counsel fees) incurred in transferring title to any item of Equipment removed pursuant to this Section 9.2.

(C) The removal of any item of Equipment pursuant to this Section shall not entitle the Company to any abatement or diminution of the amounts payable by it under this Installment Sale Agreement.

Section 9.3. Assignment, Sale and Leasing.

(A) This Installment Sale Agreement may not be assigned, in whole or in part, and the Project Facility may not be sold or leased, in whole or in part, without the prior written consent of the Issuer in each instance. Any assignment, sale or lease shall be on the following conditions:

- (i) no assignment, sale or lease shall relieve the Company from primary liability for any of its obligations hereunder and the Company shall remain as fully bound as though no sale or lease has been made;
- (ii) the assignee, buyer or lessee shall assume the obligations of the Company hereunder to the extent of the interest assigned, sold or leased and performance by any buyer or lessee shall be considered as performance by the Company;
- (iii) the Company shall, within thirty (30) days prior to the delivery thereof, furnish or cause to be furnished to the Issuer and to the Trustee a true and complete copy of such sale or lease. The Net Proceeds resulting from the sale of the Project Facility shall be used to redeem the Bonds as provided in the Indenture as soon as practicable unless the Company delivers an opinion of Bond Counsel to the Issuer and the Trustee authorizing a different disposition of such proceeds and stating that such alternate

disposition of the proceeds will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes;

- (iv) neither the validity nor the enforceability of the Bond or any Bond Document shall be adversely affected thereby;
- (v) the tax-exempt status of the interest on the Bond will not be adversely affected; and
- (vi) the Project Facility shall continue to constitute a “project” as such quoted term is defined in the Act.

(B) Fifteen (15) days prior to the effective date of any assignment, sale or lease pursuant to subsection (a) of this Section 9.3, the Company at its cost shall furnish the Trustee and the Issuer, with an opinion, in form and substance satisfactory to the Trustee and the Issuer (i) of Bond Counsel as to items (v) and (vi) above and (ii) of Independent Counsel as to items (i), (ii) and (iv) above.

Section 9.4. Pledge of Issuer’s Interests to Trustee.

The Issuer shall pledge and assign its rights to and interest in this Installment Sale Agreement and in all amounts payable by the Company pursuant to Section 5.2 hereof and all other provisions of this Installment Sale Agreement (other than Unassigned Rights), to the Trustee as security for the payment of the principal of, and premium, if any, and interest on the Bond. The Company hereby acknowledges and consents to such pledge and assignment by the Issuer. Notwithstanding the foregoing, all indemnities herein contained shall, subsequent to such pledge and assignment, continue to run to the Issuer for its benefit as well as for the benefit of the Trustee.

Section 9.5. Merger of Issuer.

(A) Nothing contained in this Installment Sale Agreement shall prevent the consolidation of the Issuer with, or merger of the Issuer into, or transfer of title to the entire Project Facility to any other public benefit corporation or political subdivision which has the legal authority to own and lease the Project Facility, provided that:

(1) upon any such consolidation, merger or transfer, the due and punctual performance and observance of all the agreements and conditions of this Installment Sale Agreement to be kept and performed by the Issuer shall be expressly assumed in writing by the public benefit corporation or political subdivision resulting from such consolidation or surviving such merger or to which the Project Facility shall be transferred; and

(2) the exclusion of the interest on the Bond from gross income for Federal income tax purposes shall not be adversely affected thereby.

(B) Within thirty (30) days after the consummation of any such consolidation, merger or transfer of title, the Issuer shall give notice thereof in reasonable detail to the

Company and the Trustee and shall furnish to the Company and the Trustee (i) a favorable opinion of Independent Counsel as to compliance with the provisions of Section 9.5(a)(i) hereof, and (ii) a favorable opinion of Bond Counsel opining as to compliance with the provisions of Section 9.5(a)(ii) hereof. The Issuer promptly shall furnish such additional information with respect to any such transaction as the Company or the Trustee may reasonably request.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.1. Events of Default Defined.

(A) The following shall be “Events of Default” under this Installment Sale Agreement, and the terms “Event of Default” or “Default” shall mean, whenever they are used in this Installment Sale Agreement, any one or more of the following events:

(i) the failure by the Company to pay or cause to be paid on the date due, the amounts (i) due under the Indenture, (ii) owed to the Trustee or (iii) owed to the Issuer, all as specified to be paid pursuant to Section 5.3 hereof;

(ii) the failure by the Company to observe and perform any covenant contained in Sections 8.4 and 9.3 hereof;

(iii) any representation or warranty of the Company herein shall prove to have been false or misleading in any material respect;

(iv) the failure by the Company to observe and perform any covenant, condition or agreement hereunder on its part to be observed or performed (except obligations referred to in 10.1(a)(i), (ii) and (iii)) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, given to the Company by the Issuer or the Trustee; except, if the covenant, condition or agreement which the Company has failed to observe or perform is of such a nature that it cannot reasonably be fully cured within such thirty (30) days, the Company shall not be in default if the Company commences a cure within such thirty (30) days and thereafter diligently proceeds with all action required to complete the cure, and, in any event, completes such cure within sixty (60) days of such written notice from the Issuer or the Trustee, unless the Trustee, at the written direction of the holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, or the Issuer shall give its written consent to a longer period;

(v) the dissolution or liquidation of the Company; or the failure by the Company to release, stay, discharge, lift or bond within thirty (30) days any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Company generally to pay its debts as they become due; or an assignment by the Company for the benefit of creditors; the commencement by the Company (as the debtor) of a case in bankruptcy or any proceeding under any other insolvency law; or the

commencement of a case in bankruptcy or any proceeding under any other insolvency law against the Company (as the debtor) and a court having jurisdiction in the premises enters a decree or order for relief against the Company as the debtor in such case or proceeding, or such case or proceeding is consented to by the Company or remains undismissed for sixty (60) days, or the Company consents to or admits the material allegations against it in any such case or proceeding; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the Property of the Company for the purpose of enforcing a lien against such Property or for the purpose of general administration of such Property for the benefit of creditors (the term “dissolution or liquidation of the Company” as used in this subsection shall not be construed to include any transaction permitted by Section 8.4 hereof);

(vi) an Event of Default under the Indenture shall have occurred and be continuing;

(vii) the invalidity, illegality or unenforceability of any of the other Financing Documents.

(B) Notwithstanding the provisions of Section 10.1(A), if by reason of *force majeure* any party hereto shall be unable in whole or in part to carry out its obligations under this Installment Sale Agreement and if such party shall give notice and full particulars of such *force majeure* in writing to the other party and to the Trustee, within a reasonable time after the occurrence of the event or cause relied upon, such obligations under this Installment Sale Agreement of the party giving such notice (and only such obligations), so far as they are affected by such *force majeure*, shall be suspended during continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The term “*force majeure*” as used herein shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, acts, failures to act, priorities or orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, governmental subdivisions, or officials, any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, shortages of labor or materials or delays of carriers, partial or entire failure of utilities, shortage of energy or any other cause or event not reasonably within the control of the party claiming such inability and not due to its fault. The party claiming such inability shall remove the cause for the same with all reasonable promptness. It is agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout and other industrial disturbances by acceding to the demands of the opposing party or parties.

Section 10.2. Remedies on Default.

(A) Whenever any Event of Default shall have occurred, the Issuer and/or the Trustee may, to the extent permitted by law, take any one or more of the following remedial steps:

(1) if an Event of Default has occurred under the Indenture, declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become immediately due and payable, (a) all unpaid installment purchase payments payable pursuant to Section 5.3(A) hereof, and (b) all other payments due under the Installment Sale Agreement or any of the Financing Documents;

(2) in the event any of the Bonds shall at the time be Outstanding and unpaid, have access to and inspect, examine and make copies of books and records and any and all accounts, data and income tax and other tax returns of the Company only, however, insofar as they relate to the Project Facility;

(3) take any other action at law or in equity which may appear necessary or desirable to collect any amounts then due or hereafter to become due hereunder and to enforce the obligations, agreements or covenants of the Company under this Installment Sale Agreement;

(4) if an Event of Default has occurred under the Indenture, terminate disbursement of the Bond Proceeds; or

(5) exercise any remedies available pursuant to any of the other Financing Documents.

(6) Upon the occurrence of an Event of Default, the interest rate on the Outstanding Bonds shall be the Default Rate.

(B) Whenever any Event of Default shall have occurred and only in the event acceleration of the principal amount of the Bonds has been declared pursuant to Section 802 of the Indenture, the Issuer or the Trustee may take, to the extent permitted by law, any one or more of the following remedial steps:

(1) take possession of the Project Facility, on ten (10) days written notice to the Company, without terminating this Installment Sale Agreement and without being liable for any prosecution or damages therefor, and lease, sell or otherwise dispose of the Project Facility for the account of the Company, holding the Company liable for the amount, if any, by which the aggregate of the amounts payable by the Company under this Installment Sale Agreement or any of the Financing Documents exceeds the aggregate of the other amounts received from the lessee or buyer;

(2) enter upon the Project Facility and complete the construction, reconstruction, equipping, installation and sale of the Project Facility in accordance with the Plans and Specifications (with such changes as the Trustee may deem appropriate) and in connection therewith (a) engage architects, contractors, materialmen, laborers and suppliers and others, (b) employ watchmen to protect and preserve the Project Facility, (c) assume any contract relating to the Project Facility and take over and use all labor, materials, supplies and equipment, whether or not previously incorporated into the Project Facility, (d) pay, settle or compromise all bills or claims, (e) discontinue any work or change any course of action already undertaken with respect to the Project Facility, (f) take or refrain from taking such action hereunder as the Trustee may from

time to time determine; (g) apply any undisbursed money to the payment of the costs and expenses incurred in connection with the foregoing; and (h) apply any undisbursed moneys to the payment of the outstanding principal on the Bond; and

(C) Any sums paid to the Issuer as a consequence of any action taken pursuant to this Section 10.2 (excepting sums payable to the Issuer as a consequence of action taken to enforce the Unassigned Rights) shall be paid to the Trustee and applied in accordance with the provisions of Section 609 of the Indenture.

(D) No action taken pursuant to this Section 10.2 shall relieve the Company from its obligations to make all payments required by this Installment Sale Agreement and the other Financing Documents.

(E) The Company shall have the right upon notice to the Issuer and the Trustee to enter the Project Facility with agents or representatives of the Issuer and the Trustee to remove any equipment or other personalty owned by the Company if such equipment or personalty is not part of the Project Facility.

(F) In accordance with the terms of this Installment Sale Agreement, the Issuer shall have all the rights, powers and remedies of a secured party under the Uniform Commercial Code of New York, including without limitation, the right to sell, lease or otherwise dispose of any or all of the Property subject to the security interests granted by the Company to the Issuer pursuant to Section 5.7 of this Installment Sale Agreement (the "Collateral"), and to take possession of the Collateral, and for that purpose the Issuer or the Trustee may enter peaceably any premises on which the Collateral or any part thereof may be situated and remove the same therefrom, and the Company will not resist or interfere with such action. The Issuer or the Trustee may require the Company to assemble the Collateral and make it available to the Issuer or the Trustee at a place to be designated by the Issuer or the Trustee which is reasonably convenient to both parties. The Company hereby agrees that its above-mentioned address and the place or places of location of the Collateral are places reasonably convenient to it to assemble the Collateral. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Issuer or the Trustee will send the Company reasonable notice of the time and place of any public sale or reasonable notice of the time after which any private sale or any other disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to the Company at least ten (10) days before the time of the sale or disposition.

Section 10.3. Remedies Cumulative.

No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Installment Sale Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article X, it

shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 10.4. Agreement to Pay Attorneys' Fees and Expenses.

In the event the Company should default under any of the provisions of this Installment Sale Agreement, and the Issuer and the Trustee 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 Issuer or the Trustee, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred, whether an action is commenced or not.

Section 10.5. No Additional Waiver Implied By One Waiver.

In the event any agreement contained herein should be breached by either party and thereafter such breach be waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XI

OPTION IN FAVOR OF COMPANY; REDEMPTION OF BONDS

Section 11.1. Redemption of Bonds.

At the request of the Company (provided the Bonds are then callable for redemption), and if (1) the Company is not in default in the payments to be made under Section 5.3 hereof, and (2) the Company provides reasonable assurance that it shall make sufficient funds available, the Issuer shall take all steps necessary under the provisions of Article III of the Indenture to redeem all or any part of the Bonds. Such steps shall be taken to permit the redemption to be made on the earliest redemption date on which such redemption can occur under such applicable provisions subject to, and in accordance with, the terms and provisions of the Indenture. Following the giving of any notice of optional or mandatory redemption of the Bonds, the Company shall cause to be furnished to the Issuer on or prior to the redemption date sufficient funds to enable the Issuer to redeem and make all payments with regard to the Bonds as provided in Article III of the Indenture.

ARTICLE XII

MISCELLANEOUS

Section 12.1. Notices.

(A) All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (1) sent to the applicable address stated below by registered or certified mail, return receipt requested, or by such other means as shall provide the sender with documentary evidence of such delivery, or (2) delivery is refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect

such delivery. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

If to the Company:

Champlain Valley Milling Corp., Inc.
6679 Main Street
P.O. Box 454
Westport, New York 12993

With a copy to:

William Kissel, Esq.
P.O. Box 1598
Lake Placid, New York 12946

If to the Issuer:

Essex County Industrial Development Agency
7566 Court Street
P.O. Box 217
Elizabethtown, New York 12932
Attention: Executive Director

With a copy to:

Jenifer R. Briggs, Esq.
Briggs Norfolk LLP
2296 Saranac Avenue
Lake Placid, New York 12946

If to the Trustee:

ZB National Association
401 Liberty Avenue, Suite 1729
Pittsburgh, PA 15222
Attn: Eric Mitzel

(B) A duplicate copy of each notice, certificate, and other communication given hereunder by the Issuer or the Company shall be given to the Trustee. The Issuer, the Company and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

Section 12.2. Binding Effect.

This Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Company, the Trustee and the holders of the Bonds and, as permitted by this Installment Sale Agreement, their respective successors and assigns.

Section 12.3. Severability.

If any one or more of the covenants or agreements provided herein on the part of the Issuer or the Company to be performed shall, for any reason, be held or shall, in fact, be inoperative, unenforceable or contrary to law in any particular case, such circumstance shall not render the provision in question inoperative or unenforceable in any other case or circumstance. Further, if any one or more of the phrases, sentences, clauses, paragraphs or sections herein shall be contrary to law, then such phrase, sentence, clause, paragraph or sentence shall be deemed separable from the remaining provisions hereof and shall in no way affect the validity of the other provisions of this Installment Sale Agreement.

Section 12.4. Amendments, Changes and Modifications.

This Installment Sale Agreement may not be amended, changed, modified, altered or terminated, except by an instrument in writing signed by the parties hereto and as permitted by the Indenture.

Section 12.5. Execution of Counterparts.

This Installment Sale 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 12.6. Applicable Law.

This Installment Sale Agreement shall be governed exclusively by the applicable laws of the State.

Section 12.7. Recording and Filing.

(A) This Installment Sale Agreement (or memorandum thereof), the Pledge and Assignment, and financing statements relating to the security interests created and/or assigned thereby, shall be filed by the Issuer in the office of the County Clerk of Essex County, New York, or in such other office as may at the time be provided by law as the proper place for the recordation or filing thereof.

(B) The Issuer and the Company shall execute and deliver all instruments and shall furnish all information which the Trustee may deem necessary or appropriate to protect any Lien created or contemplated by this Installment Sale Agreement or the Indenture.

Section 12.8. Survival of Obligations.

(A) The obligations of the Company to make the payments required by Section 5.3(B)(2) hereof and to provide the indemnity required by Sections 3.3, 8.2 and 8.13 hereof shall survive the termination of this Installment Sale Agreement and the full payment of the Bonds, and all such payments after such termination shall be made upon demand of the party to whom such payment is due.

(B) The obligations of the Company with respect to the Unassigned Rights shall survive the termination of this Installment Sale 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 Unassigned Rights may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses and charges incurred by the Issuer, or its officers, members, agents or employees, relating thereto.

Section 12.9. Table of Contents and Section Headings not Controlling.

The Table of Contents and the headings of the several Sections in this Installment Sale Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Installment Sale Agreement.

Section 12.10. No Recourse; Special Obligation.

(A) The obligations and agreements of the Issuer contained herein and in the other Financing Documents and any other instrument or document executed in connection therewith or herewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Issuer, and not of any member, officer, agent (other than the Company) or employee of the Issuer in his individual capacity, and the members, officers, agents (other than the Company) and employees of the Issuer shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

(B) The obligations and agreements of the Issuer contained herein and therein shall not constitute or give rise to an obligation of the State or Essex County, New York, and neither the State nor Essex County, New York shall be liable hereon or thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the revenues (of the Issuer derived and to be derived from the sale or other disposition of the Project Facility (except for revenues derived by the Issuer with respect to the Unassigned Rights)).

(C) No order or decree of specific performance with respect to any of the obligations of the Issuer hereunder shall be sought or enforced against the Issuer unless (1) the party seeking such order or decree shall first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Issuer shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, (2) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Issuer an amount or undertaking sufficient to cover such reasonable fees and expenses, and (3) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Company) or employees shall be subject to potential liability, the party seeking such order or decree shall (a) agree to indemnify and hold harmless the Issuer and its members,

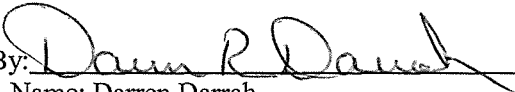
officers, agents (other than the Company) and employees against any liability incurred as a result of its compliance with such demand, and (b) if requested by the Issuer, furnish to the Issuer satisfactory security to protect the Issuer and its members, officers, agents (other than the Company) and employees against all liability expected to be incurred as a result of compliance with such request.

Section 12.11. Subordination to Indenture.

This Installment Sale Agreement and all rights of the Company and the Issuer hereunder are and shall be subordinate to the Lien of the Indenture on the Trust Revenues. The subordination of this Installment Sale Agreement to the Indenture shall be automatic, without the execution of any further subordination agreement by the Company or the Issuer. Nonetheless, if the Trustee requires a further written subordination agreement, the Company and the Issuer agree to execute, acknowledge and deliver the same.

IN WITNESS WHEREOF, the Issuer and the Company have caused this Installment Sale Agreement to be executed in their respective names by their respective Authorized Representatives and sealed, where appropriate, all as of the day and year first above written.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

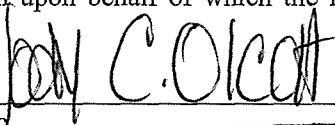
By: 
Name: Darren Darrah
Title: Chairman

**CHAMPLAIN VALLEY MILLING CORP.,
INC.**

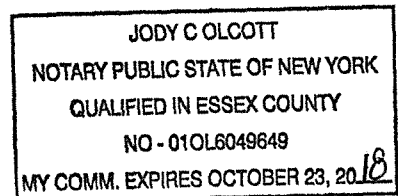
By: _____
Name: Samuel Sherman
Title: President

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the 9 day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the **ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, personally known to me 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.



Notary Public



STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May of the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, the President of **CHAMPLAIN VALLEY MILLING, INC.** personally known to me 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.

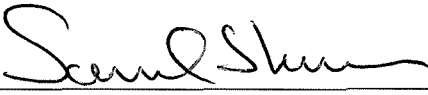
Notary Public

IN WITNESS WHEREOF, the Issuer and the Company have caused this Installment Sale Agreement to be executed in their respective names by their respective Authorized Representatives and sealed, where appropriate, all as of the day and year first above written.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Darren Darrah
Title: Chairman

**CHAMPLAIN VALLEY MILLING CORP.,
INC.**

By:  _____
Name: Samuel Sherman
Title: President

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the **ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the 10th day of May of the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, the President of **CHAMPLAIN VALLEY MILLING CORP., INC.** personally known to me 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.

Barbara A Breyette

Notary Public

BARBARA A BREYETTE
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BR4987221
Qualified in Essex County
Commission Expires October 7, 2017

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

SCHEDULE "A"

LEGAL DESCRIPTION

All that certain parcel of land being located in the northwesterly part of the Hamlet of Willsboro and in the Town of Willsboro, County of Essex and State of New York, said parcel being located on the westerly bounds of the New York State Highway known as Route 22, and being part of the property described in a deed from Tambrands, Inc., to Old Adirondack, Inc. dated May 25, 1994 recorded May 26, 1994 in the Essex County Clerk's Office in deed book 1062 at page 166 and being shown as Lot 1 on a Map of Survey prepared for Willsboro Development Corporation, dated June 27, 1994, revised July 11, 1994, by Kevin A. Hall, Land Surveyor and filed in the Essex County Clerk's Office as Map Number 4554, formerly being part of "Parcel No. 10" as described in a deed dated June 8, 1962, from the New York & Pennsylvania Co. Inc. to the Champlain Mills Properties, Inc. and recorded in the Essex County Clerk's Office in deed book 400 at page 240, being bounded and described as follows:

Beginning at a 3 foot long 1/2" iron pipe set to grade located at the northeast corner of the herein described parcel and the southeast corner of Anjou Development Corp. as described in deed book 1066 at page 40, being Lot 2 as shown on said map, said iron pipe being in the assumed westerly road bounds of said Route 22, a distance of 25 feet from the centerline thereof and running the following two courses along said road bounds;

1. Southerly on a curve concave to the east an arc distance of 161.85 feet to a found 3/4" iron pipe 0.1' below grade at the point of tangency, said curve having a radius of 434.26 feet and a delta angle of 21°-21'-16";
2. S 04°-32'-20" E as referenced to north by deed book 1062 at page 166 a distance of 26.19 feet to a 4 foot long 3/4" iron pipe set to 0.1' below grade located at the northeast corner of Samuel J. and Ann E. Marcotte as described in a deed from Tampax, Inc., dated November 8, 1974, recorded in deed book 598 at page 180 and running the following course along said Marcotte as described in said deed book 598 at page 180 and in a deed from Tambrands, Inc. dated August 27, 1986, recorded in deed book 876 at page 281;
3. N 82°-52'-20" W 214.11 feet to a found 3/4" iron pipe at grade at the northwest corner of said Marcotte and running the following course along said Marcotte as described in said deed book 876 at page 281 and Glen and Elizabeth Flora as described in a deed from Tambrands, Inc. dated August 27, 1986 recorded in deed book 876 at page 68;
4. S 03°-57'-00" E 193.26 feet to a found 1' high 1/2" iron pipe;
5. S 83°-45'-12" E 100.00 feet to a found 3/4" iron pipe 0.5' below grade, set in June 1994, located at the northwest corner of Stafford as described in deed book 596 at page 122;
6. S 17°-51'-00" W 109.00 feet to a found 0.3' high 1/2" iron pipe, set in June 1994, said iron pipe being located at the southwest corner of said Stafford;
7. N 55°-32'-40" W 120.41 feet along land of an unknown owner to a 0.5' high 5/8" iron rod with cap set in September 1999, and continuing on the same course of N 55°-32'-40" W an additional distance of 1,113.37 feet along the north bounds of Essex County Industrial Development Agency as described in deed book 1299 at page 20, for a total distance of 1,233.78 feet to a found 1/2" iron pipe plug in a drill hole in a 2' X 2' X 1' high rock, said iron pipe plug set in June of 1994 and running the following two courses along Lot 2;
8. N 25°-31'-29" E 293.75 feet to a found 0.2' high 1/2" iron pipe set in June of 1994;
9. S 64°-28'-31" E 1,151.42 feet to the point and place of beginning, containing 10.00 acres, within the above described bounds and shown on the herein above referenced map.

Subject to all rights, title and interest of the public in and to that portion of land lying westerly of the first two courses and the true legal road bounds of New York State Rt. 22.

Together with all rights, title and interest of the grantor in and to that portion of land lying easterly of the first two courses and the true legal centerline of New York State Rt. 22.

LEGAL DESCRIPTION - CONTINUED

Together with an easement labeled with the letter "A" as shown on the herein above referenced map.

Subject to an easement to Willsboro Sewer District #1 as described in a deed dated and recorded June 29, 1994 in the Essex County Clerk's Office in deed book 1064 at page 280.

Subject to all easements and restrictions of record.

The lands conveyed are subject to Adirondack Park Agency Permit 2001-182 issued October 12, 2001, the terms and conditions of which are binding upon the heirs, successors and assigns of the grantors and all subsequent grantees, filed in the Essex County Clerk's Office in APA Book 54 at page 126.

Further granting and conveying an easement and right of way for ingress and egress at a width of 50 feet commencing at Route 22 and running in a westerly direction along the northerly boundary of the parcel herein described then turning and running the entire length of the westerly boundary of the parcel herein described. This easement is to be used in common with others more specifically being Anjou Development Corporation being the fee title owner and also Willsboro Development Corporation which reserves said easement rights in order to gain access to its other lands located to the south of the subject property.

Subject to a certain easement reserved by Willsboro Development Corporation in a deed from Willsboro Development Corporation dated March 12, 2002 and recorded in the Essex County Clerk's Office at Book 1314 of Deeds at page 266 thereof.

19 Myers Way, Willsboro, Essex County, New York 12996, Tax Map #31.9-1-42.100

EXHIBIT B
DESCRIPTION OF THE EQUIPMENT

Equipment	Amount	Model Number	Serial Number
Present in Willsboro			
Yale Forklift	1		
JEM Sewing Head	1		
Pallet Racks			
27' by 11 ring Grain Bin	2		
Temper Bin	1		
Ford Tractor	1	5640	P.O./004576
48' Van Trailer	1		
Fortress Metal Detector	1	Phantom	21340
Moving to Willsboro from Westport			
15' by 8 ring hopper bottom grain bin	4		
12' by 8 ring hopper bottom grain bin	2		
9' by 5 ring hopper bottom grain bin	5		
Codema Air Lock	11		
Flour Tanks	4		
13' flour bin	1		
Walinga Agri Vac	1	4510	MT4510WLX-40E-050810183
All Fill system	1	14-9000	20010101373
Perten Laboratory Mill	1	3100	050210
Perten Falling Number Machine	1	FN1500	057107
Perten Inframatic Flour Analyzer	1	IM 9140	4111
Brabender Farinograph	1	S300	184502
Fischbein Sewing Machine	5		
Helms Whole Mill	1	25-S	340
Fortress Metal Detector	1	Phantom	F5247
Flour Bagger Tank with Airlock	1		
Chantland bagger with scales	1	4198 Weighmaster II	39402
Stone Mill			
Airlock bench	1		
Airlocks	10		

Equipment	Amount	Model Number	Serial Number
Present in Willsboro			
Yale Forklift	1		
JEM Sewing Head	1		
Pallet Racks			
27' by 11 ring Grain Bin	2		
Temper Bin	1		
Ford Tractor	1	5640	P.O./004576
48' Van Trailer	1		
Fortress Metal Detector	1	Phantom	21340
Moving to Willsboro from Westport			
15' by 8 ring hopper bottom grain bin	4		
12' by 8 ring hopper bottom grain bin	2		
9' by 5 ring hopper bottom grain bin	5		
Codema Air Lock	11		
Flour Tanks	4		
13' flour bin	1		
Walinga Agri Vac	1	4510	MT4510WLX-40E-050810183
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Helms Whole Mill	1	25-S	340
Fortress Metal Detector	1	Phantom	F5247
Flour Bagger Tank with Airlock	1		
Chantland bagger with scales	1	4198 Weighmaster II	39402
Stone Mill			
Airlock bench	1		
Airlocks	10		

Cyclones	10		
Allis Chalmers Sifter	1		1155
Sieves	68		
Codema Filter Tank with Airlock	1		
Roll Stand	4		
IR Piston type air compressor	1	7100	8056694
Whole Mill Filter Tank	1	16005.6	16005.0202
Whole Mill Vacuum Pump	1	GAELDPA	S159590
Kaeser Blower 1	1	MDB 130	1495 135 2005
Kaeser Blower 2	1	MDB 130	1414 135 2005
Kaeser Blower 3	1	MDB 130	1493 135 2005
Kaeser Blower 4	1	MDB 130	1496 135 2005
JEM Bagger	1	GWD-21-GG	061451
JEM Conveyor	1	Con 508 w/PED	31422
Portable Air Lock	1		
Mixing Tank	1		
Blue Master Bucket Elevator	1	5005	688112536
Triner Scale	1	TS-700 MS	AE120319080
Alapala Scour/Aspirator	1	KKSI 3010	796
Temper Augur	1		
Toyota Electric Pallet Jack	1	8HBW23	8HBW23-28589
Toyota Electric Pallet Jack	1	7HBW23	7HBW23-28589
Toyota Forklift	1	42-6FGCU15	60961
Incoming Equipment			
IR Rotary screw compressor	1	IRN30H Nirvana	
Ocrim Separator Sifter	1		
Codema Destoner	1		
Clean Grain Bin	1		
Magnet	1		
Scales	1		
Bliss Whole Mill	1		

Witt Rollstand	1		
Whole Mill Filter Tank	1		
White Flour Filter Tank	1		
Satake Color Sorter	1		

EXHIBIT C

FORM OF DEED FROM ISSUER TO COMPANY

QUITCLAIM DEED

THIS INDENTURE made this _____ day of _____, Thousand _____

BETWEEN

Essex County Industrial Development Agency, a governmental body and instrumentality constituting a body corporate and politic and public benefit corporation of the State of New York with an address of P.O. Box 217, Elizabethtown, Essex County, New York 12932,

Grantor, as party of the first part

And

Champlain Valley Milling Corp., Inc. a New York corporation with an office at 6679 Main Street, Westport, New York 12993-0454, Essex County, New York 12994,

Grantee, as party of the second part

WITNESSETH that the party of the first part, in consideration of ONE AND NO/100 DOLLARS (\$1.00), lawful money of the United States, and other valuable consideration, paid by the party of the second part, does hereby remise, release and quitclaim unto the party of the second part, its successors and the assigns of the party of the second part forever,

ALL THAT TRACT, PIECE OR PARCEL OF LAND, with improvements now thereon, situate in the Town of Willsboro, County of Essex and State of New York and being more particularly described on **Schedule "A"** attached hereto and made a part hereof.

BEING the same premises conveyed to the Essex County Industrial Development Agency by deed recorded in the Essex County Clerk's office on May 16, 2017 in Book ____ of Deeds at Page ____, as Instrument Number _____.

TOGETHER WITH all right, title, and interest, if any, of the party of the first part in and to any streets and roads abutting the above described premises to the center lines thereof;

TOGETHER WITH the appurtenances and all the estate and rights of the party of the first part in and to said premises,

TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, its successors and the assigns of the party of the second part forever.

AND the party of the first part, in Compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The word "party" shall be construed as if to read "parties" whenever the sense of the indenture so requires.

IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above written.

Essex County Industrial Development
Agency

By: _____
Chairman

STATE OF NEW YORK)
COUNTY OF ESSEX) SS:

On the ____ day of ____, 20__ before me, the undersigned, a Notary Public in and for said state, personally appeared _____ personally known to me 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 to the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Notary Public

Record & Return to:
William H. Kissel, Esq.
P.O. Box 1598
Lake Placid, NY 12946

EXHIBIT D

FORM OF BILL OF SALE FROM ISSUER TO COMPANY

**BILL OF SALE CONVEYING THE PROJECT TO THE
CHAMPLAIN VALLEY MILLING CORP., INC. FROM ESSEX COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

KNOW ALL MEN BY THESE PRESENTS:

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency"), a governmental agency and instrumentality constituting a body corporate and politic and a public benefit corporation of the State duly organized and existing under the law of the State in consideration of ten dollars paid by **CHAMPLAIN VALLEY MILLING CORP., INC.** (the "Company"), a corporation duly organized and existing under the laws of the State of New York (the "State"), the receipt of which is hereby acknowledged, does hereby grant, sell, transfer, and deliver unto the Company the building, equipment, and personal property set forth on Exhibit B attached hereto, located on the land described in Exhibit A hereto.

TO HAVE AND TO HOLD all and singular the said land, equipment, and personal property to the Company and its successors and assigns to its and their own use and behalf forever.

THE AGENCY HEREBY COVENANTS with the Company that the Agency has or will have full right and good and marketable title to convey the said land, equipment, and personal property.

IN WITNESS WHEREOF, the Agency has hereunto executed this Bill of Sale by and on behalf of its Chairman and the seal of the Agency has hereunto been affixed by an officer duly authorized to so act this _____, 20__.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Title: Chairman

EXHIBIT E

FORM OF REQUISITION

Re: ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAX EXEMPT REVENUE BONDS (CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT) SERIES 2017

To: ZB, National Association, as Trustee
401 Liberty Avenue, Suite 1729
Pittsburgh, PA 15222

Essex County Industrial Development Agency
7566 Court Street
P.O. Box 217
Elizabethtown, New York 12932

All terms used in this Requisition (the "Requisition") have the meanings given to them in the Installment Sale Agreement (the "Installment Sale Agreement") dated as of May 1, 2017, between the Essex County Industrial Development Authority (the "Issuer") and Champlain Valley Milling Corp., Inc. (the "Company"):

1. Amount due and to be distributed from Bond Proceeds: \$_____.
2. The requested date of disbursement is _____, ___ (or the following Business Day if such day is not a Business Day).
3. The amounts previously disbursed under the Installment Sale Agreement aggregate \$_____.
4. The Company hereby represents that:
 - (a) each obligation to which the amount specified above relates has been properly incurred in connection with the Project being financed with the proceeds of the Installment Sale Agreement, is a reimbursable Project Cost and has not been the basis of any previous disbursement, and is not the basis of any pending Requisition;
 - (b) the expenditure of the amount specified above, when added to all previous disbursements from the Project Fund, will result in all such disbursements having been used to pay or reimburse the Company for Costs of the Project;
 - (c) the Installment Sale Agreement is in full force and effect and no default has occurred thereunder; and
 - (d) this Requisition is submitted for payment of the Costs of the Project as set forth on Schedule A hereto and not for Costs of Issuance.

5. Funds shall be disbursed as described in Schedule A for the following purposes: (a) to the Company only in reimbursement of expenditures made subsequent to sixty days before [_____] or (b) to the third parties identified in Schedule A for costs incurred by the Company but not yet paid.

Attached to this Requisition is a summary of the invoices itemizing the expenditures for which the Company is submitting this Requisition. Funds deposited with the Company for further disbursement to third parties shall be paid to such third parties by check dated the date of such deposit, and the Company reasonably expects such funds will be disbursed from its account within five Business Days of such deposit.

A copy of this Requisition has been delivered to each of the above named addressees.

The undersigned is duly authorized to execute and deliver this Requisition and to provide the representations and certifications set forth herein.

DATE: _____ Company's Authorized Representative _____

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY

TO

**ZB, NATIONAL ASSOCIATION
AS TRUSTEE**

PLEDGE AND ASSIGNMENT

with

ACKNOWLEDGEMENT

THEREOF BY

CHAMPLAIN VALLEY MILLING CORP., INC.

DATED AS OF MAY 1, 2017

RELATING TO

\$4,245,000

**ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
TAX-EXEMPT REVENUE BONDS
(CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT)
SERIES 2017**

RECORD AND RETURN TO:
Kenneth W. Bond
Squire Patton Boggs (US) LLP
30 Rockefeller Plaza
New York, New York 10112

PLEDGE AND ASSIGNMENT

THIS PLEDGE AND ASSIGNMENT dated as of May 1, 2017 (the “Pledge and Assignment”) is from Essex County Industrial Development Agency, a public benefit corporation of the State of New York having an office for the transaction of business located at 7566 Court Street, Elizabethtown, New York 12932 (the “Issuer”) to ZB, National Association, a national banking association organized and existing under the laws of the United States of America, having a place of business located at 401 Liberty Avenue, Suite 1729, Pittsburgh, PA 15222, as trustee (the “Trustee”) for the holders of the Issuer’s \$4,245,000 Essex County Industrial Development Agency Tax-Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project) (the “Bonds”) issued pursuant to a certain trust indenture dated as of May 1, 2017 (the “Indenture”) by and between the Issuer and the Trustee, and is acknowledged by Champlain Valley Milling Corp., Inc., its successors or designees, a corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 6679 Main Street, PO Box 454, Westport, New York 12993-0454 (the “Company”).

For value received, the receipt of which is hereby acknowledged, the Issuer hereby pledges, assigns, transfers and sets over to the Trustee, and hereby grants the Trustee a lien on and security interest in, all of the Issuer’s right, title and interest in any and all moneys due or to become due and any and all other rights and remedies of the Issuer under or arising out of an installment sale agreement dated as of May 1, 2017 (the “Installment Sale Agreement”) by and between the Issuer and the Company (except for the “Unassigned Rights”, as defined in the Indenture, and moneys payable pursuant to the Unassigned Rights), which Installment Sale Agreement (or a memorandum thereof) is intended to be recorded immediately prior to the recordation hereof; provided, however, that the assignment made hereby shall not permit the amendment of the Installment Sale Agreement without the prior written consent of the Issuer.

The Trustee shall have no obligation, duty or liability under the Installment Sale Agreement except as specifically set forth in the Installment Sale Agreement and accepted herewith, nor shall the Trustee be required or obligated in any manner to fulfill or perform any obligation, covenant, term or condition of the Issuer thereunder or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim, or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times. The Issuer shall at all times remain liable to observe and perform all of its covenants and obligations under the Installment Sale Agreement in accordance with the terms and limitations thereof.

The Issuer hereby irrevocably constitutes and appoints the Trustee its true and lawful attorney, with power of substitution, for the Issuer and in the name of the Issuer or in the name of the Trustee or otherwise, for the use and benefit of the holders of the Bonds (as defined in the Indenture), to ask, demand, require, receive, collect, compromise, compound and give discharges and releases of all claims for any and all moneys due or to become due under or arising out of the Installment Sale Agreement (except for claims relating to moneys due or to become due with respect to the Unassigned Rights) and to endorse any checks and other instruments or orders in connection therewith, and, if any “Event of Default” specified in the Indenture or the Bonds shall occur, (a) to settle, compromise, compound and adjust any such claims (except for claims arising pursuant to the Unassigned Rights), (b) to exercise and enforce any and all claims, rights, powers

and remedies of the Issuer under or arising out of the Installment Sale Agreement (except for rights of the Issuer relating to, and moneys payable pursuant to, the Unassigned Rights), (c) to file, commence and prosecute any suits, actions and proceedings at law or in equity in any court of competent jurisdiction to collect any such sums assigned to the Trustee hereunder and to enforce any rights in respect thereto and all other claims, rights, powers and remedies of the Issuer under or arising out of the Installment Sale Agreement (except for rights of the Issuer and moneys payable pursuant to the Unassigned Rights), and (d) generally to sell, assign, transfer, pledge, or make any agreement with respect to and otherwise deal with any of such claims, rights, powers and remedies as fully and completely as though the Trustee were the absolute owner thereof for all purposes, and at such times and in such manner as may seem to the Trustee to be necessary or advisable in its absolute discretion. The Issuer further agrees that at any time and from time to time, upon the written request of the Trustee, and at the sole cost and expense of the Company, the Issuer will promptly and duly execute, and delivery any and all such further instruments and documents as the Trustee may deem desirable in order to obtain the full benefits of this Pledge and Assignment and all rights and powers herein granted.

The Issuer hereby ratifies and confirms the Installment Sale Agreement and does hereby warrant and represent (a) that the Installment Sale Agreement is in full force and effect, (b) that the Issuer is not in default under the Installment Sale Agreement, and (c) that the Issuer has not assigned or pledged, and hereby covenants that it will not assign or pledge, so long as this Pledge and Assignment shall remain in effect, the whole or any part of the moneys, rights or remedies hereby assigned to anyone other than the Trustee.

All moneys due and to become due to the Trustee under or pursuant to the Installment Sale Agreement shall be paid directly to the Trustee at its address set forth in Section 1103 of the Indenture, or at such other address as the Trustee may designate to the Company and the Issuer in writing from time to time.

If the Issuer shall pay or cause to be paid, or there shall be paid, to the Trustee or its successors and assigns as the trustee for the holders of the Bonds or any part thereof, the principal of, premium, if any, and interest on the Bonds and all other sums due or to become due pursuant to the Indenture and this Pledge and Assignment, then this Pledge and Assignment and the estate and rights created hereby shall cease, terminate and be void, and thereupon the Trustee shall cancel and discharge the lien of this Pledge and Assignment and execute and deliver to the Issuer, and record, if necessary, such instruments in writing as shall be requisite to release the lien hereof, and shall reconvey, release, assign and deliver unto the Issuer the estate, right, title and interest in and to any and all property conveyed, sold, transferred, assigned or pledged to the Trustee, or otherwise subject to the lien of this Pledge and Assignment. This Pledge and Assignment shall be binding upon the Issuer and its successors and assigns and shall inure to the benefit of the Trustee and its successors and assigns as trustee for the holders of the Bonds or any part thereof.

All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Pledge and Assignment, the Indenture, the Bonds, the Installment Sale Agreement and the other documents and instruments connected herewith or therewith, and in any documents supplemental thereto (collectively, the "Financing Documents") shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any

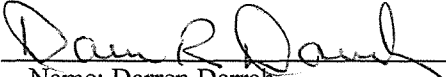
member, officer, agent (other than the Company), servant or employee of the Issuer in his individual capacity, and no recourse under or upon any covenant, stipulation, promise, agreement or obligation in the Financing Documents contained or otherwise based upon or in respect of the Financing Documents, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, director, officer, agent (other than the Company), servant or employee, as such, of the Issuer or of any successor public benefit corporation or political subdivision or any person executing the Financing Documents on behalf of the Issuer, either directly or through the Issuer or any successor public benefit corporation or political subdivision or any person executing the Financing Documents on behalf of the Issuer, it being expressly understood that the Financing Documents are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, director, officer, agent (other than the Company), servant, or employee of the Issuer or of any successor public benefit corporation or political subdivision or any person executing the Financing Documents on behalf of the Issuer because of the creation of the indebtedness thereby authorized, or under or by reason of the covenants, stipulations, promises, agreements or obligations contained in the Financing Documents or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, director, officer, agent (other than the Company), servant or employee because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Financing Documents or implied therefrom, are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of the Financing Documents and the issuance of the Bonds.

The obligations and agreements of the Issuer contained herein shall not constitute or give rise to an obligation of the State of New York or Essex County, New York, and neither the State of New York nor Essex County, New York shall be liable thereon, and further such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the lease, sale or other disposition of the Project Facility (except for revenues derived by the Issuer with respect to the "Unassigned Rights", as defined in the Installment Sale Agreement).

Notwithstanding any provision of this Pledge and Assignment to the contrary, the Issuer shall not be obligated to take any action pursuant to any provision hereof unless (a) the Issuer shall have been requested to do so in writing by the Company or the Trustee, and (b) if compliance with such request is reasonably expected to result in the incurrence by the Issuer (or any member, director, officer, agent other than the Company, servant or employee of the Issuer) in any liability, fees, expenses or other costs, the Issuer shall have received from the Company or the Trustee, as the case may be, security or indemnity satisfactory to the Issuer for protection against all such liability, however remote, and for the reimbursement of all such fees, expenses and other costs.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed in its name and behalf by its Chairman and the Trustee has caused these presents to be signed in its name and behalf by one of its duly authorized trust officers, all as of the day and year first hereinabove written.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Name: Darren Darrah
Title: Chairman

ZB, NATIONAL ASSOCIATION, as Trustee

By: _____
Name: Eric Mitzel
Title: Vice President

The Company hereby acknowledges, approves and consents to the assignment of the Installment Sale Agreement described in the Pledge and Assignment pursuant to the Pledge and Assignment and agrees that the Trustee shall have and may exercise all rights of the Issuer under the Installment Sale Agreement (excepting therefrom the Unassigned Rights as defined therein), herein assigned and that it shall accept substitution of the Trustee for the Issuer under the Installment Sale Agreement and shall accept the Trustee's performance of the duties of the Issuer and the Trustee's exercise of the Issuer's rights or remedies as attorney-in-fact for the Issuer.

**CHAMPLAIN VALLEY MILLING CORP.,
INC.**

By: _____
Name: Samuel Sherman
Title: President

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed in its name and behalf by its Chairman and the Trustee has caused these presents to be signed in its name and behalf by one of its duly authorized trust officers, all as of the day and year first hereinabove written.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Darren Darrah
Title: Chairman

ZB, NATIONAL ASSOCIATION, as Trustee

By:  _____
Name: Eric Mitzel
Title: Vice President

The Company hereby acknowledges, approves and consents to the assignment of the Installment Sale Agreement described in the Pledge and Assignment pursuant to the Pledge and Assignment and agrees that the Trustee shall have and may exercise all rights of the Issuer under the Installment Sale Agreement (excepting therefrom the Unassigned Rights as defined therein), herein assigned and that it shall accept substitution of the Trustee for the Issuer under the Installment Sale Agreement and shall accept the Trustee's performance of the duties of the Issuer and the Trustee's exercise of the Issuer's rights or remedies as attorney-in-fact for the Issuer.

**CHAMPLAIN VALLEY MILLING CORP.,
INC.**

By: _____
Name: Samuel Sherman
Title: President

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed in its name and behalf by its Chairman and the Trustee has caused these presents to be signed in its name and behalf by one of its duly authorized trust officers, all as of the day and year first hereinabove written.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

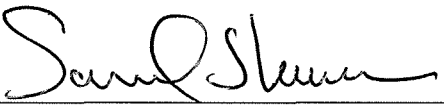
By: _____
Name: Darren Darrah
Title: Chairman

ZB, NATIONAL ASSOCIATION, as Trustee

By: _____
Name: Eric Mitzel
Title: Vice President

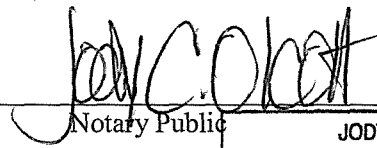
The Company hereby acknowledges, approves and consents to the assignment of the Installment Sale Agreement described in the Pledge and Assignment pursuant to the Pledge and Assignment and agrees that the Trustee shall have and may exercise all rights of the Issuer under the Installment Sale Agreement (excepting therefrom the Unassigned Rights as defined therein), herein assigned and that it shall accept substitution of the Trustee for the Issuer under the Installment Sale Agreement and shall accept the Trustee's performance of the duties of the Issuer and the Trustee's exercise of the Issuer's rights or remedies as attorney-in-fact for the Issuer.

**CHAMPLAIN VALLEY MILLING CORP.,
INC.**

By:  _____
Name: Samuel Sherman
Title: President

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the 9 day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, personally known to me 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.



Notary Public

JODY C OLCOTT NOTARY PUBLIC STATE OF NEW YORK QUALIFIED IN ESSEX COUNTY NO - 01OL6049649 MY COMM. EXPIRES OCTOBER 23, 20 <u>18</u>

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Eric Mitzel, the authorized officer of ZB, National Association, personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, the President of CHAMPLAIN VALLEY MILLING, INC., personally known to me 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.

Notary Public

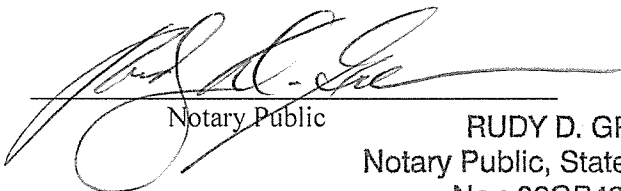
STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On the 9th day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Eric Mitzel, the authorized officer of ZB, National Association, personally known to me 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.



Notary Public

RUDY D. GREEN
Notary Public, State of New York
No.: 02GR4962723
Qualified in New York County
Commission Expires February 26, 2018

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, the President of CHAMPLAIN VALLEY MILLING, INC., personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, personally known to me 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.

Notary Public

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Eric Mitzel, the authorized officer of ZB, National Association, personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the 10th day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, the President of CHAMPLAIN VALLEY MILLING CORP., INC., personally known to me 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.

Barbara A Breyette

Notary Public

BARBARA A BREYETTE NOTARY PUBLIC, STATE OF NEW YORK Registration No. 01BR4987221 Qualified in Essex County Commission Expires October 7, 2017

MORTGAGE AND SECURITY AGREEMENT

from

CHAMPLAIN VALLEY MILLING CORP., INC.

and

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY,

to

ZB, NATIONAL ASSOCIATION
as Trustee

Dated as of May 1, 2017

RECORD AND RETURN TO:
Kenneth W. Bond
Squire Patton Boggs (US) LLP
30 Rockefeller Plaza
New York, New York 10112

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MORTGAGE AND SECURITY AGREEMENT

This **MORTGAGE AND SECURITY AGREEMENT**, made and entered into as of the date set forth on the cover page hereof (the "Mortgage") from CHAMPLAIN VALLEY MILLING CORP., INC., a corporation organized and existing under the laws of the State of New York (the "Company"), having its office at 6679 Main Street, PO Box 454, Westport, New York 12993-0454 and the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the "Issuer"), having its office at 7566 Court Street, Elizabethtown, New York 12932 to ZB, NATIONAL ASSOCIATION, a national banking association duly organized, existing and authorized to accept and execute trusts under the laws of the United States of America, having a corporate trust office at 401 Liberty Avenue, Suite 1729, Pittsburgh, PA 15222, as trustee under the Indenture referred to below, together with any successor trustee under the Indenture referred to below (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

WITNESSETH:

WHEREAS, the Issuer intends to issue the Bonds pursuant to the Act, the Bond Resolution and the Indenture; and

WHEREAS, the proceeds derived from the issuance of the Bonds are to be used to finance a project (the "Project") consisting of (A)(1) the acquisition, construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including land and fixtures, to manufacture grain into flour, to be located at 19 Myers Way all within the Town of Willsboro, New York (the "Facility"), which facility will include an approximately 29,000 square foot building, and (2) certain fixtures and other personal property related thereto (the "Equipment") (the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt revenue bonds of the Issuer in one or more series in an aggregate principal amount not to exceed \$5,000,000; (C) the funding of a debt service reserve fund for the bonds for the Project; (D) the payment of the costs of issuing such bonds; and (E) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the New York State (the "State") General Municipal Law) with respect to the foregoing, including an exemption from certain sales and use taxes, real property taxes, deed transfer taxes, and mortgage recording taxes (together with the Project Facility, the "Project"), which is to be sold by the Issuer to the Company pursuant to an Installment Sale Agreement, dated as of May 1, 2017 (the "Installment Sale Agreement"), between the Issuer and the Company; and

WHEREAS, in order to induce the Issuer to issue the Bonds and to induce the Purchaser to purchase the Bonds, the Company and the Issuer are entering into this Mortgage.

NOW, THEREFORE, in consideration of the premises and of the purchase and acceptance of the Bonds by the initial owners thereof and for other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure

(i) the payment of the principal of the Bonds and the indebtedness represented thereby and the redemption premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied in the Bonds, and

(ii) the payment, performance and observance of all obligations of the Company under the Financing Documents including this Mortgage,

whether now arising or hereafter arising, direct or indirect, absolute or contingent, joint or several, due or to become due, liquidated or unliquidated, secured or unsecured, original, renewed or extended, whether arising directly or acquired from others (all such indebtedness and obligations described in clauses (i) and (ii) above being collectively referred to herein as the “Obligations”), the Issuer and the Company do hereby grant, bargain, sell, convey, transfer, mortgage, grant a security interest in, pledge and assign to the Trustee, and its successors and assigns, subject to the terms and conditions set forth herein, the following property (the “Mortgaged Property”):

GRANTING CLAUSES

I

The Land described in Appendix A attached hereto, together with the appurtenances thereto and the title in and to an portion of the Land lying in the streets and roads in front of and adjoining said Land;

II

All buildings, improvements and other structures erected or to be erected on the Land or any part thereof, including right, title and interest of the Issuer and the Company in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or hereafter standing on the Land or any part thereof, including, without limitation, the Project together with all construction contracts, subcontracts, licenses, permits and approvals for the Project;

III

The Equipment, as more particularly described in Exhibit B attached hereto, together with any and all repairs, replacements, improvements, attachments, accessions, repairs and substitutions thereof and therefore and all parts, accessories and additions incorporated therein or affixed thereon;

IV

All easements, royalties, mineral, oil and gas rights and profits, water, water rights and water stock relating to the Land necessary for the acquisition, ownership, construction, operation, use and maintenance of the Project Facility;

V

Any and all moneys and securities from time to time held by the Trustee under the terms of this Mortgage and the Indenture (other than moneys and securities held in the Rebate Fund), and any and all other Property of every name and nature, from time to time hereinafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder by the Issuer or by anyone on its behalf or with its written consent in favor of the Trustee;

VI

All rights and interest of the Issuer in any moneys due or to become due to the Issuer and any and all other rights and remedies of the Issuer under or arising out of the Installment Sale Agreement (except the Unassigned Rights and moneys payable pursuant to the Unassigned Rights); provided, that the assignment made by this clause shall not impair or diminish any obligation of the Issuer under the Installment Sale Agreement; provided, further, however, that the assignment made by this clause shall not give to the Trustee the right to amend the Installment Sale Agreement without the prior written consent of the Issuer;

VII

All leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the acquisition, construction, use, operation or occupancy of all or any portion of the Mortgaged Property or the other real property described above or hereafter entered into, including, but not limited to, any and all rights under and pursuant to the Installment Sale Agreement (except the Unassigned Rights) and the right to receive and apply the Pledged Revenues to the payment of the Mortgage Indebtedness;

VIII

All proceeds of and unearned premiums on any insurance policies covering the Project Facility and all other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Company's right to use such insurance proceeds or condemnation award for restoration of the Project Facility as provided in the Installment Sale Agreement;

IX

All other proceeds of the conversion, whether voluntary or involuntary, of the Project Facility or any other Property or rights encumbered or conveyed hereby into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, Condemnation and other awards; and

X.

All extensions, additions, substitutions and accessions with respect to any of the foregoing, and all proceeds and products of any of the foregoing.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned or agreed or intended so to be, to the Trustee and its successors and assigns;

SUBJECT, HOWEVER, to the Permitted Encumbrances and the Indenture;

EXCERPTING, THEREFROM, the Unassigned Rights;

PROVIDED, HOWEVER, that if (A) there shall be no Event of Default under the Indenture, (B) the Issuer and the Company shall perform and observe all the covenants to be performed and observed hereunder and perform all obligations under the Indenture, the Installment Sale Agreement and the other Financing Documents to which they are parties, and (C) the Company has paid or caused to be paid to the Trustee all sums of money due to become due to it in accordance with the terms and provisions hereof and of the other Financing Documents to which it is a party, including, without limitation all amounts owed under all indemnification provisions, then upon such final payments and such performance and observance, this Mortgage and the rights hereby granted shall cease, terminate and be void; otherwise this Mortgage to be and remain in full force and effect.

THIS MORTGAGE secures the payment, performance and observance of the Obligations and shall continue in full force and effect until the Obligations shall be paid and satisfied in full or otherwise provided for in accordance with their respective terms.

ISSUER AND COMPANY HEREBY represent, warrant, covenant and agree with the Trustee as set forth below (provided that the Issuer and the Company represent, warrant, covenant and agree, as between the Issuer and the Company, only with respect to the representations, warranties, covenants and agreements of each and not of the other):

Section 1. Security Agreement.

This Mortgage is and shall be deemed to be both a real property mortgage and a “security agreement” under the State Uniform Commercial Code with respect to the Mortgaged Property and the Trustee shall have all the rights of a secured party thereunder with respect to that part of the Mortgaged Property that constitutes personal property subject thereto (sometimes referred to herein as the “Secured Property”). Upon request by the Trustee, the Issuer, at the sole cost and expense of the Company, and the Company, shall execute and deliver to the Trustee, as the case may be, any security agreement, financing or continuation statement or other document the Trustee reasonably deems necessary to protect or perfect its liens hereunder on the Mortgaged Property. The Issuer and the Company authorize the Trustee, to the extent permitted by law, to sign and file any financing or continuation statement at any time with respect to the Mortgaged Property in the absence of any signature by or on behalf of the Issuer and the Company.

Section 2. Performance of the Covenants.

(A) The Issuer and the Company hereby covenant that they will faithfully observe and perform, or cause to be observed and performed, at all times any and all covenants, undertakings, stipulations and provisions on their respective parts to be observed or performed contained in this Mortgage and the other Financing Documents to be executed by them.

(B) The Issuer and the Company hereby covenant that they will promptly pay, or cause to be paid, the Debt Service Payments on the Bonds at the place, on the dates and in the manner provided therein. All Debt Service Payments on the Bonds paid by the Issuer shall be payable solely from installment purchase payments and other revenues and receipts received pursuant to the Installment Sale Agreement (but not including any amounts received in connection with the Unassigned Rights). Nothing in the Bonds, the Indenture or this Mortgage shall be construed as pledging or mortgaging any funds or assets of the Issuer other than those pledged or mortgaged hereby or thereby. Neither the State nor any political subdivision thereof (other than the Issuer and the Company) shall in any event be liable for the payment of any Debt Service Payment on the Bonds or for the performance of any pledge, mortgage, obligation or agreement undertaken by the Issuer and the Company.

Section 3. Priority of Lien of Mortgage; Discharge of Liens and Encumbrances.

(A) The Company represents and warrants that (i) the Company and the Issuer are lawfully seized of the estate conveyed hereby subject only to Permitted Encumbrances, (ii) the Company has full right and authority to sell and convey the Mortgaged Property and (iii) the Company will warrant and defend such title to the Mortgaged Property against all claims and demands except the Permitted Encumbrances.

(B) The Issuer and the Company shall not permit or create or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Mortgaged Property or any part thereof, without the prior written consent of the Trustee.

(C) Notwithstanding the provisions of subsection (B) of this Section 3, the Company may in good faith any such Lien, provided that the Company (1) first shall have notified the Trustee of such contest, (2) is not in default under any of the Financing Documents, (3) shall have set aside adequate reserves for the discharge of any such Lien and furnished evidence thereof satisfactory to the Trustee, and (4) demonstrates to the reasonable satisfaction of the Trustee that the failure to discharge any such Lien will not subject the Mortgaged Property or any part thereof or any funds of the Issuer applicable to the acquisition, construction or installation of the Mortgaged Property to loss or forfeiture.

Section 4. Representations and Warranties of Company.

(A) The Company represents and warrants that it is a corporation duly formed, validly existing and in good standing under the laws of the State. The Company represents and warrants that it has power to enter into and perform this Mortgage and the other Financing Documents and to own its property and assets, has duly authorized the execution and delivery of this Mortgage by proper corporate action and neither this Mortgage, nor the authorization, execution, delivery and performance hereof, nor the performance of the agreements herein contained nor the consummation of the transactions herein contemplated will violate any provision of law to which the Company is subject, any order of any court or agency of government applicable to the Company or any agreement, indenture or other instrument to which the Company is a party or by which it or any of its property is subject to or bound, or any provision of its certificate of incorporation.

(B) The Company represents and warrants that this Mortgage constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting the enforceability of creditors' rights generally and except as such enforceability is subject to the application of general principles of equity.

(C) The Company represents and warrants that the Issuer is vested with good and marketable title to the Mortgaged Property, subject to no mortgage, lien, charge, pledge, assignment, security interest, conditional sale agreement or encumbrance of any kind whatsoever, other than Permitted Encumbrances.

(D) No obligations of the Company are secured by any interest in the Project or the Project Facility.

Section 5. Representations and Warranties of the Issuer.

The Issuer represents and warrants that it has power to enter into and perform this Mortgage, to create, pledge and grant the mortgage, pledge, assignment and security interest in the Mortgaged Property as provided in this Mortgage and to own the Mortgaged Property, has duly authorized the execution and delivery of this Mortgage by proper corporate action and neither this Mortgage, the authorization, execution, delivery and performance hereof, the performance of the agreements herein contained nor the consummation of the transactions herein contemplated will violate any provision of law to which the Issuer is subject, any order of any court or agency of government applicable to the Issuer or any agreement, indenture or other instrument to which the Issuer is a party or by which it or any of its property is subject to or bound, or any provision of its by-laws. This Mortgage constitutes the legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.

Section 6. Payment, Performance, Observance and Compliance.

The Company agrees to pay or cause to be paid, the Debt Service Payments on the Bonds at the place, on the dates and in the manner provided therein. All Debt Service Payments on the Bonds paid by the Issuer shall be solely from installment purchase payments and other revenues and receipts received pursuant to the Installment Sale Agreement (but not including any amounts received in connection with the Unassigned Rights). Nothing in the Bonds, the Indenture or in this Mortgage shall be construed as pledging or mortgaging any funds or assets of the Issuer other than those pledged or mortgaged hereby or thereby. Neither the State nor any political subdivision thereof (other than the Issuer and the Company) shall in any event be liable for the payment of any Debt Service Payment on the Bonds or for the performance of any pledge, mortgage, obligations or agreement undertaken by the Issuer or the Company.

Section 7. Priority of Lien of Mortgage.

The Issuer and the Company covenant that they shall not create or suffer to be created any Lien, except Permitted Encumbrances, upon the Mortgaged Property or any part thereof.

Section 8. Maintenance and Use of Mortgaged Property.

The Company, at its expense, will keep or cause to be kept the Mortgaged Property in good order and condition (ordinary wear and tear excepted) and will make all necessary or appropriate repairs, replacements and renewals thereof, interior, exterior, structural and non-structural, ordinary and extraordinary, foreseen and unforeseen. The Company will not do, or permit to be done, any act or thing which might materially impair the value or usefulness of the Mortgaged Property or any part thereof, will not commit or permit any material waste of the Mortgaged Property or any part thereof, and will not permit any unlawful occupation, business or trade to be conducted on the Mortgaged Property or any part thereof. The Company shall also, at its expense, promptly comply with all rights of way or use, privileges, franchises, servitudes, licenses, easements, tenements, hereditaments and appurtenances forming a part of the Mortgaged Property and all instruments creating or evidencing the same, in each case, to the extent compliance therewith is required of the Company under the terms thereof.

Section 9. Insurance Required.

At all times throughout the term of this Mortgage, the Company shall maintain the insurance described in Article VI of the Installment Sale Agreement, regardless of whether the Installment Sale Agreement shall be terminated or shall be for any reason not in full force and effect, and shall, within ten (10) days of request therefor by the Trustee deliver proof to the Trustee that such insurance has been and is being maintained.

Section 10. Taxes, Assessments and Utility Charges.

(A) The Company shall pay, promptly when due and before penalty or interest accrue thereon, all taxes, assessments, whether general or special, and other governmental charges of any kind whatsoever, foreseen or unforeseen, ordinary or extraordinary, that now or may at any time hereafter be assessed or levied against or with respect to the Mortgaged Property or any part thereof (including, without limitation, any taxes levied upon or with respect to the revenues, income or profits of the Company from the Mortgaged Property) which, if not paid, may become or be made a lien on the Mortgaged Property, or any part thereof, or a charge on such revenues, income or profits.

(B) Notwithstanding the preceding paragraph, the Company may, at its expense and after prior notice to the Trustee, by appropriate proceedings diligently prosecuted, contest in good faith the validity or amount of any such taxes, assessments or other charges and during the period of contest, need not pay the items so contested. However, if at any time the Trustee shall deliver to the Company an opinion of Independent Counsel to the effect that by nonpayment of any such items, the lien or security interest created by this Mortgage as to any part of the Mortgaged Property will be materially affected or the Mortgaged Property or any part thereof will be subject to imminent loss or forfeiture, the Company shall promptly pay such taxes, assessments or charges. During the period when the taxes, assessments or other charges so contested remain unpaid, the Company shall set aside on its books adequate reserves with respect thereto.

Section 11. Payments in Lieu of Taxes.

The Company shall pay all payments in lieu of taxes due pursuant to Section 6.2 of the Installment Sale Agreement.

Section 12. Right to Access.

The Issuer and the Company agree that the Trustee and its duly authorized agents will have the right upon all reasonable times to enter upon and into the Mortgaged Property for the purposes of examination and inspection.

Section 13. Inspection.

The Trustee and its representatives are hereby authorized to enter upon and inspect the Mortgaged Property at any time during normal business hours during the term of this Mortgage.

Section 14. Books, Records and Accounts.

The Company will keep and maintain or will cause to be kept and maintained proper and accurate books, records and accounts reflecting all items of income and expense in connection with the operation of the Mortgaged Property or in connection with any services, equipment or furnishings provided in connection with the operation of the Mortgaged Property, whether such income or expenses be realized by the Company or by any other person or entity whatsoever excepting sublessors unrelated to and unaffiliated with the Company and who leased from the Company portions of the Mortgaged Property for the purposes of occupying same. The Trustee and its designee shall have the right from time to time at all times during normal business hours to examine such books, records and accounts at the office of the Company or other person or entity maintaining such books, records and accounts and to make copies or extracts thereof as the Trustee shall desire.

Section 15. Compliance with Applicable Law.

(A) The Company agrees that it will, at all times prior to the termination of this Mortgage, promptly and fully comply with all (1) Applicable Laws, (2) covenants, conditions and restrictions of record relating to the ownership, use, operation or leasing of the Mortgaged Property, (3) covenants, conditions and restrictions set forth in any document or instrument creating a lien or charge upon all or any portion of the Mortgaged Property, and (4) policies of insurance at any time in force with respect to the Mortgaged Property.

(B) Notwithstanding the preceding paragraph, the Company may, at its expense and after prior notice to the Trustee, by appropriate proceedings diligently prosecuted, contest in good faith the validity or applicability of such requirements. This Section 15(B) shall not be deemed to apply to the payment of taxes or assessments (which is covered by Section 10).

Section 16. Recording and Filing.

(A) The Issuer hereby covenants that it will, at the sole cost and expense of the Company, cause this Mortgage, the Pledge and Assignment, the Installment Sale Agreement (or

a memorandum thereof), and all supplements hereto and thereto, together with all other security instruments and financing statements, to be recorded and filed, as the case may be, in such manner and in such places as may be requested by the Trustee in order to perfect the Liens created by the Financing Documents. The Company covenants that it will, upon request of the Trustee, cause to be filed all documents requested by the Trustee including, without limitation, continuation statements under the Uniform Commercial Code of the State, in such manner and in such places as may be required by the law in order to protect and maintain in force the Liens of the Financing Documents.

(B) Without limiting the foregoing, the Issuer and the Company hereby irrevocably appoint the Trustee as attorney-in-fact for the Issuer and the Company to execute, deliver, and file such instruments for and on behalf of the Issuer and the Company without the necessity of the signature of the Issuer and the Company or anyone claiming under or through the Issuer or the Company, including, but not limited to, the Company. Notwithstanding the foregoing, it is understood that the Trustee shall not make the initial UCC-1 filings.

Section 17. Enforcement of Duties and Obligations of the Company.

The Issuer and the Company hereby covenant that they will take all legally available action to cause the Company to fully comply with the covenants of the Company contained in the Installment Sale Agreement in the manner and at the times provided in the Installment Sale Agreement.

Section 18. Enforcement of Rights Under the Assigned Contract Rights.

The Company agrees to perform all obligations, conditions and agreements to be performed by the Company with respect to all permits, licenses and approvals for the Mortgaged Property and to enforce the performance of all obligations, conditions and agreements to be performed by each third party with respect to contracts, subcontracts, and other agreements for the acquisition, construction, use or occupancy of the Mortgaged Property.

Section 19. Events of Default.

Any one or more of the following events shall constitute an “Event of Default”:

(A) Failure of the Company to pay any amount that has become due and payable hereunder and continuance of such failure for a period of thirty (30) days after receipt by the Company of written notice specifying the nature of such default from the Trustee;

(B) Failure of the Company or the Issuer to observe and perform any covenant, condition or agreement hereunder on their respective part to be performed (except as set forth in Section 19(A) above) and (1) continuance of such failure for a period of thirty (30) days after receipt by the Company and the Issuer of written notice specifying the nature of such default from the Trustee, or (2) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, the Company and the Issuer fail to proceed with reasonable diligence after receipt of said notice to cure the same or fail to continue with reasonable diligence their efforts to cure the same; or

(C) An “Event of Default” as defined in the Indenture or any other Financing Document shall occur and be continuing.

The Issuer hereby grants to the Company full authority for the account of the Issuer to perform any covenant or obligation the non-performance of which is alleged in any notice received by the Company to constitute a default hereunder, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts with power of substitution. The Trustee agrees to accept such performance by the Company as performance by the Issuer.

Section 20. Remedies.

Upon the occurrence of an Event of Default hereunder, the Trustee may, to the maximum extent permitted by law, in addition to any other rights or remedies available to it hereunder or elsewhere, take such action, without notice or demand, as they deem advisable to protect and enforce their rights against the Issuer, the Company and in and to the Mortgaged Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as the Trustee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of the Trustee:

(A) enter into or upon the Mortgaged Property, either personally or by their agents, nominees or attorneys, and dispossess the Issuer and the Company and their respective agents and servants therefrom, and thereupon the Trustee may:

(i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Mortgaged Property and conduct business thereat and therewith;

(ii) complete any construction, renovation, rebuilding or repairing of the Mortgaged Property in such manner and form as the Trustee deems advisable;

(iii) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property; and

(iv) exercise all rights and powers of the Issuer with respect to the Mortgaged Property (subject to the terms and conditions of the Indenture relating to the Unassigned Rights), whether in the name of the Issuer or otherwise, including, without limitation, the right to make, cancel, enforce or modify leases (except upon the prior written consent of the Issuer and the Company), obtain and evict tenants, and demand, sue for, collect and receive all earnings, revenues, rents, issues, profits and other income of the Mortgaged Property and every part thereof;

(B) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of the Mortgaged Property for the portion of the Obligations then due and payable, subject to the continuing security and lien of this Mortgage for the balance of the Obligations not then due;

(C) institute proceedings to foreclose one or more of the liens of this Mortgage against all or, from time to time, against any part of the Mortgaged Property and to have the same sold under the judgment or decree of a court of competent jurisdiction to the highest bidder, at public or private sale, subject to statutory and other legal requirements, if any, including all right, title and interest, claim and demand therein and thereto and all right of redemption thereof;

(D) sell, assign or transfer the Mortgaged Property or any part thereof and all estate, claim, demand, right, title and interest of the Issuer and the Company therein and right of redemption thereof, pursuant to power of sale or otherwise, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law (provided that twenty (20) days' notice of sale of the Mortgaged Property shall be deemed reasonable notice) for such price and form of consideration as the Trustee may determine or as may be required by law;

(E) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein;

(F) apply for the appointment of or appoint a trustee, receiver, liquidator or conservator of the Mortgaged Property, without regard for the adequacy of the security for the Obligations and without regard for the solvency of any Person liable for the payment of the Obligations whether or not in connection with an action to foreclose this Mortgage;

(G) take possession of the Mortgaged Property and otherwise exercise any and all of the rights of secured parties under the State Uniform Commercial Code-Secured Transactions (provided that, notwithstanding the provisions of the State Uniform Commercial Code-Secured Transactions and to the fullest extent permitted by applicable law, ten (10) days' notice of sale of the Mortgaged Property shall be deemed reasonable notice); or

(H) pursue such other remedies as the Trustee may have under applicable law.

Further, if there shall occur an Event of Default, then the Trustee may, in its discretion, remedy the default and for such purpose shall have the right to enter upon the Mortgaged Property or any portion thereof without thereby becoming liable to the Issuer or the Company or any Person in possession thereof other than for liability resulting from the negligence or willful misconduct of the Trustee.

The Trustee shall have the right to appear in and defend any action or other proceeding brought with respect to the Mortgaged Property and to bring any action or other proceeding, in the name and on behalf of the Issuer if and to the extent the Trustee so elects, that the Trustee, in its discretion, determines should be brought to protect the interest of the Trustee in the Mortgaged Property.

If the Trustee shall remedy any such default or appear in, defend, or bring any action or proceeding to protect its interest in the Mortgaged Property or to foreclose upon the Mortgaged Property under this Mortgage, in whole or in part, or collect the Obligations, all reasonable costs and expenses thereof (including reasonable attorneys' fees to the extent permitted by law), shall be paid by the Company to the Trustee upon demand.

To the extent any such costs, expenses, or other amounts paid by the Trustee after an Event of Default shall constitute payment of (1) taxes or payments in lieu of taxes, (2) premiums on insurance policies covering all or part of the Mortgaged Property, (3) expenses incurred in upholding the liens of this Mortgage, including the costs and expenses of any litigation to collect the indebtedness secured by this Mortgage or to prosecute, defend, protect, or preserve the rights and the lien created by this Mortgage, or (4) any amount, cost, or other charge to which the Trustee becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority; then, and in each such event, those reasonable costs, expenses, and other amounts, shall be added to the indebtedness secured by this Mortgage and shall be an Obligation secured by this Mortgage.

Section 21. Appointment of a Receiver.

Upon the occurrence of an Event of Default, the Trustee shall be entitled to the appointment of a receiver. The right to have a receiver appointed shall be a matter of strict right and without regard to the value or occupancy of the security and such receiver may enter upon and take possession of the Mortgaged Property, collect the rents, issues and profits therefrom and apply the same as the court may direct, such receiver to have all of the rights and powers as a receiver may have under the laws of the State. The expenses, including, without limitation, reasonable receiver's fees, reasonable counsel fees, costs and agent's reasonable commissions and compensation incurred pursuant to the powers herein granted shall be added to the principal portion of the Obligations and secured hereby.

Section 22. Application of Proceeds.

All proceeds received by the Trustee pursuant to any right given or action taken under the provisions of this Mortgage shall, during the continuance of an Event of Default hereunder, be applied in the following order of priority: (i) first, to the payment of the fees, costs and expenses of the Trustee, including reasonable attorneys' fees; (ii) second, to the payment of all installments of interest then due and payable on the Bonds; (iii) third, to the payment of any premium due and payable on the Bonds; (iv) fourth, to the payment of unpaid principal of the Bonds, whether or not then due and payable; (v) fifth, to the payment of any sum or charge (other than principal, premium, if any, or interest) evidenced or secured by this Mortgage and all interest payable thereon; (vi) sixth, to the payment of interest or principal amounts then due and payable under any other Financing Document; and (vii) seventh, the balance thereof to be applied in reduction of any other amounts then due and payable under any other Financing Document.

Section 23. No Remedy Exclusive.

No remedy conferred upon or reserved to the Trustee hereunder is or shall be deemed to be exclusive of any other available remedy or remedies. Each such remedy shall be distinct, separate and cumulative, shall not be deemed to be inconsistent with or in exclusion of any other available remedy, may be exercised in the reasonable discretion of the Trustee at any time, in any manner, and in any order, and shall be in addition to and separate and distinct from every other remedy given the Trustee under this Mortgage or any other Financing Document or now or hereafter existing in favor of the Trustee at law or in equity. Without limiting the generality of

the foregoing, the Trustee shall have the right to exercise any available remedy to recover any amount due and payable hereunder without regard to whether any other amount is due and payable, and without prejudice to the Trustee to exercise any available remedy for other Events of Default existing at the time the earlier action was commenced.

Section 24. Termination of Proceedings.

In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then the Issuer, the Trustee and the Company shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no proceeding had been taken.

Section 25. Delay To Not Constitute Waiver.

Any delay, omission or failure by the Trustee to insist upon the strict performance by the Issuer and the Company of any of the covenants, conditions and agreements herein set forth to be exercised by them or to exercise any right or remedy available to it upon the occurrence of an Event of Default shall not impair any such right or remedy or be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce, by injunction or other appropriate legal or equitable remedy, strict compliance by the Issuer and the Company with all of the covenants, conditions and agreements herein to be exercised by them, or of the right to exercise any such rights or remedies if such default by the Issuer or the Company be continued or repeated. Any failure of the Trustee to exercise the option to accelerate the maturity of Obligations secured hereby, or any forbearance by the Trustee before or after any exercise of any such option, or any forbearance to exercise any other remedy of the Trustee, or any withdrawal or abandonment of the Trustee of any of its rights in any one circumstance shall not be construed as a waiver of any option, power, remedy or right of the Trustee hereunder. The rights and remedies of the Trustee expressed and contained in this Mortgage are cumulative and none of them shall be deemed to be exclusive of any other or of any right or remedy the Trustee may now or hereafter have at law or in equity. The election of any one or more remedies shall not be deemed to be an election of remedies under any statute, rule, regulation or case law. The covenants of this Mortgage shall run with the Mortgaged Property and other properties and the estates hereby mortgaged and bind the Issuer and the Company and their respective assigns, legal representatives and successors and shall inure to the benefit of the Trustee and its successors and assigns.

Section 26. Costs of Suit.

If any action, suit or proceeding is commenced by or against the Trustee, including a foreclosure action, affecting the Mortgaged Property or any part thereof or the Lien of this Mortgage, the Trustee may appear, defend, prosecute, retain counsel and take such other action as the Trustee shall deem advisable, and the costs thereof (including reasonable legal fees and all applicable statutory costs, allowances and disbursements), together with interest thereon, but in no event in excess of the maximum interest rate permitted by law, shall be paid by the Company to the Trustee on demand. Until so paid, all such costs, together with interest thereon, shall be

secured by this Mortgage and, if not paid, may be added to the judgment in any foreclosure action

Section 27. Notices.

Any notice required to be sent to the Issuer or the Company, or any notice including process, pleadings or other papers served upon them shall be in writing and shall at the same time, be sent by telegram or telex and by registered or certified mail, postage prepaid, to the Issuer at 7566 Court Street, Elizabethtown, New York 12932, Attention: Director, and to the Company at 6679 Main Street, P.O. Box 454 Westport, New York 12993, or to such other alternate address as may be furnished by the Issuer or the Company to the Trustee in writing. Any notice, certificate or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given as of the date it shall have been received or three (3) Business Days after mailing, whichever is earlier. Any notice required to be sent to the Trustee shall be sent in the manner and at the address set forth in the Indenture.

Section 28. Entire Agreement; Counterparts.

This Mortgage constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof (other than any other Financing Document) and may be executed simultaneously in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Section 29. Severability:

If any provisions of this Mortgage shall, for any reason, be held or shall, in fact, be inoperative or unenforceable in any particular case, such circumstance shall not render the provision in question inoperative or unenforceable in any other case or circumstance or render any other provision herein contained inoperative or unenforceable.

The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections in this Mortgage shall not affect the remaining portions of this Mortgage or any part hereof.

Section 30. Amendments and Modifications.

With the written consent of the Company, the Issuer and the Trustee may amend, change, modify, consolidate, release, assign, satisfy or terminate this Mortgage with respect to all or any part of the Mortgaged Property, except with respect to material compliance with State and Environmental Laws.

Section 31. Lien Law.

The Issuer and the Company shall receive the proceeds of the Bonds subject to the trust fund provisions of Section 13 of the Lien Law.

Section 32. No Recourse Against Issuer.

The Trustee will not look to the Issuer or any principal, member, director, officer or employee of the Issuer with respect to the indebtedness evidenced by this Mortgage or any covenant, stipulation, promise, agreement or obligation contained herein. In enforcing its rights and remedies under this Mortgage the Trustee will look solely to the mortgaged premises for the payment of the indebtedness secured by this Mortgage and for the performance of the provisions hereof. The Trustee will not seek a deficiency or other money judgment against Issuer or any principal, member, director, officer or employee of the Issuer and will not institute any separate action against the Issuer by reason of any default which may occur in the performance of any of the terms and conditions of this Mortgage or the Bonds. This agreement on the part of the Trustee shall not be construed in any way so as to effect or impair the lien of this Mortgage or the Trustee's right to foreclose hereunder as provided by law or construed in any way so as to limit or restrict any of the rights or remedies of the Trustee in any foreclosure proceedings or other enforcement of payment of the indebtedness secured hereby out of and from the security given therefor.

Section 33. Special Obligation.

This Mortgage is made pursuant to the Indenture and is subject to all the provisions thereof as if they were fully set forth in and made part of this Mortgage. Without intending to modify the foregoing sentence, the obligations of the Issuer in this Mortgage contained shall be subject to the limitations set forth in the Indenture, and all of the provisions of this Mortgage shall be read and construed subject to such limitations.

Section 34. Assignment of Pledged Revenues

(A) The Issuer hereby (i) assigns and transfers to the Trustee all of the Pledged Revenues, now or hereafter existing, with respect to the Project, (ii) gives to and confers upon the Trustee the right, power and authority to collect such Pledged Revenues, and (iii) irrevocably appoints the Trustee its true and lawful attorney-in-fact, at the option of the Trustee, at any time and from time to time to demand, receive and enforce payment, to give receipts, releases and satisfactions and to sue, in the name of the Issuer or the Trustee, for all such Pledged Revenues, and to apply such Pledged Revenues to the indebtedness secured hereby in such order and manner as the Trustee may designate. Subject to the terms of this Section 34, the Trustee waives the right to enter the Project for the purpose of collecting the Pledged Revenues and grants to the Issuer the right to collect the Pledged Revenues. The right of the Issuer to collect the Pledged Revenues may be revoked by the Trustee upon the occurrence and continuance of any Event of Default under the terms of this Mortgage by giving notice of such revocation to the Issuer. Following such notice, the Trustee may retain and apply the Pledged Revenues toward payment of the indebtedness secured hereby in such order and manner as the Trustee shall designate, or to the operation, maintenance and repair of the Project Facility, and irrespective of whether the Trustee shall have commenced a foreclosure of this Mortgage or shall have applied or arranged for the appointment of a receiver. The Issuer hereby irrevocably directs each tenant of the Project Facility to pay to the Trustee, upon receipt of notice from the Trustee that an Event of Default shall have occurred under this Mortgage, all Pledged Revenues and other sums assigned to the Purchaser pursuant to this Section 34.


(B) The Issuer shall not accept prepayments of installment payments pursuant to the Installment Sale Agreement for a period of more than one (1) month in advance, except in connection with a redemption of the Bonds, or further assign the whole or any part of the Pledged Revenues. The Trustee shall have all of the rights against tenants of the Project Facility as set forth in Section 291-f of the New York Real Property Law. The Issuer shall (i) fulfill or perform each and every provision of the Installment Sale Agreement on the part of the Issuer to be fulfilled or performed and (ii) enforce, short of termination of the Installment Sale Agreement, the performance or observance of the provisions thereof by the owners thereunder.

(C) In addition to the rights which the Trustee may have herein, in the event of any Event of Default under this Mortgage, the Trustee, at its option, may require the Issuer to pay monthly in advance to the Trustee, or any receiver appointed to collect the Pledged Revenues, the fair and reasonable value for the use and occupation of such part of the Project Facility as the Issuer shall be physically occupying. Upon default in any payment, the Issuer will vacate and surrender possession of the Project Facility to the Trustee, or to such receiver and, in default thereof, the Issuer may be evicted by summary proceedings or otherwise.

(D) The Company hereby (i) assigns and transfers to the Trustee all of the Pledged Revenues, now or hereafter existing, with respect to the Project, (ii) gives to and confers upon the Trustee the right, power and authority to collect such Pledged Revenues, and (iii) irrevocably appoints the Trustee its true and lawful attorney-in-fact, at the option of the Trustee, at any time and from time to time to demand, receive and enforce payment, to give receipts, releases and satisfactions and to sue, in the name of the Company or the Trustee, for all such Pledged Revenues, and to apply same to the indebtedness secured hereby in such order and manner as the Trustee may designate. Subject to the terms of this Section 34, the Trustee waives the right to enter the Project for the purpose of collecting the Pledged and grants to the Company the right to collect the Pledged Revenues. The right of the Company to collect the Pledged Revenues may be revoked by the Trustee upon the occurrence and continuance of any Event of Default under the terms of this Mortgage by giving notice of such revocation to the Company. Following such notice, the Trustee may retain and apply the Pledged Revenues toward payment of the indebtedness secured hereby in such order and manner as the Trustee shall designate, or to the operation, maintenance and repair of the Project Facility, and irrespective of whether the Trustee shall have commenced a foreclosure of this Mortgage or shall have applied or arranged for the appointment of a receiver. The Company hereby irrevocably directs each tenant of the Project to pay to the Trustee, upon receipt of notice from the Trustee that an Event of Default shall have occurred under this Mortgage, all Pledged Revenues and other sums assigned to the Trustee pursuant to this Section 34.

IN WITNESS WHEREOF, the Issuer and the Company have duly executed this Mortgage and Security Agreement as of the date first above written.

ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Darren Darrah
Chairman

CHAMPLAIN VALLEY MILLING CORP., INC.


By: _____
Samuel Sherman
President

IN WITNESS WHEREOF, the Issuer and the Company have duly executed this Mortgage and Security Agreement as of the date first above written.

ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

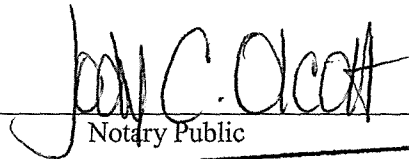
By: _____
Darren Darrah
Chairman

CHAMPLAIN VALLEY MILLING CORP., INC.

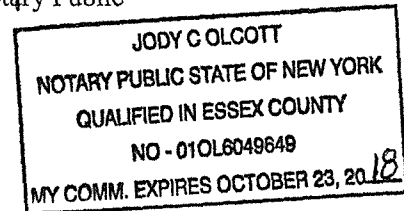
By: 
Samuel Sherman
President

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the 9 day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, personally known to me 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.



Notary Public



STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, the President of CHAMPLAIN VALLEY MILLING, INC., personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the 10th day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, the President of CHAMPLAIN VALLEY MILLING CORP., INC., personally known to me 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.

Barbara A Breyette
Notary Public

BARBARA A BREYETTE NOTARY PUBLIC, STATE OF NEW YORK Registration No. 01BR4987221 Qualified in Essex County Commission Expires October 7, 2017

SCHEDULE A

DESCRIPTION OF LAND

See real estate description attached.

SCHEDULE "A"

LEGAL DESCRIPTION

All that certain parcel of land being located in the northwesterly part of the Hamlet of Willsboro and in the Town of Willsboro, County of Essex and State of New York, said parcel being located on the westerly bounds of the New York State Highway known as Route 22, and being part of the property described in a deed from Tambrands, Inc., to Old Adirondack, Inc. dated May 25, 1994 recorded May 26, 1994 in the Essex County Clerk's Office in deed book 1062 at page 166 and being shown as Lot 1 on a Map of Survey prepared for Willsboro Development Corporation, dated June 27, 1994, revised July 11, 1994, by Kevin A. Hall, Land Surveyor and filed in the Essex County Clerk's Office as Map Number 4554, formerly being part of "Parcel No. 10" as described in a deed dated June 8, 1962, from the New York & Pennsylvania Co. Inc. to the Champlain Mills Properties, Inc. and recorded in the Essex County Clerk's Office in deed book 400 at page 240, being bounded and described as follows:

Beginning at a 3 foot long 1/2" iron pipe set to grade located at the northeast corner of the herein described parcel and the southeast corner of Anjou Development Corp. as described in deed book 1066 at page 40, being Lot 2 as shown on said map, said iron pipe being in the assumed westerly road bounds of said Route 22, a distance of 25 feet from the centerline thereof and running the following two courses along said road bounds;

1. Southerly on a curve concave to the east an arc distance of 161.85 feet to a found 3/4" iron pipe 0.1' below grade at the point of tangency, said curve having a radius of 434.26 feet and a delta angle of 21°-21'-16";
2. S 04°-32'-20" E as referenced to north by deed book 1062 at page 166 a distance of 26.19 feet to a 4 foot long 3/4" iron pipe set to 0.1' below grade located at the northeast corner of Samuel J. and Ann E. Marcotte as described in a deed from Tampax, Inc., dated November 8, 1974, recorded in deed book 598 at page 180 and running the following course along said Marcotte as described in said deed book 598 at page 180 and in a deed from Tambrands, Inc. dated August 27, 1986, recorded in deed book 876 at page 281;
3. N 82°-52'-20" W 214.11 feet to a found 3/4" iron pipe at grade at the northwest corner of said Marcotte and running the following course along said Marcotte as described in said deed book 876 at page 281 and Glen and Elizabeth Flora as described in a deed from Tambrands, Inc. dated August 27, 1986 recorded in deed book 876 at page 68;
4. S 03°-57'-00" E 193.26 feet to a found 1' high 1/2" iron pipe;
5. S 83°-45'-12" E 100.00 feet to a found 3/4" iron pipe 0.5' below grade, set in June 1994, located at the northwest corner of Stafford as described in deed book 596 at page 122;
6. S 17°-51'-00" W 109.00 feet to a found 0.3' high 1/2" iron pipe, set in June 1994, said iron pipe being located at the southwest corner of said Stafford;
7. N 55°-32'-40" W 120.41 feet along land of an unknown owner to a 0.5' high 5/8" iron rod with cap set in September 1999, and continuing on the same course of N 55°-32'-40" W an additional distance of 1,113.37 feet along the north bounds of Essex County Industrial Development Agency as described in deed book 1299 at page 20, for a total distance of 1,233.78 feet to a found 1/2" iron pipe plug in a drill hole in a 2' X 2' X 1' high rock, said iron pipe plug set in June of 1994 and running the following two courses along Lot 2,
8. N 25°-31'-29" E 293.75 feet to a found 0.2' high 1/2" iron pipe set in June of 1994;
9. S 64°-28'-31" E 1,151.42 feet to the point and place of beginning, containing 10.00 acres, within the above described bounds and shown on the herein above referenced map.

Subject to all rights, title and interest of the public in and to that portion of land lying westerly of the first two courses and the true legal road bounds of New York State Rt. 22.

Together with all rights, title and interest of the grantor in and to that portion of land lying easterly of the first two courses and the true legal centerline of New York State Rt. 22.

LEGAL DESCRIPTION - CONTINUED

Together with an easement labeled with the letter "A" as shown on the herein above referenced map.

Subject to an easement to Willsboro Sewer District #1 as described in a deed dated and recorded June 29, 1994 in the Essex County Clerk's Office in deed book 1064 at page 280.

Subject to all easements and restrictions of record.

The lands conveyed are subject to Adirondack Park Agency Permit 2001-182 issued October 12, 2001, the terms and conditions of which are binding upon the heirs, successors and assigns of the grantors and all subsequent grantees, filed in the Essex County Clerk's Office in APA Book 54 at page 126.

Further granting and conveying an easement and right of way for ingress and egress at a width of 50 feet commencing at Route 22 and running in a westerly direction along the northerly boundary of the parcel herein described then turning and running the entire length of the westerly boundary of the parcel herein described. This easement is to be used in common with others more specifically being Anjou Development Corporation being the fee title owner and also Willsboro Development Corporation which reserves said easement rights in order to gain access to its other lands located to the south of the subject property.

Subject to a certain easement reserved by Willsboro Development Corporation in a deed from Willsboro Development Corporation dated March 12, 2002 and recorded in the Essex County Clerk's Office at Book 1314 of Deeds at page 266 thereof.

19 Myers Way, Willsboro, Essex County, New York 12996, Tax Map #31.9-1-42.100

SCHEDULE B

DESCRIPTION OF EQUIPMENT

See real estate description attached.

Equipment	Amount	Model Number	Serial Number
Present in Willsboro			
Yale Forklift	1		
JEM Sewing Head	1		
Pallet Racks			
27' by 11 ring Grain Bin	2		
Temper Bin	1		
Ford Tractor	1	5640	P.O./004576
48' Van Trailer	1		
Fortress Metal Detector	1	Phantom	21340
Moving to Willsboro from Westport			
15' by 8 ring hopper bottom grain bin	4		
12' by 8 ring hopper bottom grain bin	2		
9' by 5 ring hopper bottom grain bin	5		
Codema Air Lock	11		
Flour Tanks	4		
13' flour bin	1		
Walinga Agri Vac	1	4510	MT4510WLX-40E-050810183
All Fill system	1	14-9000	20010101373
Perten Laboratory Mill	1	3100	050210
Perten Falling Number Machine	1	FN1500	057107
Perten Inframatic Flour Analyzer	1	IM 9140	4111
Brabender Farinograph	1	S300	184502
Fischbein Sewing Machine	5		
Helms Whole Mill	1	25-S	340
Fortress Metal Detector	1	Phantom	F5247
Flour Bagger Tank with Airlock	1		
Chantland bagger with scales	1	4198 Weighmaster II	39402
Stone Mill			
Airlock bench	1		
Airlocks	10		

Cyclones	10		
Allis Chalmers Sifter	1		1155
Sieves	68		
Codema Filter Tank with Airlock	1		
Roll Stand	4		
IR Piston type air compressor	1	7100	8056694
Whole Mill Filter Tank	1	16005.6	16005.0202
Whole Mill Vacuum Pump	1	GAELDPA	S159590
Kaeser Blower 1	1	MDB 130	1495 135 2005
Kaeser Blower 2	1	MDB 130	1414 135 2005
Kaeser Blower 3	1	MDB 130	1493 135 2005
Kaeser Blower 4	1	MDB 130	1496 135 2005
JEM Bagger	1	GWD-21-GG	061451
JEM Conveyor	1	Con 508 w/PED	31422
Portable Air Lock	1		
Mixing Tank	1		
Blue Master Bucket Elevator	1	5005	688112536
Triner Scale	1	TS-700 MS	AE120319080
Alapala Scour/Aspirator	1	KKSI 3010	796
Temper Augur	1		
Toyota Electric Pallet Jack	1	8HBW23	8HBW23-28589
Toyota Electric Pallet Jack	1	7HBW23	7HBW23-28589
Toyota Forklift	1	42-6FGCU15	60961
Incoming Equipment			
IR Rotary screw compressor	1	IRN30H Nirvana	
Ocrim Separator Sifter	1		
Codema Destoner	1		
Clean Grain Bin	1		
Magnet	1		
Scales	1		
Bliss Whole Mill	1		

Witt Rollstand	1		
Whole Mill Filter Tank	1		
White Flour Filter Tank	1		
Satake Color Sorter	1		

CHAMPLAIN VALLEY MILLING CORP., INC.
and Samuel Sherman and Derinda Sherman, individually, jointly and severally and as majority
shareholders of the Company

to

ZB, NATIONAL ASSOCIATION, as Trustee

and

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY

GUARANTY AGREEMENT

Dated as of May 1, 2017

\$4,245,000

Essex County Industrial Development Agency
Tax-Exempt Revenue Bonds, Series 2017
(Champlain Valley Milling Corp., Inc. Project)

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT, made and entered into as of May 1, 2017 (the “Guaranty”), is from CHAMPLAIN VALLEY MILLING CORP., INC., a New York corporation duly organized and validly existing under the laws of the State of New York, having an office at 6679 Main Street, PO Box 454, Westport, New York 12993-0454, (the “Company”) and Samuel Sherman and Derinda Sherman, individually, jointly and severally and as majority shareholders (the “Shareholders” and together with the Company, the “Guarantors”), to ZB, NATIONAL ASSOCIATION, as trustee, a national banking association authorized to accept and execute trusts, having a corporate trust office at 401 Liberty Avenue, Suite 1729, Pittsburgh, PA 15222 (the “Trustee”), together with any successor trustee at the time serving as such under the Indenture referred to below, and to ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its principal office at 7566 Court Street, Elizabethtown, New York 12932 (the “Issuer”).

W I T N E S S E T H :

The Issuer has agreed to construct, reconstruct and equip a certain manufacturing facility located in the County of Essex, New York (collectively, the “Project Facility”), and to sell the Project Facility to the Company pursuant to an Installment Sale Agreement between the Issuer and the Company, dated of even date herewith (the “Installment Sale Agreement”);

The Issuer intends to finance the construction, reconstructing, installation and equipping of the Project Facility by the issuance of its \$4,245,000 Tax Exempt Revenue Bonds, Series 2017 (Champlain Valley Milling Corp., Inc. Project) (the “Bonds”) pursuant to a Trust Indenture, dated of even date herewith (the “Indenture”), by and between the Issuer and the Trustee and in accordance with a Bond Purchase Agreement, dated May 10, 2017 (the “Bond Purchase Agreement”), by and among the Issuer, the Company and Janney Montgomery Scott, LLC, as Underwriter.

The proceeds derived from the issuance and sale of the Bonds are to be applied by the Issuer to assist the Company in (i) the acquisition, construction, furnishing, installation and equipping of the Project (as defined in the Installment Sale Agreement); (ii) the funding of a Debt Service Reserve Fund (as defined in the Indenture) in respect of all or a portion of the Bonds; and (iii) payment of a portion of the costs of issuing the Bonds.

The Issuer and the Company have agreed to further secure the Company’s obligations by granting a mortgage lien on and security interest in the Project Facility to the Trustee pursuant to the Mortgage, as defined in the Indenture, from the Issuer and the Company to the Trustee and to further secure by the Issuer assigning certain of the Issuer’s rights (except for the Issuer’s Unassigned Rights) under the Installment Sale Agreement to the Trustee pursuant to a Pledge and Assignment (as defined in the Indenture), dated as of even date herewith.

The Purchaser requires, as a condition and as an inducement for it to enter into the transactions contemplated by the Bond Purchase Agreement, that the Guarantors provide their guaranty on the terms herein set forth;

The Guarantors specifically approve the terms and conditions of the Bond Purchase Agreement and the Indenture (which Bond Purchase Agreement and Indenture are hereby incorporated herein by reference); and

AGREEMENT

In consideration of the premises and in order to enhance the marketability of the Bonds and thereby achieve interest cost and other savings to the Company and as an inducement to the purchase of the Bonds by all who shall at any time become Owners of the Bonds, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantors do hereby, subject to the terms hereof, absolutely, irrevocably and unconditionally covenant and agree with the Issuer and the Trustee for the benefit of the Owners of the Bonds from time to time as follows:

ARTICLE 1

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company does hereby represent and warrant that:

Section 1.1 Organization and Authority of Company.

The Company:

(a) is a corporation duly organized, validly existing and in good standing under the laws of the State of New York (the "State");

(b) has all requisite legal and corporate right, power and authority and all necessary licenses and permits to own, lease and operate its assets and Properties and to carry on its business as now conducted and as presently proposed to be conducted;

(c) has duly qualified and is authorized to do business and is in good standing in each jurisdiction where the character of its Properties or the nature of its activities makes such qualification necessary; and

(d) has the full legal and corporate right, power and authority to enter into and, by all necessary action, has duly authorized the execution, delivery and performance by the Company of this Guaranty and the other Company Documents (as defined in the Installment Sale Agreement), and no actions to be taken by the Company thereunder or hereunder will conflict with or violate any provision of the Company's formation documents, as amended, constitute a breach of or default under any agreement, instrument or indenture to which the Company is a party or by which it or its Properties may be bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the Company's Properties under the terms of any such agreement, instrument or indenture, except for Permitted Encumbrances.

Section 1.2 Consents. No consent, approval or authorization of, or filing, registration or qualification with, any governmental authority or any other Person on the part of the Company

is required as a condition to the execution, delivery or performance of this Guaranty by the Company or execution, delivery or performance by the Company of the other Company Documents, or, if any such action is required, the same has been duly taken, is in full force and effect, and constitutes a valid or sufficient consent, approval, authorization, filing or qualification therefor.

Section 1.3 Pending Litigation. There are no actions, suits or proceedings pending, or to the knowledge of the Company, threatened, against or affecting the Company or any Properties or rights of the Company, in any court or by or before any governmental authority or arbitration board, tribunal or governmental instrumentality or agency that involve the possibility of materially and adversely affecting the condition (financial or otherwise) of the Company or the ability of the Company to execute, deliver or perform this Guaranty or the ability of the Company to execute, deliver or perform the other Company Documents. The Company is not in breach of or default with respect to any applicable order of any court, governmental authority or arbitration board or tribunal or governmental instrumentality or agency.

Section 1.4 No Defaults. No event has occurred and no condition exists which, upon the execution, delivery or performance of this Guaranty, would constitute a Default or an Event of Default hereunder. The Company is not in violation or contravention of any term of any certificate of incorporation, instrument or by-law, nor is, in any material respect, in violation or breach of or in default under any other agreement, indenture or other instrument to which it is a party or by which it may be bound. All representations and warranties on the part of the Company contained herein or in the other Company Documents are true and correct in all respects on and as of the date of execution hereof.

Section 1.5 Taxes. All tax and/or information returns required to be filed by the Company in all jurisdictions have in fact been filed. All taxes (including interest and penalties, if any), assessments, fees and other governmental charges upon the Company, or upon any of its Properties, income or franchises, that are due and payable, and which if unpaid would have an adverse effect on the Company's condition (financial or otherwise), have been paid.

Section 1.6 Compliance with Law. The Company is not violation of any law, ordinance or governmental rule or regulation to which it is subject, which violation might materially adversely affect the condition (financial or otherwise) of the Company.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDERS

The Shareholders do hereby represent and warrant that:

(a) This Guaranty, when executed and delivered by the Shareholders, will constitute legal, valid and binding obligations of the Shareholders in accordance with its terms.

(b) The Shareholders have reviewed all of the terms and provisions of this Guaranty and all of the other Company Documents, have consulted with counsel of their choice to the extent appropriate, and understand all of the terms and provisions of this Guaranty and

each of the other Company Documents and the impact that the same may have on them individually.

(c) All information contained in the Limited Offering Memorandum dated May 16, 2017 under the section entitled "SECURITY FOR THE BONDS-Guaranty" with respect to the Shareholders is true in all material respects.

(d) The Shareholders have adequate means to obtain from the Company, on a continuing basis, information concerning the financial condition of the Company, and are not relying on the Issuer or Trustee to provide such information either now or in the future.

(e) There is not now pending against or affecting the Shareholders, nor, to the knowledge of the Shareholders, is there threatened, any action, suit or proceeding at law or in equity or by or before any administrative agency which, if adversely determined, would materially adversely impair or affect the financial condition of the Shareholders.

(f) The execution, delivery and performance by Shareholders of this Guaranty (i) will not violate any provision of law, any order of court of other agency of government, or any agreement to which the Shareholders are a party or by which the Shareholders or any of their property is bound, or be prohibited by, result in a breach of or constitute (with due notice of lapse of time or both) a default under any such agreement or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of its property or assets.

(g) The Shareholders have a financial interest in the Company or will derive a benefit from the loan to be made to the Company pursuant to the Company Documents.

(h) The incurring or payment of the obligations of the Shareholders hereunder has not left and will not leave the Shareholders insolvent, with an unreasonably small capital, or unable to pay existing or future debts as they mature.

(i) The Shareholders have filed or caused to be filed and shall file or caused to be filed all tax returns required to be filed by the Shareholders before delinquency, and has paid and shall pay all taxes due on said returns or on any assessments made against the Shareholders (other than those being contested in good faith by appropriate proceedings).

(j) The Shareholders have not received notice of (i) any default in the payment or performance of the Shareholder's obligations under any material lease, franchise, indenture, mortgage, deed of trust, loan agreement, credit agreement, or other instrument to which the Shareholders are parties or by which the Shareholders may be bound; or (ii) any violation of any law, rule, regulation, order, writ, judgment, decree, determination or award applicable to them, except as otherwise previously disclosed to the Purchaser in writing;

(k) Not later than thirty days after closing, the Shareholders will maintain keyman life insurance policies in the amount of \$500,000 per Shareholder during the period which the Bonds are Outstanding and shall assign the policy to the Trustee for the benefit of the Bondholders and until such policy has been assigned to the Trustee, will not, after the submission of the initial requisition at closing, submit any requisition for disbursement of proceeds under the Installment Sale Agreement to the Trustee, provided that no keyman life

insurance will be required if after five consecutive years, no Event of Default has occurred or is continuing; and

(l) The representations and warranties of the Shareholders contained herein are true, complete and correct in all material respects.

ARTICLE 3

COVENANTS AND AGREEMENTS

Section 3.1 Guarantee of Payment and Performance.

(a) The Guarantors do hereby jointly and severally guarantee absolutely, irrevocably and unconditionally, to the Issuer and to the Trustee for the benefit of the Owners from time to time of the Bonds, (i) the full and prompt payment of the principal of, Redemption Price of, and Purchase Price of any Bond when and as the same shall become due, whether at the stated maturity thereof (or at any date for the payment of any installment) or by acceleration or call for redemption or otherwise; (ii) the full and prompt payment of any interest on any Bond when and as the same shall become due; (iii) the full and prompt payment when due of any fees of or expenses incurred by the Company, the Issuer or the Trustee, as the case may be, under the Company Documents and the Issuer Documents; and (iv) the full and prompt performance and observance by the Company of its obligations, covenants and agreements required to be performed or observed under the Installment Sale Agreement and the other Company Documents, including, without limitation, the Bond Purchase Agreement, the Mortgage, the Deed, the Bill of Sale and the Indenture.

(b) All payments by the Guarantors shall be paid in lawful money of the United States of America.

(c) Each and every default in payment of the principal of, Redemption Price of, Purchase Price of, or interest on, any Bond shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder by the Trustee as each cause of action arises.

(d) The Guarantors shall pay to the Trustee all agreed upon or reasonable charges, costs and expenses (including legal fees) incurred by the Trustee in connection with the transactions contemplated hereby and by the other Company Documents, the Indenture or the Bonds, or in the protection of any of its rights or in the pursuance of any of its remedies in respect to the Bonds, this Guaranty, the other Company Documents or the Indenture.

(e) This is a guaranty of payment and not of collection, and the Guarantors expressly waive any right to require that any action be brought against the Company or to require that resort be had to any security, whether held by or available to the Trustee or the Issuer. The Trustee, in its sole discretion, shall have the right to proceed first and directly against the Guarantors and their successors and assigns, and may proceed against or make its demand pursuant hereto for performance by the Guarantors of the obligations hereunder to any single Guarantor, or all Guarantors or any number of them.

Section 3.2 Obligations Unconditional. The obligations of the Guarantors under this Guaranty shall be absolute and unconditional and shall remain in full force and effect until the entire principal of, Redemption Price of, Purchase Price of and interest on the Bonds shall have been paid or provided for (subject to the survival provisions set forth in Section 7.2 hereof), and such obligations shall not be affected, modified or impaired by any state of facts or the happening from time to time of any event, including, without limitation, any of the following, whether or not with notice to or the consent of the Guarantors:

(a) the invalidity, irregularity, illegality or unenforceability of, or any defect in, (i) the Company Documents or the Indenture, (ii) the Bonds, or (iii) any collateral security therefor;

(b) any claim of immunity on behalf of the Issuer or any other obligor with respect to any Property of the Issuer or of any other obligor;

(c) any present or future law or order of any government (de jure or de facto) or of any agency thereof purporting to reduce, amend or otherwise affect the Bonds or any other obligation of the Issuer or any other obligor or to vary any terms of payment;

(d) the merger, dissolution, liquidation or disposition of assets by the Company or the happening of any event described in Article X of the Installment Sale Agreement;

(e) the waiver, compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of (i) the Issuer under the Issuer Documents (except by payment in full of the Bonds), or (ii) the Company under the Guaranty or the other Company Documents or the Indenture.

(f) the failure to give notice to the Guarantors of the occurrence of an Event of Default under the Bond Purchase Agreement, the Bonds, the Indenture, the Installment Sale Agreement or this Guaranty;

(g) the transfer, assignment or mortgaging, or the purported or attempted transfer, assignment or mortgaging of all or any part of the interest of the Issuer or the Company in the Project Facility, or any failure of or defect in the title with respect to the interest of the Issuer or the Company in the Project Facility, or the termination of the Installment Sale Agreement;

(h) the release, sale, exchange, surrender or other change in any security for payment of the Bonds;

(i) to the extent permitted by law, any other event, action or circumstance that would, in the absence of this paragraph, result in the release or discharge of the Guarantors from the performance or observance of any obligation, covenant or agreement contained in this Guaranty or otherwise would constitute a legal or equitable discharge of a guarantor or surety;

(j) the extension of the time for payment of any principal of, Redemption Price of, Purchase Price of or interest on any Bond or any part thereof owing or payable on such

Bond or under this Guaranty or of the time for performance of any other obligations, covenants or agreements under or arising out of the Guaranty or the other Company Documents, the Indenture or the Bonds or any other document or instrument contemplated thereby or the extension or the renewal of any thereof;

(k) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in Guaranty or the other Company Documents, the Indenture or the Bonds or any other document or instrument contemplated thereby;

(l) the taking of, or the omission to take, any of the actions referred to in the Guaranty or the other Company Documents, the Issuer Documents or any other document or instrument contemplated thereby;

(m) any failure, omission or delay on the part of the Issuer, the Underwriter, the Trustee or any other Person to enforce, assert or exercise any right, power or remedy conferred on the Issuer, the Underwriter, the Trustee or such other Person in the Guaranty or the other Company Documents, the Indenture or the Bonds or any document or instrument contemplated thereby;

(n) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting the Company or the Issuer or any of the assets of either of them, or any allegation or contest of the validity of the Guaranty or the other Company Documents, the Issuer Documents or any document or instrument contemplated thereby, or the disaffirmance or attempted disaffirmance of the Guaranty or the other Company Documents, the Issuer Documents or any document or instrument contemplated hereby or thereby in any such proceeding;

(o) the default or failure of the Company or any of the Shareholders to fully perform any of their obligations set forth in this Guaranty;

(p) the failure of the Underwriter to honor its obligations under the Bond Purchase Agreement; and

(q) the assigning or letting of the Installment Sale Agreement or the Project Facility, in whole or in part.

Section 3.3 Waivers by Guarantors.

(a) The Guarantors hereby waive with respect to the Bonds, the indebtedness evidenced thereby, and this Guaranty: diligence; presentment; demand of payment; filing of claims with a court in the event of bankruptcy of the Issuer or any other Person liable in respect of the Bonds; any right to require a proceeding first against the Issuer or any other such Person; protest; notice of dishonor or nonpayment of any such liabilities and any other notice and all demands whatsoever. The Guarantors hereby waive notice from the Trustee, the Issuer and the Owners at any time or from time to time of any of the Bonds of (i) the issuance of the Bonds, and (ii) acceptance of, or notice and proof of reliance on, the benefits of this Guaranty.

(b) The obligations of the Guarantors hereunder shall not be discharged (subject to the survival provisions set forth in Section 7.2 hereof) except by (i) full payment of the principal of, Redemption Price of, Purchase Price of and interest on the Bonds, and (ii) full payment of all other amounts due under the Company Documents and the Issuer Documents.

Section 3.4 Other Security. The Trustee may pursue its rights and remedies under this Guaranty notwithstanding (i) any other guaranty of or security for any Bond or the obligations or liabilities of the Issuer under the Indenture, and (ii) any action taken or omitted to be taken by the Trustee or any other Person to enforce any of the rights or remedies under such other guaranty or with respect to any other security.

Section 3.5 No Set-Off by Company. No set-off, counterclaim, reduction or diminution of an obligation, or any defense of any kind or nature (other than performance by the Guarantors of their obligations hereunder) that the Guarantors have or may have with respect to a claim under this Guaranty, shall be available hereunder to the Guarantors against the Issuer or the Trustee.

Section 3.6 Company to Maintain its Existence; Other Covenants. The Company agrees that so long as the Bonds remain outstanding: (a) it will maintain its existence subject to service of process within the State; (b) it will not perform any act, enter into any agreement, or use or permit the Project Facility to be used in any manner which could adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code; and (c) the Project Facility will at all times be operated as a “project” (as such quoted term is defined in the Act as of the Closing Date) throughout the term hereof.

Section 3.7 Notice and Service of Process.

(a) The Company will remain qualified to do business and the Company and the Shareholders will remain subject to service of process in the State, so long as any of the Bonds are outstanding. In the event of any litigation in connection with the Company Documents, the Issuer Documents or the Guaranty or any transactions contemplated hereby or thereby, the Guarantors waive all rights to a trial by jury and agree not to assert any counterclaim (exempt compulsory counterclaim) of any nature against the Issuer or the Trustee in such litigation. Any action or suit in connection with the Company Documents, the Issuer Documents or the Guaranty, or any transactions contemplated hereby or thereby, may be brought in a court of record in the State sitting in County of Essex or in the United States District Court for the Northern District of New York, the Guarantors hereby consenting to the nonexclusive jurisdiction of each thereof.

(b) The Company agrees that service of process may be made on the Company by mailing a copy of the summons to the Company by certified or registered mail at the address set forth in Section 7.4 hereof or at such other address within the State as may be designated by the Company pursuant to Section 7.4 of this Guaranty. In addition, the Company hereby designates and appoints, without power of revocation, the Secretary of State as the agent of the Company, upon whom may be served all process, pleadings, notices or other papers that may be served upon the Company as a result of any of its obligations under this Guaranty. Any notice, process, pleadings or other papers served upon the Secretary of State shall, at the same

time, be sent by certified or registered mail to the Guarantors at such address as is specified in or pursuant to Section 7.4 of this Guaranty.

ARTICLE 4

BUSINESS COVENANTS

Section 4.1 Affirmative Covenants.

The Company covenants that it shall furnish to the Issuer and the Trustee:

- (i) (a) Within one hundred twenty (120) days after and as of the close of each Fiscal Year, its annual audited financial statement for such fiscal year, reported on by an independent certified public accountant, which report shall not be qualified by reason of audit limitations imposed by the Company;
- (b) Unaudited quarterly financial statements as required pursuant to the Installment Sale Agreement within forty-five (45) days of the end of each fiscal quarter;
- (c) Annual budget of the Company in form and substance satisfactory to the Underwriter; and
- (i) At the same time the audited financial information required under clause (i) of this Section 4.1 is provided, a certificate, executed by the Person certifying such audited financial information, stating that no Event of Default, or event that, with the giving of notice or passage of time, or both, would become an Event of Default hereunder, has occurred.

ARTICLE 5

EVENTS OF DEFAULT

Section 5.1 Nature of Events. An “Event of Default” shall exist if any of the following occurs and is continuing:

- (a) Particular Covenant Defaults. The Company fails to perform or observe any covenant contained in Article III hereof;
- (b) Other Defaults. The Guarantors fail to comply with any other provision of this Guaranty, and such failure continues for more than thirty (30) days after written notice of such failure has been given to the Guarantors; provided, however, that if such default cannot be cured within thirty (30) days, but the Guarantors are proceeding diligently and in good faith to cure such default, then the Guarantors shall be permitted an additional ninety (90) days within which to remedy the default;

(c) Warranties or Representations. Any warranty, representation or other statement by or on behalf of or with respect to the Guarantors contained in this Guaranty is false or misleading in any material respect as of the date of execution hereof;

(d) Bankruptcy, Insolvency, Dissolution, Etc. The dissolution or liquidation of the Company; or the failure by the Company to lift or bond within sixty (60) days any execution, garnishment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Company generally to pay its debts as they become due; or an assignment by the Company for the benefit of creditors; or the commencement by the Company (as the debtor) of a case in Bankruptcy or of any proceeding under any other insolvency law; or the commencement of a case in Bankruptcy or of any proceeding under any other insolvency law against the Company (as the debtor), where a court having jurisdiction over the premises enters a decree or order for relief against the Company as the debtor in such case or proceeding, or where such case or proceeding is consented to by the Company or remains undismissed for sixty (60) days, or where the Company consents to or admits the material allegations against it in such case or proceeding; or the appointment or authorization of a trustee, receiver or agent (however named) to take charge of substantially all of the property of the Company for the purpose of enforcing a lien against such property or for the purpose of general administration of such property for the benefit of creditors; or

(e) Default Under Other Documents. An Event of Default under the Installment Sale Agreement or the Bond Purchase Agreement or default on the part of the Company of its obligations under any other Company Document shall have occurred and be continuing beyond any applicable notice and/or grace period.

Section 5.2 Default Remedies. If any Event of Default exists, the Trustee and the Issuer may proceed to enforce the provisions hereof and to exercise any other rights, powers and remedies available to the Trustee and the Issuer. The Trustee and the Issuer, in their sole discretion, shall have the right to proceed first and directly against the Guarantors under this Guaranty without proceeding against or exhausting any other remedies they may have against any other party or otherwise and without resorting to any other security held by the Issuer or the Trustee.

Section 5.3 Remedies; Waiver and Notice.

(a) No remedy herein conferred upon or reserved to the Trustee and the Issuer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Guaranty or now or hereafter existing at law or in equity or by statute.

(b) No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

(c) In order to entitle the Trustee and the Issuer to exercise any remedy reserved to them in this Guaranty, it shall not be necessary to give any notice to the Guarantors or otherwise, other than such notice as may be expressly required in this Guaranty.

(d) In the event any provision contained in this Guaranty should be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

(e) No waiver, amendment, release or modification of this Guaranty shall be established by conduct, custom or course of dealing.

ARTICLE 6

INTERPRETATION OF THIS GUARANTY

Section 6.1 Terms Defined. All of the capitalized terms used in this Guaranty and not otherwise defined herein shall have the meanings assigned thereto in the Schedule of Definitions attached to the Indenture as Schedule A.

Section 6.2 Directly or Indirectly. Where any provision in this Guaranty refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

ARTICLE 7

MISCELLANEOUS

Section 7.1 Obligations Arise on Sale of Bonds. The obligations of the Guarantors hereunder shall arise absolutely and unconditionally when the Bonds shall have been issued, sold and delivered by the Issuer.

Section 7.2 Survival. All warranties, representations, and covenants made by the Guarantors herein shall be deemed to have been relied upon by the Issuer, the Trustee and the Owners from time to time of the Bonds and shall survive the delivery of this Guaranty to the Issuer and the Trustee and the Bonds to the Trustee and the Owners from time to time of the Bonds regardless of any investigation made by the Issuer, the Trustee or the Owners from time to time of the Bonds or on their behalf. Notwithstanding anything to the contrary contained herein, the obligations of the Company herein with respect to (i) the full and prompt performance and observance by the Company of its obligations, covenants and agreements required to be performed or observed under the Company Documents, the Bonds and the Indenture, (ii) the full and prompt payment when due of any expenses incurred by the Company, the Trustee or the Issuer, as the case may be, under the Company Documents or the Issuer Documents, and (iii) the full and prompt performance by the Issuer of its obligations, covenants and agreements required to be performed under the Issuer Documents shall survive the payment in full of the principal of, Redemption Price of, and interest on the Bonds and all other amounts payable under the Company Documents and the Issuer Documents.

Section 7.3 Binding Effect. This Guaranty shall inure to the benefit of and be binding upon the successors and assigns of each of the parties. The provisions of this Guaranty are intended to be for the benefit of all Owners, from time to time, of the Bonds.

Section 7.4 Notices. All notices, certificates and other communications under this Guaranty shall be in writing and shall be deemed given when delivered personally or when sent by certified mail, return receipt requested, postage prepaid, and addressed as follows or to such other address as any party may specify in writing to the other:

To the Company:

Champlain Valley Milling Corp., Inc.
6679 Main Street
P.O. Box 454
Westport, New York 12993
Attention: Samuel Sherman

If to the Shareholders:

6679 Main Street
P.O. Box 454
Westport, New York 12993
Attention: Samuel Sherman

With a copy to:

William Kissel, Esq.
and intended to be the same premises

To the Trustee:

ZB, National Association
401 Liberty Avenue, Suite 1729
Pittsburgh, PA 15222

To the Issuer:

Essex County Industrial Development Agency
7566 Court Street
Elizabethtown, New York 12932
Attention: Director

A duplicate copy of each communication hereunder by the Guarantors or the Trustee shall be given to the Issuer.

Section 7.5 Entire Understanding; Counterparts. This Guaranty constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof and may be executed simultaneously in

several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 7.6 Amendments. No amendment, change, modification, alteration or termination of this Guaranty shall be made except in writing upon the written consent of the Guarantors, the Issuer and the Trustee.

Section 7.7 Severability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Guaranty or the application thereof shall not affect the validity or enforceability of the remaining portions of this Guaranty or any part thereof.

Section 7.8 Costs. It is understood the Guarantors shall be responsible for and pay all reasonable legal fees, brokerage fees, closing costs and collection fees arising out of this Guaranty, the Company Documents, the Issuer Documents, the issuance of the Bonds and the transactions contemplated thereby.


Section 7.9 Governing Law. This Guaranty shall be governed by, and construed in accordance with, the laws of the State, without regard or reference to its conflict of laws principles.


Section 7.10 Section Headings. The headings of the several Sections in this Guaranty have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Guaranty.

IN WITNESS WHEREOF, the Guarantors have caused this Guaranty to be duly executed and delivered as of May ~~10~~ 2017.

CHAMPLAIN VALLEY MILLING CORP.,
INC.

By: 
Name: Samuel Sherman
Title: President

SAMUEL SHERMAN

Shareholder

DERINDA SHERMAN

Shareholder

ACCEPTED:

ZB, NATIONAL ASSOCIATION, as Trustee

By: _____
Name: Eric Mitzel
Title: Vice President

ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Name: Darren Darrah
Title: Chairman

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the 10th day of May of the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, the President of **CHAMPLAIN VALLEY MILLING CORP., INC.** personally known to me 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.

Barbara A Breyette
Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

BARBARA A BREYETTE
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BR4987221
Qualified in Essex County
Commission Expires October 7, 2017

On the 10th day of May of the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, as shareholder of **CHAMPLAIN VALLEY MILLING, CORP., INC** personally known to me 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.

Barbara A Breyette
Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

BARBARA A BREYETTE
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BR4987221
Qualified in Essex County
Commission Expires October 7, 2017

On the 10th day of May of the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Derinda Sherman, as shareholder of **CHAMPLAIN VALLEY MILLING CORP., INC.** personally known to me 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 she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Barbara A Breyette
Notary Public

BARBARA A BREYETTE
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BR4987221
Qualified in Essex County
Commission Expires October 7, 2017

IN WITNESS WHEREOF, the Guarantors have caused this Guaranty to be duly executed and delivered as of May 16, 2017.

CHAMPLAIN VALLEY MILLING CORP.,
INC.

By: _____
Name: Samuel Sherman
Title: President

SAMUEL SHERMAN

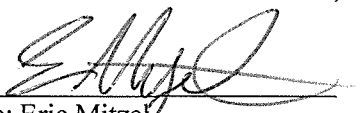
Shareholder

DERINDA SHERMAN

Shareholder

ACCEPTED:

ZB, NATIONAL ASSOCIATION, as Trustee

By: 
Name: Eric Mitzel
Title: Vice President

ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Name: Darren Darrah
Title: Chairman

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the **ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On the 7th day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Eric Mitzel, the authorized officer of **ZB, National Association** personally known to me 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.



Notary Public

RUDY D. GREEN
Notary Public, State of New York
No.: 02GR4962723
Qualified in New York County
Commission Expires February 26, 2018

IN WITNESS WHEREOF, the Guarantors have caused this Guaranty to be duly executed and delivered as of May 14, 2017.

CHAMPLAIN VALLEY MILLING CORP.,
INC.

By: _____
Name: Samuel Sherman
Title: President

SAMUEL SHERMAN

Shareholder

DERINDA SHERMAN


Shareholder

ACCEPTED:

ZB, NATIONAL ASSOCIATION, as Trustee

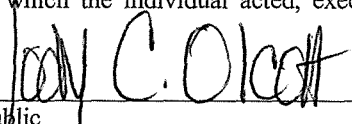
By: _____
Name: Eric Mitzel
Title: Vice President

ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

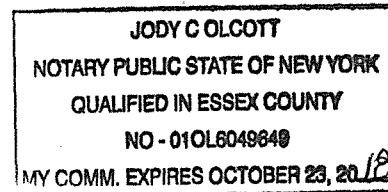
By: 
Name: Darren Darrah
Title: Chairman

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the 9 day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the **ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, personally known to me 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.



Notary Public



STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Eric Mitzel, the authorized officer of **ZB, National Association** personally known to me 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.

Notary Public

TAX CERTIFICATE AND AGREEMENT

BY AND BETWEEN

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY,

as Issuer,

CHAMPLAIN VALLEY MILLING CORP., INC.

as Borrower,

and

ZB, NATIONAL ASSOCIATION

as Trustee,

\$4,245,000
ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
TAX-EXEMPT REVENUE BONDS
(CHAMPLAIN VALLEY MILLING, INC. PROJECT)
SERIES 2017

Dated May 16, 2017

TAX CERTIFICATE AND AGREEMENT

The Essex County Industrial Development Agency (the “**Issuer**”), Champlain Valley Milling Corp., Inc., a New York corporation (the “**Borrower**”), The Bank of New York Mellon, as Trustee (the “**Trustee**”), hereby enter into this Tax Certificate and Agreement (together with the Exhibits attached hereto, the “**Tax Agreement**”) in connection with the issuance of the Issuer’s \$4,245,000 Essex County Industrial Development Agency Tax-Exempt Revenue Bonds (Champlain Valley Milling, Inc. Project) Series 2017 (the “**Issue**”).

ARTICLE I PURPOSE

Purpose of Tax Agreement. The Issuer, the Borrower, and the Trustee are delivering this Tax Agreement to Squire Patton Boggs (US) LLP (“**Bond Counsel**”) with the understanding and acknowledgment that Bond Counsel will rely upon this Tax Agreement in rendering its opinion that interest on the Issue is excluded from gross income for federal income tax purposes under Section 103.

ARTICLE II DEFINITIONS AND REPRESENTATIONS

Use of Defined Terms. Unless the context or use indicates another meaning or intent, words and terms used in this Tax Agreement with initial capital letters shall have the meanings given below and in Exhibit A. All capitalized terms relating to a particular issue, such as Sale Proceeds, relate to the Issue, unless indicated otherwise. (For example, “Sale Proceeds” refers to Sale Proceeds of the Issue, unless indicated otherwise.)

“**Bond Counsel**” has the meaning set forth in Article I of this Tax Agreement.

“**Bond-Financed Facilities**” means the portion of the Project financed by the Issue.

“**Bond Fund**” means the Bond Fund created under the Indenture and held by the Trustee.

“**Borrower**” means Champlain Valley Milling Corp., Inc., a New York corporation.

“**Loan Agreement**” means the Installment Sale Agreement, dated as of May 1, 2017, between the Issuer and the Borrower.

“**Project**” means the Capital Expenditures for (i) the construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including fixtures, as part of the Borrower’s flour product manufacturing business, to be located at 19 Myers Way in the Town of Willsboro, New York 12996, which Facility includes an approximately 29,000 ft. building and a 70-ft silo, and includes interest on the Issue that is treated as a Capital Expenditure for federal income tax purposes.

“Rebate Fund” means the Rebate Fund for the Issue created under the Indenture.

“Rebate Instructions” means the Rebate Instructions, dated the date hereof, set forth in Exhibit D.

“Related Person” means each person who, as of the date hereof, has more than a 50% ownership in any initial principal user of the Project (as described in 3.3) or in any test-period beneficiary of the Project (as described in 3.3) or is otherwise a “related person” within the meaning of Section 144(a)(3) and Regulations § 1.103-10(e) to an initial principal user or test-period beneficiary of the Project.

“Reserve Fund” means the Reserve Fund created under the Indenture and held by the Trustee.

“Trust Indenture” means the Indenture of Trust for the Issue, dated as of May 1, 2017, between the Trustee, as trustee, and the Issuer.

“Underwriter” means Janney Montgomery Scott LLC.

“Use of Proceeds Checklist and Remedial Action Instructions” means the Use of Proceeds Checklist and Remedial Action Instructions, dated the date hereof, set forth in Exhibit B.

Reference in this Tax Agreement and the Exhibits thereto to a Section means a section of the Code. Reference in this Tax Agreement by number only (for example, “3.1”) means that numbered paragraph of this Tax Agreement. Reference to an Exhibit means an exhibit to this Tax Agreement. Each capitalized term used herein, but not otherwise defined herein, shall have the meaning assigned to it in Exhibit E to the Loan Agreement.

ARTICLE III
COVENANTS OF THE ISSUER AND THE BORROWER
CONCERNING GENERAL (NON-ARBITRAGE) FEDERAL TAX MATTERS

3.1 Tax Status and Eligibility for Financing. The Issuer is issuing the Issue on behalf of the County, which is a Governmental Unit. The Borrower represents and warrants that it is a New York corporation authorized to do business in New York.

3.2 General Tax Covenants.

(A) Compliance With Tax Requirements. The Issuer, to the extent within its control, covenants that it will not knowingly take any action, or fail to take any action, and the Borrower covenants that it will not take any action, or fail to take any action, if any such action or failure to take such action would adversely affect the exclusion from gross income of the interest on the Issue under Section 103(a) or cause the interest on the Issue, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code. The Issuer, to the extent within its control, will not knowingly directly or indirectly, and the Borrower will not directly or indirectly, use or permit the use of any Proceeds or any other funds of the Issuer or the Borrower, or take or omit to take any action, that would cause the Issue to be or become “arbitrage bonds” within the

meaning of Section 148(a) or to fail to qualify as Qualified 501(c)(3) Bonds or to fail to meet any other applicable requirement of Sections 141, 142, 145, 147, 148, 149 and 150 (or their statutory predecessor) or cause the interest on the Issue, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code. To that end, the Issuer and the Borrower will comply with all requirements of Sections 141, 142, 145, 147, 148, 149 and 150 (or their statutory predecessor) to the extent applicable to the Issue. In the event that at any time the Borrower is of the opinion that, for purposes of this 3.2, it is necessary to restrict or limit the Yield on the investment of any money held by the Trustee or otherwise, the Borrower will so instruct the Trustee in writing.

(B) No Adverse Effect on Tax Exemption. The Issuer and the Borrower each agrees that it will not take any action or omit to take any action, which action or omission would adversely affect the exclusion from gross income of the interest on the Issue for federal income tax purposes, and in the event of such action or omission, it will, promptly upon having such brought to its attention, take such reasonable actions based upon an Opinion of Bond Counsel, and in all cases at the sole expense of the Borrower, as may rescind or otherwise negate such action or omission.

(C) Issue Not Federally Guaranteed. The Issue is not Federally Guaranteed.

(D) Issuance Costs Limitation. The aggregate of the Issuance Costs paid or financed with the Sale Proceeds will not exceed \$84,900.00, which is not more than 2% of the Sale Proceeds.

(E) Internal Revenue Service Information Return. Within the time and on the form prescribed by the Internal Revenue Service under Section 149(e), the Issuer shall file with the Internal Revenue Service an Information Return setting forth the required information relating to the Issue. See Exhibit H. The information reported on that Information Return will be true, correct and complete to the best of the knowledge and belief of the Issuer. The Borrower shall prepare and cause to be submitted, true and complete amendments of, or supplements to, those statements if, in an Opinion of Bond Counsel such amendments or supplements are deemed to be necessary or advisable.

(F) No Change in Use. No changes will be made in the Bond-Financed Facilities or in the use thereof that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Issue.

(G) Maturity. Exhibit E to this Tax Agreement sets forth the assets comprising the Bond-Financed Facilities, which are the only assets being financed with the Issue, and the Borrower's computation of 120% of the weighted average Reasonably Expected Economic Life (as defined in the Lease) of the assets comprising the Bond-Financed Facilities (26.8408 years). The weighted average maturity of the Issue (20.1341 years), computed as set forth at Exhibit E, does not exceed 120% of the weighted average Reasonably Expected Economic Life (as defined in the Lease) of the assets comprising the Bond-Financed Facilities.

(H) Hedge Bond Requirements. The Issuer and the Borrower each represents that at least 85% of the Spendable Proceeds of the Issue (other than such Spendable Proceeds to

be used to pay Debt Service on another issue) will be used to carry out the governmental purposes thereof within three years from the Issuance Date. The Issuer and the Borrower each represents that not more than 50%, if any, of the Proceeds of the Issue (other than such Proceeds to be used to pay Debt Service on another issue) will be invested in Nonpurpose Investments having a substantially guaranteed Yield for four years or more, including but not limited to any investment contract or fixed-yield investment having a maturity of four years or more. The reasonable expectations stated above were not and are not based on and do not take into account (1) any expectations or assumptions as to the occurrence of changes in market interest rates or changes of federal tax law or regulations or rulings thereunder or (2) any prepayments of items other than items that are customarily prepaid.

(I) Applicable Elected Representative Approval. In accordance with the requirements of Section 147(f), the Issue was approved by the Essex County Board of Supervisors, which is an “applicable elected representative” of the Issuer, on July 5, 2016, after a public hearing held on May 23, 2016, following reasonable public notice thereof, published in the *Valley News*, a newspaper of general circulation in the Issuer’s jurisdiction. The Issuer has geographic jurisdiction throughout the County of Essex, New York.

(J) Establishing Written Procedures to Remediate Non-Qualified Bonds. The Issuer, to the extent within its control, and the Borrower will undertake, if necessary, any available measures under Regulations §1.142-2 to ensure compliance after the Issuance Date with the applicable covenants contained in Sections 3.2 and 3.3. The Issuer has established written procedures to ensure that all “nonqualified bonds,” as defined in Regulations § 1.142-2, are remediated in accordance with Regulations §1.142-2. The Borrower hereby acknowledges and establishes the Use of Proceeds Checklist and Remedial Action Instructions attached as Exhibit B as its written procedures to ensure that all “nonqualified bonds” (as defined in the Remedial Action Instructions) are remediated in accordance with Regulations §1.142-2.

(K) Volume Cap. In accordance with Section 146, the Issuer hereby elects to allocate \$4,245,000 of the State volume cap for 2017 allocated to the Issuer for the purpose of issuing qualified small issue bonds described in Section 144(a). The Issuer is issuing the Issue on the Issuance Date with respect to such purpose, and the amount of the Issue (\$4,245,000) does not exceed the amount of volume cap allocated by the Issuer to the Issue.

(L) Land Acquisition Limitation. Less than 25% of the sum of the Net Proceeds and the Investment Proceeds thereon will be used, directly or indirectly, to finance or refinance the acquisition of land or any interest therein (other than land acquired for noise abatement or wetland preservation or for future use as an “airport,” within the meaning of Section 142, and as to which land there is no other significant use) and no portion of any land financed or refinanced by the Issue has been or will be used for farming purposes within the meaning of Section 147(c)(1).

(M) No Acquisition of Existing Property. None of the Proceeds of the Issue will be used to finance or refinance the acquisition of existing property or any interest therein unless such acquisition meets the rehabilitation requirements of Section 147(d).

(N) No Advance Refunding. None of the Proceeds of the Issue will be used to advance refund a Private Activity Bond.

3.3 Qualified Small Issue Bonds. The Lessee covenants as follows regarding the requirements of Section 144(a):

(A) The Project will be located entirely within the boundaries of the Town of Willsboro, New York.

(B) There are no outstanding “qualified small issue bonds” as defined in Sections 144(a)(1) and 144(a)(4)(A) or any small issue industrial development bonds as defined in Section 103(b)(6) of the Internal Revenue Code of 1954, as amended (the “1954 Code”), issued by any state, political subdivision, district, public body, agency, authority, commission or instrumentality, the Proceeds of which have been or will be used with respect to facilities described in Section 144(a)(4)(B) located within the Town of Willsboro, which are or have been used by the Borrower or any other Principal User of the Project or any Related Person to the Borrower or such other Principal User.

(C) The Lessee represents and covenants that the sum of the following amounts does not and shall not exceed \$10,000,000:

(1) The original principal amount of the Issue,

(2) The outstanding face amount of qualified small issue bonds, if any, described in 3.3(B), and

(3) The amount of “capital expenditures” within the meaning of Section 144(a)(4) and Regulations §1.103-10, other than those financed or to be refinanced with Proceeds of the Issue or Proceeds of outstanding qualified small issue bonds, if any, paid or incurred during the period of three years immediately preceding and immediately following the Issuance Date (i.e., from May 17, 2014 through May 16, 2020) by any person with respect to “facilities” (as defined in Section 144(a)(4)(B)) located within the Town of Willsboro, the Principal User of which is the Borrower or any other Principal User of the Project or any Related Person to the Borrower or such other Principal User. For purposes of the preceding sentence, the first \$10,000,000 of such capital expenditures are disregarded.

(D) The initial test-period beneficiaries with respect to the Project (being any person who is a Principal User of the Project to the extent that such person is a “test-period beneficiary” under Section 144(a)(10)(D)) and the Related Persons to each initial test-period beneficiary are the same persons as the initial Principal User and any Related Persons thereto.

(E) With the exception of the Issue, no other tax-exempt facility-related bonds (within the meaning of Section 144(a)(10)(B) or its statutory predecessor) have ever been issued with respect to a project anywhere in the United States, any portion of the principal of which is still outstanding, to finance facilities of which the Borrower or any other Principal User with

respect to the Project or any Related Person to any of such persons is a “test-period beneficiary,” as defined in Section 144(a)(10)(D).

(F) At least 95 percent of the Net Proceeds, together with at least 95 percent of the Investment Proceeds, will be used to pay the costs of the acquisition, construction, or improvement of land or property of a character subject to the allowance for depreciation under Sections 167 and 168 paid not more than 60 days prior to April 19, 2016, the date of the Issuer’s declaration of its intention to issue bonds to finance the Project.

(G) At least 95 percent of the Net Proceeds, together with at least 95 percent of the Investment Proceeds, will be used to provide a “manufacturing facility,” within the meaning of Section 144(a)(12)(B) and (C). At least 70 percent of the Net Proceeds (and the Investment Proceeds thereon) will be used to provide core manufacturing facilities and not more than 25 percent of the Net Proceeds (and the Investment Proceeds thereon) will be used to provide facilities that are directly related and ancillary to, and are located on the same site as, those core manufacturing facilities. The term “core manufacturing facility” means any facility that is used directly in the manufacturing or production of tangible personal property (including the processing resulting in a change in the condition of such property). “Directly related and ancillary facilities” include office space (but not a separate office building) only if all but a de minimis amount (less than 5 percent) of the functions to be performed in such office space are directly related to the day-to-day operations at such manufacturing facility and such office space is located on the premises of such manufacturing facility.

(H) None of the Proceeds will be used to provide any private or commercial golf course, country club, massage parlor, tennis club, skating facility (including roller skating, skateboard and ice skating), racquet sports facility (including handball or racquetball court), hot tub facility, suntan facility, racetrack, airplane, skybox or other private luxury box, or health club facility; any facility primarily used for gambling; or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(I) None of the Proceeds will be used to provide facilities for retail food and beverage services (except grocery stores), automobile sales or service, or the provision of recreation or entertainment.

(J) Less than 25% of the Net Proceeds, if any, will be used (directly or indirectly) to acquire land (or any interest therein), and none of such land or any interest therein will be used for farming purposes.

(K) None of the Net Proceeds will be used to acquire existing property or any interest therein unless (i) the first use of such property is by the Borrower and is pursuant to and follows such acquisition, or (ii) with respect to the acquisition of any building (and the equipment therein), rehabilitation expenditures in an amount at least equal to 15 percent of the portion of the cost of acquiring such building (and equipment located in such building) financed with the Net Proceeds in accordance with the requirements of Section 147(d) are made with respect to such building and equipment therein within two years after the later of (X) the date on which the building was acquired or (Y) the Issuance Date. In the case of the acquisition of

existing “structures” other than a building (within the meaning of Section 147(d)(2)), clause (ii) of the preceding sentence shall be applied by substituting 100 percent for 15 percent.

(L) The Issue is not being issued to finance facilities that are within or part of “a single building, an enclosed shopping mall, or a strip of offices, stores or warehouses using substantial common facilities” (within the meaning of Section 144(a)(9)) that have heretofore been financed with outstanding Tax-Exempt Obligations issued under Section 144(a) or its statutory predecessor.

(M) The Borrower has requested the Issuer to make, and the Issuer hereby makes, pursuant to Section 144(a)(4), the \$10,000,000 election with respect to the Issue.

(O) As of the date hereof, all of the statements, representations, and certifications made by the Borrower contained in the Borrower’s Tax Questionnaire Response, attached hereto as Exhibit I, continue to be true and correct, and fairly present the matters covered thereby, and there are no material omissions of relevant facts therefrom.

ARTICLE IV ARBITRAGE AND OTHER CERTIFICATIONS

4.1. General. The Issuer and the Borrower, by their respective officers signing this Tax Agreement, certify, represent, and covenant as set forth in this Article IV with respect to the Issue. All statements in this Article IV are of facts or, as to events to occur in the future, reasonable expectations as of the date of this Tax Agreement, which is the Issuance Date. In making the certifications, representations and covenants in this Article IV, the Issuer relies in part on the representations of the Borrower set forth in this Article IV relating to the Issue. To the best of the knowledge, information and belief of the undersigned, all expectations stated in this Article IV are the expectations of the Issuer and the Borrower, respectively, and are reasonable, all facts stated are true, and there are no other existing facts, estimates or circumstances that would or could materially change the factual statements made in this Article IV. The certifications and representations made in this Article IV are intended to be relied upon as certifications described in Regulations § 1.148-2(b). The Issuer and the Borrower acknowledge that any change in the facts or expectations from those set forth in this Article IV may result in different requirements or a change in status of the Issue or interest thereon under the Code, and that Bond Counsel is to be contacted if such changes are to occur or have occurred.

4.2. Dates. The Sale Date of the Issue is May 10, 2017, and the Issuance Date of the Issue is May 16, 2017. The final maturity date is June 1, 2047.

4.3. Purpose of Issue. The Issue is being issued (A) to provide funds to pay a portion of the costs of the Project, (B) to pay Issuance Costs, (C) to pay the Issuer Fee and Title Insurance and other neutral costs, and (D) to make a deposit to the Reserve Fund.

4.4. Issue Price. As set forth in the Underwriter’s Certificate, the Issue Price is \$4,245,000.00, computed as follows:

Par amount of Issue	\$4,245,000.00
Original issue premium or (discount)	(0.00)
Pre-Issuance Accrued Interest	<u>0.00</u>
Issue Price	<u>\$4,245,000.00</u>

4.5. Sale Proceeds, Net Proceeds and Net Sale Proceeds. The Sale Proceeds, Net Proceeds and Net Sale Proceeds are as follows:

Issue Price	\$4,245,000.00
Less: Pre-Issuance Accrued Interest	<u>(0.00)</u>
Sale Proceeds	\$4,245,000.00
Less: Deposit to Reserve Fund	<u>(\$325,468.76)</u>
Net Proceeds	\$3,919,531.24
Less: Minor Portion	<u>(100,000.00)</u>
Net Sale Proceeds	<u>\$3,819,531.24</u>

4.6. Disposition of Sale Proceeds and Pre-Issuance Accrued Interest. There is no Pre-Issuance Accrued Interest. The Sale Proceeds will be allocated for federal income tax purposes as follows:

To pay costs of the Project	\$3,637,240.55
To pay capitalized interest on the Issue	143,710.95
To make a deposit to the Reserve Fund	325,468.76
To pay the Issuer Fee and Title Insurance	53,679.74
To pay Issuance Costs	<u>84,900.00</u>
Total Sale Proceeds	<u>\$4,245,000.00</u>

4.7. Higher Yielding Investments. Gross Proceeds will not be invested in Higher Yielding Investments except for (A) those Gross Proceeds identified in 4.9, 4.10, and 4.11, but only during the applicable Temporary Periods there described for those Gross Proceeds, (B) those Gross Proceeds on deposit in the Reserve Fund to the extent set forth in 4.9(D), and (C) the Minor Portion to the extent provided in 4.16.

4.8. Single Issue. All of the obligations of the Issue were sold on the Sale Date pursuant to the same plan of financing and are expected to be paid from substantially the same source of funds. Accordingly, all of the obligations of the Issue constitute a single "issue" for federal income tax purposes. No obligations, other than those comprising the Issue, have been or will be sold less than 15 days before or after the Sale Date that are expected to be paid from substantially the same source of funds as the Issue. Whether obligations are expected to be paid from substantially the same source of funds is determined without regard to guarantees from a person who is not a Related Party to the Issuer. Accordingly, no obligations other than those comprising the Issue are a part of a single issue with the Issue.

4.9. Use of Net Sale Proceeds; Temporary Periods.

(A) Pre-Issuance Accrued Interest. No amount will be received as Pre-Issuance Accrued Interest.

(B) Underwriter's Discount and Issuance Costs. As its compensation for marketing the Issue to the public, Sale Proceeds in the amount of \$75,000 will be retained by the Underwriter from the Issue Price otherwise paid to the Issuer to purchase the Issue. Sale Proceeds in the amount of \$9,900 will be used to pay other Issuance Costs within 13 months from the Issuance Date, such period being the Temporary Period for that amount. Sale Proceeds in the amount of \$53,679.74 will not be invested and will be used to pay the Issuer Fee and the Title Insurance and other neutral costs.

(C) Payment of Costs of the Project.

(1) Net Sale Proceeds in the amount of \$3,637,240.55 will be used to pay the costs of the Project within three years from the Issuance Date of the Issue, such three-year period being the Temporary Period for such Net Sale Proceeds because the following three tests are reasonably expected to be satisfied:

(a) at least 85% of the Net Sale Proceeds will be allocated to expenditures on the Project by the end of the Temporary Period for such Net Sale Proceeds;

(b) within six months of the Issuance Date, the Issuer will incur a substantial binding obligation to a third party to expend at least 5% of the Net Sale Proceeds on the Project; and

(c) completion of the Project and the allocation of the Net Sale Proceeds to expenditures with respect to the Project will proceed with due diligence.

Any Net Sale Proceeds that remain unspent on the third anniversary of the Issuance Date, which is the expiration date of the Temporary Period for such Proceeds, shall not be invested in Higher Yielding Investments with respect to the Issue after that date except as part of the Minor Portion. In complying with the foregoing sentence, "yield reduction payments" (within the meaning of Regulations §1.148-5(c)) paid to the United States may be taken into account.

(2) The Borrower hereby makes a Reimbursement Allocation of Sale Proceeds in the amount of \$420,652.86. Accordingly, such Sale Proceeds are treated as returned to the fund or account of the Borrower from which such amount was originally and temporarily advanced to finance Capital Expenditures comprising a portion of the Project paid before this date. Except for Capital Expenditures that constitute Preliminary Expenditures, (A) none of the Capital Expenditures were paid more than 60 days prior to April 19, 2016, the date on which the Borrower adopted a declaration of official intent that satisfies Regulations §1.150-2(e) (copy attached as Exhibit J), and (B) the Reimbursement Allocation will be made not more than (i) 18 months after the later of the date such Capital Expenditures were paid or the date on which the property resulting

from such Capital Expenditures and comprising part of the Project was Placed in Service and (ii) three years from the date the Capital Expenditures were paid.

(D) Reserve Fund. Sale Proceeds in the amount of \$325,468.76 (which does not exceed 10% of the stated principal amount of the Issue, this limit being applicable because the Issue was sold with original issue discount or premium of less than 2% of the original principal amount of the Issue) will be deposited from time to time in the Reserve Fund. Amounts, if any, held in the Reserve Fund will be used to pay Debt Service on the Issue in the event that money in the Bond Fund is insufficient to pay such Debt Service when due. At no time will the aggregate amounts held in the Reserve Fund that are invested in Higher Yielding Investments with respect to the Issue exceed the least of (i) 10% of the stated principal amount of the Issue, (ii) maximum annual Debt Service on the Issue, and (iii) 125% of average annual Debt Service. The establishment and funding of the Reserve Fund was a vital and necessary factor in marketing the Issue to the public. See Exhibit F.

4.10. Use of Investment Proceeds; Temporary Periods. Any Investment Proceeds will be used to pay costs of the Project, and such Investment Proceeds may be invested in Higher Yielding Investments during the Temporary Period identified in 4.9(C) or, if longer, one year from the date of receipt, such period being the Temporary Period for such Proceeds.

4.11. Bond Fund. Amounts deposited from time to time in the Bond Fund, which is a Bona Fide Debt Service Fund, will be used to pay Debt Service within 13 months after the amounts are so deposited, such period being the Temporary Period for such amounts.

4.12. No Other Replacement Fund or Assured Available Funds. Each of the Issuer and the Borrower has not established and does not expect to establish or use any sinking fund, debt service fund, redemption fund, reserve or replacement fund, or similar fund, or any other fund to pay Debt Service other than the Bond Fund and the Reserve Fund. Except for money referred to in 4.9(D), 4.11, and Proceeds of a Refunding Issue, if any, no other money or Investment Property is or will be pledged as collateral or used for the payment of Debt Service (or for the reimbursement of any others who may provide money to pay that Debt Service), or is or will be restricted, dedicated, encumbered, or set aside in any way as to afford the holders of the Issue reasonable assurance of the availability of such money or Investment Property to pay Debt Service. No Proceeds are or will be used, directly or indirectly, to replace funds (including but not limited to donations, grants or other amounts) of the Issuer or of the Borrower or any Related Party that (1) are or will be used directly or indirectly to acquire Higher Yielding Investments and (2) have been restricted in use to the payment of all or a portion of the cost of the Project.

4.13. No Overissuance. The Proceeds are not reasonably expected to exceed the amount needed for the governmental purposes of the Issue.

4.14. Other Uses of Proceeds Negated. Except as stated otherwise in this Article IV, none of the Proceeds will be used:

(A) to pay principal of or interest on, refund, renew, roll over, retire, or replace any other obligations issued by or on behalf of the Issuer or any other Governmental Unit,

(B) to replace any Proceeds of another issue that were not expended on the project for which such other issue was issued,

(C) to replace any money that was or will be used directly or indirectly to acquire Higher Yielding Investments,

(D) to make a loan to any person or other Governmental Unit,

(E) to pay any Working Capital Expenditure other than expenditures identified in Regulations §1.148-6(d)(3)(ii)(A) and (B) (i.e., Issuance Costs, Qualified Administrative Costs, reasonable charges for a Qualified Guarantee or for a Qualified Hedge, interest on the Issue for a period commencing on the Issuance Date and ending on the date that is the later of three years from such Issuance Date or one year after the date on which the Project will be Placed in Service, payments of the Rebate Amount, and costs, other than those already described, that do not exceed 5% of the Sale Proceeds and that are directly related to Capital Expenditures financed or deemed financed by the Issue, principal or interest on an issue paid from unexpected excess Sale Proceeds or Investment Proceeds, principal or interest on an issue paid from investment earnings on a reserve or replacement fund that are deposited in a Bona Fide Debt Service Fund, and expenditures for extraordinary, nonrecurring items that are not customarily payable from current revenues, such as casualty losses or extraordinary legal judgments in amounts in excess of reasonable insurance coverage), or

(F) to reimburse any expenditures made prior to the Issuance Date except those that qualify as a valid allocation of Proceeds to expenditures pursuant to a Reimbursement Allocation that satisfies the requirements of Regulations §1.150-2.

No portion of the Issue is being issued solely for the purpose of investing Proceeds in Higher Yielding Investments.

4.15. Disposition of Bond-Financed Facilities; Purchase of Issue. There is no intention to sell or otherwise dispose of the Bond-Financed Facilities or any portion thereof during the term of the Issue except for dispositions of property in the normal course at the end of such property's useful life to the Borrower. Neither the Issuer nor the Borrower intends to purchase, directly or indirectly, any portion of the Issue in a transaction or series of transactions that would reduce the Yield.

4.16. Minor Portion. The Minor Portion with respect to the Issue is \$100,000.00. Such Minor Portion may be invested in Higher Yielding Investments.

4.17. No Other Replacement Proceeds. That portion of the Issue that is to be used to finance Capital Expenditures has a weighted average maturity that does not exceed 120% of the weighted average reasonably expected economic life of such Capital Expenditures.

4.18. Obligation Regarding Rebate. The Trustee shall furnish information (including information relating to the Reserve Fund) to, and the Borrower shall engage, an independent certified public accounting firm, law firm or other firm with experience in preparing rebate reports, which firm is acceptable to the Trustee, to calculate, within 30 days after the end of the fifth Bond Year and every fifth Bond Year thereafter and within 30 days after the retirement of

all outstanding bonds of the Issue, the Rebate Amount, if any, as of the end of that Bond Year or the date of such retirement. The Borrower shall immediately notify the Trustee of the Rebate Amount and shall deliver copies of the calculation thereof to the Trustee. The Trustee shall notify the Borrower in writing of the amount, if any, then on deposit in the Rebate Fund (including the value of any Eligible Investments held for the credit of the Rebate Fund based on a valuation made by the Trustee as of the end of such Bond Year). If the amount then on deposit in the Rebate Fund is in excess of the Rebate Amount, the Trustee shall forthwith pay that excess amount to the Borrower. If the amount then on deposit in the Rebate Fund is less than the Rebate Amount, the Borrower shall, within five days after receipt of the aforesaid notice from the Trustee, pay to the Trustee for deposit in the Rebate Fund an amount sufficient to cause such account to contain an amount in the Rebate Fund equal to the Rebate Amount.

Within 60 days after each Computation Date (other than the final Computation Date), the Trustee, acting on behalf of the Issuer, as directed by the Borrower, shall pay to the United States, in accordance with Section 148(f), from the money then on deposit in the Rebate Fund, an amount equal to 90% (or such greater percentage not in excess of 100% as the Borrower directs the Trustee to pay) of the Rebate Amount as of such Computation Date. Within 60 days after the final Computation Date, the Trustee, as directed by the Borrower, shall pay to the United States, in accordance with Section 148(f), from the money then on deposit in the Rebate Fund, an amount equal to 100% of the Rebate Amount as of such final Computation Date and any money remaining in the Rebate Fund following such payment shall be paid to the Borrower.

The Trustee shall keep copies of the calculations made pursuant to this Section and provided to the Trustee. The Trustee shall be entitled to rely on the calculations made pursuant to this Section and shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in reliance upon those calculations.

Notwithstanding anything herein to the contrary, the Borrower may cause the amount to be rebated to the United States, in accordance with Section 148(f), to be calculated under a different method or at different times and may make such rebate payments at different times, provided that the Borrower and the Trustee shall have received a written Opinion of Bond Counsel that using such method or timing of those calculations and making payments at such times will not adversely affect the exclusion of interest on the Issue from gross income for federal income tax purposes or cause the interest on the Issue to become subject to the alternative minimum tax. The Borrower shall promptly notify the Issuer and the Trustee in writing of its use of such other method of calculation or making payment at such other time.

The Borrower agrees to pay all of the reasonable fees and expenses of its counsel, Bond Counsel, a certified public accountant and any other necessary consultant employed by the Borrower, the Trustee or the Issuer in connection with any of the requirements imposed by the Loan Agreement, the Trust Indenture and this Tax Agreement. The Borrower shall provide or cause to be provided all information (including information regarding any Nonpurpose Investments not held in any fund under the Trust Indenture) to the Trustee or the appropriate consultant, necessary to enable the Trustee to perform the duties imposed on the Trustee by the Trust Indenture with respect to any amounts payable by the Borrower to the Rebate Fund and investment of amounts held under the Trust Indenture.

4.19. No Avoidance of Rebate Amount. No amounts that are required to be paid to the United States will be used to make any payment to a party other than the United States through a transaction or a series of transactions that reduces the amount earned on any Investment Property or that results in a smaller profit or a larger loss on any Investment Property than would have resulted in an arm's-length transaction in which the Yield on the Issue was not relevant to either party to the transaction.

4.20. Rebate Exceptions. Notwithstanding the foregoing, the computations and payments of amounts to the United States referred to in Section 4.18 need not be made to the extent that the Issuer will not thereby fail to comply with any requirements of Section 148(f) of the Code and the Rebate Instructions based on an Opinion of Bond Counsel, as described below in Section 5.1.

4.21. Qualified Guarantee. Reserved.

4.22. Yield to Issuer on Loan Agreement. Aside from the Issuer's fee with respect to the Issue in the amount of \$31,837.50, the aggregate of the payments, money and other revenues to be paid by the Borrower to the Issuer pursuant to the Loan Agreement will be in the same amounts as Debt Service on the Issue and will be held, together with any earnings thereon, by the Trustee in the Bond Fund for the account of the Issuer until applied toward payment of Debt Service on the Issue. The Yield to the Issuer on the Loan Agreement will not exceed the Yield on the Issue by more than 1/8th of one percentage point.

4.23. Hedge Contracts. Neither the Issuer nor the Borrower has entered into, nor does either reasonably expect to enter into, any Hedge with respect to the Issue, or any portion thereof. The Issuer and the Borrower acknowledge that entering into a Hedge with respect to the Issue, or any portion thereof, may change the Yield and that Bond Counsel should be contacted prior to entering into any Hedge with respect to the Issue in order to determine whether payments/receipts pursuant to the Hedge are to be taken into account in computing the Yield.

4.24. Recordkeeping. The Borrower will maintain records to support the representations, certifications and expectations set forth in this Agreement until the date three (3) years after the last bond of the Issue has been retired, and if any portion of the Issue is refunded by a Refunding Issue, the Borrower will maintain all records listed hereunder until the later of the date three (3) years after the last bond of the Issue has been retired or the date three (3) years after the last bond of the Refunding Issue has been retired. The records to be retained include, but are not limited to:

(A) Basic records and documents relating to the Issue (including this Agreement and all Opinions of Bond Counsel relating to the Issue).

(B) Documentation evidencing the timing and allocation of expenditures of Proceeds of the Issue and of all issues refunded directly or indirectly by the Issue.

(C) Documentation evidencing the use of the Project by all persons, including Private Persons (e.g., copies of any management contracts, leases, etc.).

(D) Documentation evidencing all sources of payment or security for the Issue.

(E) Documentation pertaining to all investments of Proceeds (including the purchase and sale of securities, subscriptions for U.S. Treasury Securities – State and Local Government Series, actual investment income received from the investment of Proceeds, guaranteed investment contracts, and rebate calculations).

(F) Records of all amounts paid to the United States pursuant to 4.18.

(G) Any elections or revocations of elections under the Code relating to the Issue.

4.25. Written Procedures to Monitor the Requirements of Section 148 of the Code. The Issuer has established written procedures to monitor the requirements of Section 148. The Borrower acknowledges and agrees that the procedures set forth in this Article IV and in Exhibits C and D constitute its written procedures to monitor compliance with the requirements of Section 148.

ARTICLE V MISCELLANEOUS

5.1. Bond Counsel's Opinion. Notwithstanding any provision of this Tax Agreement, if the Borrower provides to the Issuer a Bond Counsel's Opinion to the effect that any action required under this Tax Agreement is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of interest on the Issue pursuant to Section 103(a) or to prevent the interest on the Issue, or any portion thereof, from being an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations, the Issuer, the Borrower, and the Trustee may rely conclusively on such opinion in complying with the provisions hereof, and the covenants hereunder will be deemed to be modified to that extent.

5.2. Tax Covenants Survive Termination of the Loan Agreement and Lease. All covenants and obligations of the Issuer and the Borrower contained in this Tax Agreement will remain in effect and be binding upon the Issuer and the Borrower, respectively, as long as any portion of the Issue remains outstanding or longer to the extent such covenants and obligations are necessary for the continuing exclusion of interest on the Issue from gross income for federal income tax purposes, notwithstanding any earlier termination of the Loan Agreement or any provision for payment of principal of and premium, if any, and interest on the Issue.

5.3 Issuer Reliance on Other Parties. Except as specifically set forth herein, the Issuer, in making the certifications and representations herein, relies exclusively on the certifications and representations of the Borrower, and the Underwriter. The expectations of the Issuer concerning certain uses of the Proceeds, the use and operation of the Bond-Financed Facilities and other matters are based in whole or in part upon representations and certifications of other parties set forth in this Tax Agreement and the Exhibits hereto. The Issuer is not aware of any facts or circumstances that would cause the Issuer to question the accuracy or reasonableness of any representation or certification made in this Tax Agreement.

IN WITNESS WHEREOF, the Issuer, the Borrower, and the Trustee, have caused this Tax Agreement to be duly signed in their respective names by their duly authorized officers as of the date first above written.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: *Dawn R. Douthett*

Name: *Lanien Sarah*

Title: *Chairman*

**CHAMPLAIN VALLEY MILLING
CORP., INC.**

By: _____

Name: _____

Title: _____

**ZB, NATIONAL ASSOCIATION, as
Trustee**

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the Issuer, the Borrower, and the Trustee, have caused this Tax Agreement to be duly signed in their respective names by their duly authorized officers as of the date first above written.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____

Name: _____

Title: _____

**CHAMPLAIN VALLEY MILLING
CORP., INC.**

By: Samuel M Sherman

Name: Samuel M Sherman

Title: President

**ZB, NATIONAL ASSOCIATION, as
Trustee**

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the Issuer, the Borrower, and the Trustee, have caused this Tax Agreement to be duly signed in their respective names by their duly authorized officers as of the date first above written.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____

Name: _____

Title: _____

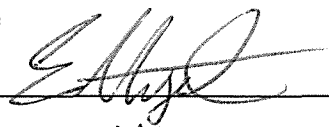
**CHAMPLAIN VALLEY MILLING
CORP., INC.**

By: _____

Name: _____

Title: _____

**ZB, NATIONAL ASSOCIATION, as
Trustee**

By:  _____

Name: ERIC MITZEL

Title: VICE PRESIDENT

LIST OF EXHIBITS

- Exhibit A – Definitions to Tax Certificate and Agreement
- Exhibit B – Use of Proceeds Checklist and Remedial Action Instructions
- Exhibit C – Arbitrage Compliance Checklist
- Exhibit D – Rebate Instructions
- Exhibit E – Useful Life Chart – Qualifying Costs Calculation
- Exhibit F – Underwriter’s Certificate
- Exhibit G – Underwriter’s Calculations
- Exhibit H – Form 8038
- Exhibit I – Borrower’s Tax Questionnaire Response
- Exhibit J – Inducement Resolution

EXHIBIT A
to Tax Certificate and Agreement
DEFINITIONS

The following terms, as used in this Exhibit A, the Tax Agreement to which it is attached and in the other Exhibits to the Tax Agreement, have the following meanings unless therein otherwise defined or unless a different meaning is indicated by the context in which the term is used. Capitalized terms used within these definitions that are not defined in this Exhibit A have the meanings ascribed to them in the Tax Agreement to which this Exhibit A is attached. The word “issue,” in lower case, refers either to the Issue or to another issue of obligations or portion thereof treated as a separate issue for the applicable purposes of Section 148, as the context requires. The word “obligation” or “obligations,” in lower case, includes any obligation, whether in the form of bonds, notes, certificates, or any other obligation that is a “bond” within the meaning of Section 150(a)(1). All terms used in this Exhibit A, the Tax Agreement to which it is attached and the other Exhibits to the Tax Agreement, including terms specifically defined, shall be interpreted in a manner consistent with Sections 103 and 141 to 150 and the applicable Regulations thereunder except as otherwise specified. All terms relating to a particular issue, such as Sale Proceeds and Refunding Portion, relate to that issue, unless indicated otherwise. All references to a Section, unless otherwise noted, refer to the Code. All capitalized terms used in this Exhibit A, the Tax Agreement to which it is attached and the other Exhibits to the Tax Agreement include either the singular or the plural.

“Advance Refunding Issue” means any Refunding Issue that is not a Current Refunding Issue.

“Advance Refunding Portion” means that portion of a Multipurpose Issue that constitutes a separate governmental purpose and that would be treated as an Advance Refunding Issue if it had been issued as a separate issue.

“Available Construction Proceeds” means an amount equal to (a) the sum of (i) the Issue Price of an issue, (ii) Investment Proceeds on that Issue Price, (iii) earnings on any reasonably required reserve or replacement fund allocable to the issue not funded from the Issue Price, and (iv) Investment Proceeds and earnings on (ii) and (iii), (b) reduced by the portions, if any, of the Issue Price of the issue (i) attributable to Pre-Issuance Accrued Interest and earnings thereon, (ii) allocable to the underwriter’s discount, (iii) used to pay other Issuance Costs of the issue, and (iv) deposited in a reasonably required reserve or replacement fund allocable to the issue. “Available Construction Proceeds” does not include Investment Proceeds or earnings on a reasonably required reserve or replacement fund allocable to the issue for any period after the earlier of (a) the close of the 2-year period that begins on the Issuance Date or (b) the date the construction of the project financed by the issue is substantially completed, provided, however, that such Investment Proceeds or earnings shall be excluded from “Available Construction Proceeds” if the Issuer has timely elected such exclusion. If an issue is a Multipurpose Issue that includes a New Money Portion that is a Construction Issue, this definition shall be applied by substituting “New Money Portion” for “issue” each place the latter term appears. If an issue or the New Money Portion of a Multipurpose Issue, as applicable, is not a Construction Issue, and the Issuer makes the bifurcation election under Regulations §1.148-7(j)(1) and Section 148(f)(4)(C)(v) to treat the issue or the New Money Portion as two separate issues consisting of

the Construction Portion and the Nonconstruction Portion, this definition shall be applied by substituting “Construction Portion” for “issue” each place the latter term appears.

“Available Project Proceeds” means “available project proceeds” as defined in Section 54A(e)(4), being the sum of (A) the excess of (i) Sale Proceeds over (ii) Issuance Costs paid with Sale Proceeds (to the extent that such Issuance Costs do not exceed 2% of Sale Proceeds) plus (B) Proceeds actually or constructively received from any investment of such excess.

“Bifurcated Issue” means a New Money Issue or the New Money Portion of a Multipurpose Issue that the Issuer, pursuant to Section 148(f)(4)(C)(v) and Regulations §1.148-7(j), has elected in its Tax Agreement to bifurcate into a Construction Portion, which finances 100% of the Construction Expenditures, and a Nonconstruction Portion.

“Bona Fide Debt Service Fund” means a fund, including a portion of or an account in that fund (or in the case of a fund established for two or more issues, the portion of that fund properly allocable to an issue), or a combination of such funds, accounts or portions that is used primarily to achieve a proper matching of revenues with Debt Service on an issue within each Bond Year and that is depleted at least once each year except for a reasonable carryover amount not to exceed the greater of the earnings thereon for the immediately preceding Bond Year or one-twelfth of the annual Debt Service on the issue for the immediately preceding Bond Year.

“Bond Counsel’s Opinion” or **“Opinion of Bond Counsel”** means an opinion or opinions of a nationally recognized bond counsel firm whose opinion is given with respect to the Issue when issued, or its successors or other nationally recognized bond counsel appointed by the Issuer.

“Bond Year” means the annual period relevant to the application of Section 148(f) to an issue, except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the Issuance Date of an issue unless the Issuer selects another date on which to end a Bond Year in the manner permitted by the Code.

“Capital Expenditures” means costs of a type that are properly chargeable to a capital account (or would be so chargeable with a proper election) under general federal income tax principles, including capitalized interest computed taking into account the Placed in Service date.

“Code” means the Internal Revenue Code of 1986, the Regulations (whether temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices, procedures and judicial determinations regarding any of the foregoing, all as and to the extent applicable. Unless otherwise indicated, reference to a Section includes any applicable successor section or provision and such applicable Regulations, rulings, announcements, notices, procedures and determinations pertinent to that Section.

“Commingled Fund” means any fund or account of the Issuer that contains both Gross Proceeds of an issue and amounts in excess of \$25,000 that are not Gross Proceeds of the issue if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of funds deposited in the fund or account.

“Commingled Investment Proceeds” means Investment Proceeds of an issue (other than Investment Proceeds held in a Refunding Escrow) that are deposited in a

Commingled Fund with substantial tax or other revenues from governmental operations of the Issuer and that are reasonably expected to be spent for governmental purposes within six months from the date of deposit in the Commingled Fund, using any reasonable accounting assumptions.

“Computation Date” means each date on which the Rebate Amount for an issue is required to be computed under Regulations §1.148-3(e). In the case of a Fixed Yield Issue, the first Computation Date shall not be later than five years after the Issuance Date of the issue. Subsequent Computation Dates shall be not later than five years after the immediately preceding Computation Date for which an installment payment of the Rebate Amount was paid. In the case of a Variable Yield Issue, the first Computation Date shall be the last day of any Bond Year irrevocably selected by the Issuer ending on or before the fifth anniversary of the Issuance Date of such issue and subsequent Computation Dates shall be the last day of each Bond Year thereafter or each fifth Bond Year thereafter, whichever is irrevocably selected by the Issuer after the first date on which any portion of the Rebate Amount is required to be paid to the United States. The final Computation Date is the date an issue is retired.

“Computational Base” means the amount of Gross Proceeds the Issuer or Conduit Borrower reasonably expects, as of the date a Guaranteed Investment Contract is required, to be deposited in that Guaranteed Investment Contract over its term.

“Conduit Borrower” means the obligor on a purpose investment.

“Conduit Financing Issue” means an issue the Proceeds of which are reasonably expected to be used to finance one or more Conduit Loans.

“Conduit Loan” means a purpose investment acquired by the Issuer with Proceeds of a Conduit Financing Issue, thereby effecting a loan to the Conduit Borrower.

“Construction Expenditures” means Capital Expenditures allocable to the cost of real property (including the construction or making of improvements to real property, but excluding acquisitions of interests in land or other existing real property) or constructed personal property within the meaning of Regulations §1.148-7(g).

“Construction Issue” means an issue at least 75% of the Available Construction Proceeds of which are to be used for Construction Expenditures with respect to property that is, or upon completion will be, owned by a Governmental Unit or a 501(c)(3) Organization. If an issue is a Multipurpose Issue that includes a New Money Portion, this definition shall be applied by substituting “New Money Portion” for “Construction Issue” each place the latter term appears. If an election under Section 148(f)(4)(C)(v) and Regulations §1.148-7(j) is made to bifurcate an issue or the New Money Portion of a Multipurpose Issue, this definition shall be applied by substituting “Construction Portion” for “Construction Issue” each place the latter term appears.

“Construction Portion” means that portion of an issue or the New Money Portion of a Multipurpose Issue at least 75% of the Available Construction Proceeds of which are to be used for Construction Expenditures with respect to property that is, or upon completion will be, owned by a Governmental Unit or a 501(c)(3) Organization and that finances 100% of the Construction Expenditures.

“Controlled Group” means a group of entities controlled directly or indirectly by the same entity or group of entities within the meaning of Regulations §1.150-1(e).

“Current Refunding Issue” means a Refunding Issue that is issued not more than 90 days before the last expenditure of any Proceeds of the Refunding Issue for the payment of Debt Service on the Refunded Bonds.

“Current Refunding Portion” means that portion of a Multipurpose Issue that constitutes a separate governmental purpose and that would be treated as a Current Refunding Issue if it had been issued as a separate issue.

“Debt Service” means principal of and interest and any redemption premium on an issue.

“Excess Gross Proceeds” means all Gross Proceeds of an Advance Refunding Issue that exceed an amount equal to 1% of the Sale Proceeds of such Advance Refunding Issue, other than Gross Proceeds allocable to: (a) payment of Debt Service on the Refunded Bonds; (b) payment of Pre-Issuance Accrued Interest on the Advance Refunding Issue and interest on the Advance Refunding Issue that accrues for a period up to the completion date of any capital project financed by the Prior Issue, plus one year; (c) a reasonably required reserve or replacement fund for the Advance Refunding Issue or Investment Proceeds of such fund; (d) payment of Issuance Costs of the Advance Refunding Issue; (e) payment of administrative costs allocable to repaying the Refunded Bonds, carrying and repaying the Advance Refunding Issue, or investments of the Advance Refunding Issue; (f) Transferred Proceeds allocable to expenditures for the governmental purpose of the Prior Issue (treating for this purpose all unspent Proceeds of the Prior Issue properly allocable to the Refunded Bonds as of the Issuance Date of the Advance Refunding Issue as Transferred Proceeds); (g) interest on purpose investments; (h) Replacement Proceeds in a sinking fund for the Advance Refunding Issue; and (i) fees for a Qualified Guarantee for the Advance Refunding Issue or the Prior Issue. If an Issue is a Multipurpose Issue that includes an Advance Refunding Portion, this definition shall be applied by substituting “Advance Refunding Portion” for “Advance Refunding Issue” each place the latter term appears.

“Federally Guaranteed” means that (a) the payment of Debt Service on an issue, or the payment of principal or interest with respect to any loans made from the Proceeds of the issue, is directly or indirectly guaranteed in whole or in part by the United States or by an agency or instrumentality of the United States, within the meaning of Section 149(b), or (b) more than 5% of the Proceeds of an issue will be invested directly or indirectly in federally insured deposits or accounts. The preceding sentence does not apply to (a) Proceeds invested during an initial Temporary Period until such Proceeds are needed to pay costs of the project, (b) investments of a Bona Fide Debt Service Fund, (c) direct purchases from the United States of obligations issued by the United States Treasury, or (d) other investments permitted by Section 149(b) or Regulations §1.149(b)-1(b).

“501(c)(3) Organization” means an organization described in Section 501(c)(3) and exempt from tax under Section 501(a).

“Fixed Yield Issue” means an issue of obligations the Yield on which is fixed and determinable on the Issuance Date.

“Future Value” means the value of a Payment or Receipt at the end of a period determined using the economic accrual method as the value of that Payment or Receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the Yield on the applicable issue, using the same compounding interval and financial conventions that were used to compute that Yield.

“Governmental Unit” means a state, territory or possession of the United States, the District of Columbia, or any political subdivision thereof referred to as a “State or local governmental unit” in Regulations §1.103-1(a). “Governmental Unit” does not include the United States or any agency or instrumentality of the United States.

“Gross Proceeds” means Proceeds and Replacement Proceeds of an issue.

“Guaranteed Investment Contract” means any Nonpurpose Investment that has specifically negotiated withdrawal or retirement provisions and a specifically negotiated interest rate and any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

“Hedge” means a contract entered into by the Issuer or the Conduit Borrower primarily to modify the Issuer’s or the Conduit Borrower’s risk of interest rate changes with respect to an obligation (*e.g.*, an interest rate swap, an interest rate cap, a futures contract, a forward contract or an option).

“Higher Yielding Investments” means any Investment Property that produces a Yield that (a) in the case of Investment Property allocable to Replacement Proceeds of an issue and Investment Property in a Refunding Escrow, is more than one thousandth of one percentage point (.00001) higher than the Yield on the applicable issue, and (b) for all other purposes is more than one eighth of one percentage point (.00125) higher than the Yield on the issue.

“Investment Proceeds” means any amounts actually or constructively received from investing Proceeds of an issue in Investment Property.

“Investment Property” means investment property within the meaning of Sections 148(b)(2) and 148(b)(3), including any security (within the meaning of Section 165(g)(2)(A) or (B)), any obligation, any annuity contract and any other investment-type property (including certain residential rental property for family units as described in Section 148(b)(2)(E) in the case of any bond other than a Private Activity Bond). Investment Property includes a Tax-Exempt Obligation that is a “specified private activity bond” as defined in Section 57(a)(5)(C), but does not include other Tax-Exempt Obligations.

“Issuance Costs” means costs to the extent incurred in connection with, and allocable to, the issuance of an issue, and includes underwriter’s compensation withheld from the Issue Price, counsel fees, financial advisory fees, rating agency fees, trustee fees, paying agent fees, bond registrar, certification and authentication fees, accounting fees, printing costs for bonds and offering documents, public approval process costs, engineering and feasibility study costs, guarantee fees other than for a Qualified Guarantee and similar costs, but does not include fees charged by the Issuer.

“Issuance Date” means the date of physical delivery of an issue by the Issuer in exchange for the purchase price of the issue.

“Issue Price” means in the circumstances applicable to an issue:

(1) Public Offering. In the case of obligations actually offered to the general public in a bona fide public offering at the initial offering price for each maturity set forth in the certificate of the underwriter or placement agent attached to the Tax Agreement, the aggregate of the initial offering price for each maturity (including any Pre-Issuance Accrued Interest and taking into account any original issue premium and original issue discount), which price is not more than the fair market value thereof as of the Sale Date, and at which initial offering price not less than 10% of the principal amount of each maturity, as of the Sale Date, was sold or

reasonably expected to be sold (other than to bond houses, brokers or other intermediaries). In the case of publicly offered obligations that are not described in the preceding sentence, Issue Price means the aggregate of the initial offering price to the public of each maturity set forth in the certificate of the underwriter or placement agent attached to the Tax Agreement, at which initial offering price not less than 10% of the principal amount of each maturity was sold to the public. Notwithstanding the foregoing, in no event shall the Issue Price of an issue exceed the fair market value of the issue as of the Sale Date thereof.

(2) Private Placement. In the case of obligations sold by private placement, the aggregate of the prices (including any Pre-Issuance Accrued Interest and original issue premium, but excluding any original issue discount) paid to the Issuer by the first purchaser(s) (other than bond houses, brokers or other intermediaries). Notwithstanding the foregoing, in no event shall the Issue Price of an issue exceed the fair market value of the issue as of the Sale Date thereof.

“Minor Portion” means an amount equal to the lesser of \$100,000 or 5% of the Sale Proceeds of an issue.

“Multipurpose Issue” means an issue the bonds of which are allocable to two or more separate governmental purposes within the meaning of Regulations §1.148-9(h).

“Net Proceeds” means the Sale Proceeds of an issue less the portion thereof, if any, deposited in a reasonably required reserve or replacement fund for the issue.

“Net Sale Proceeds” means the Sale Proceeds of an issue less (a) the portion thereof, if any, deposited in a reasonably required reserve or replacement fund for the issue and (b) the portion invested as a part of a Minor Portion for the issue.

“New Money Issue” means an issue that is not a Refunding Issue.

“New Money Portion” means that portion of a Multipurpose Issue other than the Refunding Portion.

“Nonconstruction Portion” means that portion of a New Money Issue or of the New Money Portion other than the Construction Portion.

“Nonpurpose Investments” means any Investment Property that is acquired with Gross Proceeds as an investment and not in carrying out any governmental purpose of an issue. “Nonpurpose Investments” does not include any investment that is not regarded as “investment property” or a “nonpurpose investment” for the particular purposes of Section 148 (such as certain investments in U.S. Treasury obligations in the State and Local Government Series and certain temporary investments), but does include any other investment that is a “nonpurpose investment” within the applicable meaning of Section 148.

“Payment” means payments actually or constructively made to acquire Nonpurpose Investments, as specified in Regulations §1.148-3(d)(1)(i) through (v).

“Placed in Service” means the date on which, based on all the facts and circumstances, a facility has reached a degree of completion that would permit its operation at substantially its design level and the facility is, in fact, in operation at such level.

“Pre-Issuance Accrued Interest” means interest on an obligation that accrued for a period not greater than one year before its Issuance Date and that will be paid within one year after such Issuance Date.

“Preliminary Expenditures” means any Capital Expenditures that are “preliminary expenditures” within the meaning of Regulations §1.150-2(f)(2), *i.e.*, architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of a project other than land acquisition, site preparation, and similar costs incident to commencement of construction. The aggregate amount of Preliminary Expenditures may not exceed 20% of the aggregate Issue Price of the issue or issues that financed or are reasonably expected to finance the project for which such Preliminary Expenditures are or were incurred.

“Prior Issue” means an issue of obligations all or a portion of the Debt Service on which is paid or provided for with Proceeds of a Refunding Issue. The Prior Issue may be a Refunding Issue.

“Private Activity Bond” means (a) obligations of an issue more than 10% of the Proceeds of which, directly or indirectly, are or are to be used for a Private Business Use and more than 10% of the Debt Service on which, directly or indirectly, is or is to be paid from or secured by payments with respect to property, or secured by property, used for a Private Business Use, or (b) obligations of an issue, the Proceeds of which are or are to be used to make or finance loans to any Private Person that, in the aggregate, exceed the lesser of 5% of such Proceeds or \$5,000,000. In the event of Unrelated or Disproportionate Use, the tests in (a) shall be applied by substituting 5% for 10% each place the latter term is used.

“Private Business Use” means use (directly or indirectly) in a trade or business carried on by any Private Person other than use as a member of, and on the same basis as, the general public. Any activity carried on by a Private Person (other than a natural person) shall be treated as a trade or business. In the case of a Qualified 501(c)(3) Bond, Private Business Use excludes use by a 501(c)(3) Organization that is not an unrelated trade or business activity by such 501(c)(3) Organization within the meaning of Section 513(a).

“Private Person” means any natural person or any artificial person, including a corporation, partnership, trust or other entity, other than a Governmental Unit. “Private Person” includes the United States and any agency or instrumentality of the United States.

“Private Security or Payments” means (i) any interest in property used or to be used for a Private Business Use, or in payments in respect of such property, that directly or indirectly secures any payment of principal of, or interest on, an issue, or (ii) payments (whether or not to the Issuer or the Conduit Borrower) in respect of property, or borrowed money, used or to be used for a Private Business Use from which payments of principal of, or interest on, an issue are directly or indirectly derived, all as determined and measured in accordance with Regulations §1.141-4.

“Proceeds” means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of an issue. “Proceeds” does not include Replacement Proceeds.

“Qualified Administrative Costs” means the reasonable, direct administrative costs, other than carrying costs, of purchasing or selling Nonpurpose Investments such as separately stated brokerage or selling commissions. Qualified Administrative Costs do not include legal and accounting fees, recordkeeping, custody and similar costs, general overhead costs and similar indirect costs of the Issuer such as employee salaries and office expenses and costs associated with computing the Rebate Amount. In general, Qualified Administrative Costs are not reasonable unless they are comparable to administrative costs that would be charged for the same investment or a reasonably comparable investment if acquired with a source of funds other than Gross Proceeds of Tax-Exempt Obligations.

“Qualified 501(c)(3) Bonds” means an issue of obligations that satisfies the requirements of Section 145(a).

“Qualified Guarantee” means any guarantee of an obligation that constitutes a “qualified guarantee” within the meaning of Regulations §1.148-4(f).

“Qualified Hedge” means a Hedge that is a “qualified hedge” within the meaning of Regulations §1.148-4(h)(2).

“Reasonable Retainage” means an amount, with respect to an issue, not to exceed 5% of the Net Sale Proceeds of the issue, that is retained for reasonable business purposes relating to the property financed with Proceeds of the issue. For example, Reasonable Retainage may include a retention to ensure or promote compliance with a construction contract in circumstances in which the retained amount is not yet payable, or in which the Issuer reasonably determines that a dispute exists regarding completion or payment.

“Rebate Amount” means the excess of the future value, as of any date, of all receipts on Nonpurpose Investments acquired with Gross Proceeds of an issue over the future value, as of that date, of all payments on those Nonpurpose Investments, computed in accordance with Section 148(f) and Regulations §1.148-3.

“Rebate Analyst” means an independent individual, firm or entity experienced in the computation of the Rebate Amount pursuant to Section 148(f).

“Receipt” means amounts actually or constructively received from Nonpurpose Investments as specified in Regulations §1.148-3(d)(2)(i) through (iii).

“Refunded Bonds” means obligations of a Prior Issue the Debt Service on which is or is to be paid from Proceeds of a Refunding Issue.

“Refunding Bonds” means obligations of a Refunding Issue.

“Refunding Escrow” means one or more funds established as part of a single transaction, or a series of related transactions, containing Proceeds of a Refunding Issue and any other amounts to be used to pay Debt Service on Refunded Bonds of one or more issues.

“Refunding Issue” means an issue the Proceeds of which are or are to be used to pay Debt Service on Refunded Bonds and includes Issuance Costs, Pre-Issuance Accrued Interest or permitted capitalized interest, a reasonably required reserve or replacement fund and similar costs of the Refunding Issue.

“Refunding Portion” means that portion of a Multipurpose Issue the Proceeds of which are, or are to be, used to pay Debt Service on Refunded Bonds and includes Issuance Costs, Pre-Issuance Accrued Interest or permitted capitalized interest, a reasonably required reserve or replacement fund and similar costs properly allocable to the Refunding Portion.

“Regulations” or **“Reg.”** means Treasury Regulations.

“Reimbursement Allocation” means an allocation of the Proceeds of an issue for the reimbursement of Capital Expenditures paid prior to the Issuance Date of such issue that: (a) is evidenced on the books or records of the Issuer maintained with respect to the issue, (b) identifies either actual prior Capital Expenditures or the fund or account from which the prior Capital Expenditures were paid, (c) evidences the Issuer’s use of Proceeds of the issue to reimburse a Capital Expenditure for a governmental purpose that was originally paid from a

source other than the Proceeds of the issue, and (d) satisfies the following requirements: except for Preliminary Expenditures, (i) the Issuer or, in the case of Qualified 501(c)(3) Bonds, the Conduit Borrower adopted an official intent for the Capital Expenditure that satisfies Regulations §1.150-2(e) prior to, or within 60 days after, payment of the Capital Expenditure, and (ii) the reimbursement allocation of that Capital Expenditure occurs or will occur within 18 months after the later of the date the Capital Expenditure was paid or the date the project resulting from such Capital Expenditure was Placed in Service or abandoned, but in no event more than three years after the Capital Expenditure was paid.

“Related Party” means, in reference to a Governmental Unit or 501(c)(3) Organization, any member of the same Controlled Group and, in reference to any person that is not a Governmental Unit or 501(c)(3) Organization, a “related person” as defined in Section 144(a)(3).

“Replacement Proceeds” means, with respect to an issue, amounts (including any investment income, but excluding any Proceeds of any issue) replaced by Proceeds of that issue within the meaning of Section 148(a)(2). “Replacement Proceeds” includes amounts, other than Proceeds, held in a sinking fund, pledged fund or reserve or replacement fund for an issue.

“Sale Date” means, with respect to an issue, the first date on which there is a binding contract in writing with the Issuer for the sale and purchase of an issue (or of respective obligations of the issue if sold by the Issuer on different dates) on specific terms that are not later modified or adjusted in any material respect.

“Sale Proceeds” means that portion of the Issue Price actually or constructively received by the Issuer upon the sale or other disposition of an issue, including any underwriter’s compensation withheld from the Issue Price, but excluding Pre-Issuance Accrued Interest.

“Spendable Proceeds” means the Net Sale Proceeds of an issue.

“Tax-Exempt Obligation” means any obligation or issue of obligations (including bonds, notes and lease obligations treated for federal income tax purposes as evidence of indebtedness) the interest on which is excluded from gross income for federal income tax purposes within the meaning of Section 150, and includes any obligation or any investment treated as a “tax-exempt bond” for the applicable purpose of Section 148.

“Tax-Exempt Organization” means a Governmental Unit or a 501(c)(3) Organization.

“Temporary Period” means the period of time, as set forth in the Tax Compliance Certificate, applicable to particular categories of Proceeds of an issue during which such category of Proceeds may be invested in Higher Yielding Investments without the issue being treated as arbitrage bonds under Section 148.

“Transferred Proceeds” means that portion of the Proceeds of an issue (including any Transferred Proceeds of that issue) that remains unexpended at the time that any portion of the principal of the Refunded Bonds of that issue is discharged with the Proceeds of a Refunding Issue and that thereupon becomes Proceeds of the Refunding Issue as provided in Regulations §1.148-9(b). “Transferred Proceeds” does not include any Replacement Proceeds.

“Unrelated or Disproportionate Use” means Private Business Use that is not related to or is disproportionate to use by a Governmental Unit within the meaning of Section 141(b)(3) and Regulations §1.141-9.

“Variable Yield Issue” means any Issue that is not a Fixed Yield Issue.

“Working Capital Expenditures” means any costs of a type that do not constitute Capital Expenditures, including current operating expenses.

“Yield” has the meaning assigned to it for purposes of Section 148, and means that discount rate (stated as an annual percentage) that, when used in computing the present worth of all applicable unconditionally payable payments of Debt Service, all payments for a Qualified Guarantee, if any, and payments and receipts with respect to a Qualified Hedge, if any, as required by the Regulations, paid and to be paid with respect to an obligation (paid and to be paid during and attributable to the Yield Period in the case of a Variable Yield Issue), reduced by the credit, if any, allowed by Section 6431, produces an amount equal to (a) the Issue Price in the case of a Fixed Yield Issue or the present value of the Issue Price at the commencement of the applicable Yield Period in the case of a Variable Yield Issue, or (b) the purchase price for yield purposes in the case of Investment Property, all subject to the applicable methods of computation provided for under Section 148, including variations from the foregoing. The Yield on Investment Property in which Proceeds or Replacement Proceeds of an issue are invested is computed on a basis consistent with the computation of Yield on that issue, including the same compounding interval of not more than one year selected by the Issuer.

“Yield Period” means, in the case of the first Yield Period, the period that commences on the Issuance Date and ends at the close of business on the first Computation Date and, in the case of each succeeding Yield Period, the period that begins immediately after the end of the immediately preceding Yield Period and ends at the close of business on the next succeeding Computation Date.

The terms “bond,” “obligation,” “reasonably required reserve or replacement fund,” “reserve or replacement fund,” “loan,” “sinking fund,” “purpose investment,” “same plan of financing,” “other replacement proceeds” and other terms relating to Code provisions used but not defined in this Certificate shall have the meanings given to them for purposes of Sections 103 and 141 to 150 unless the context indicates another meaning.

(End of Exhibit A)

EXHIBIT B

USE OF PROCEEDS CHECKLIST AND REMEDIAL ACTION INSTRUCTIONS

NOTE: 2.1 REQUIRES IDENTIFICATION OF RESPONSIBLE PERSON.

USE OF PROCEEDS CHECKLIST AND REMEDIAL ACTION INSTRUCTIONS

The Issuer and the Borrower have covenanted to monitor the expenditure of Gross Proceeds and use of facilities financed by the Bonds in order to comply with various restrictions and requirements imposed by the Code and Regulations. The Issuer and the Borrower further covenanted to comply, if necessary, with the remedial action requirements set forth in Regulations §1.142-2 for non-qualified bonds of the Issue. The following Checklist and Instructions provide guidance for such compliance, and the checklist and Instructions are intended to satisfy Section 7.2.3.4.4 of the Internal Revenue Manual. This checklist shall also apply to all other outstanding and future issues of Tax-Exempt Obligations issued by the Issuer the Proceeds of which are used by the Borrower. Capitalized terms not defined in the Checklist and Instructions have the meanings given herein.

PART 1 - USE OF PROCEEDS CHECKLIST

1. Use of Proceeds

- 1.1. Ensure there exists a clearly established accounting procedure for tracking investment and expenditures of Bond Proceeds, including Investment Proceeds.
- 1.2. At or shortly after issuance of a Bond issue, allocate Proceeds of the Bond issue to reimbursement of prior expenditures, as appropriate.
- 1.3. Ensure that a final allocation of Bond Proceeds (including Investment Proceeds) to qualifying expenditures is made if Bond Proceeds are to be allocated to project expenditures on a basis other than "direct tracing" (direct tracing means treating the Bond Proceeds as spent as shown in the accounting records for bond draws and project expenditures). *This allocation must be made within 18 months after the later of the date the expenditure was made or the date the project was placed in service, but not later than five years and 60 days after the Issuance Date of the Bonds or 60 days after the Bond issue is retired. Bond counsel can assist with the final allocation of Bond Proceeds to project costs.*
- 1.4. Maintain careful records of all facilities and other costs (e.g., Issuance Costs, credit enhancement and capitalized interest) and uses (e.g., deposit to reserve fund) for which Bond Proceeds were spent or used. These records should be maintained separately for each issue of Bonds.
- 1.5. Ensure that no more than 2% of the Sale Proceeds of a Bond issue are used to pay Issuance Costs.
- 1.6. Ensure that all Proceeds are spent in accordance with the published notice of public hearing for the Issue and the useful life calculation.
- 1.7. Ensure that all Bond-Financed Facilities are used for the applicable exempt facility purpose.
- 1.8. On at least an annual basis, identify all current and contemplated uses of Bond-Financed Facilities and confer as necessary with Bond Counsel to ensure that the use of the Bond-Financed Facilities complies with the covenants and restrictions set forth in the Tax Agreement.

2. Responsible Person, Training and Record Retention

- 2.1 The person(s) who hold the following title(s) shall be responsible for monitoring the use of Proceeds of Bond-Financed Facilities, as set forth in this Checklist and Instructions: [TITLE(S) OF PERSON(S) CHARGED WITH THIS RESPONSIBILITY].
- 2.2 The person(s) responsible for monitoring the use of Proceeds and the use of Bond-Financed Facilities shall receive appropriate training regarding the Borrower's accounting systems (including entries for the expenditure of Proceeds on Bond-Financed Facilities).
 - 2.2.1 This training shall occur when a new individual assumes the responsibilities described in this Checklist and Instructions.
 - 2.2.2 Training shall be available to ensure current knowledge of the Borrower's existing accounting, contract, facilities management and other systems that involve exempt facility bonds and exposure to any pertinent additional systems that are subsequently implemented by the Borrower.
- 2.3 The records required to be kept under this Checklist and Instructions shall be maintained in paper or electronic format until the date three (3) years after the last bond of the applicable issue of bonds ("Issue") has been retired; if any portion of such Issue is refunded by a Refunding Issue, such records shall be maintained until the later of the date three (3) years after the last bond of the Issue has been retired or the date three (3) years after the last bond of the Refunding Issue has been retired.

PART II – REMEDIAL ACTION INSTRUCTIONS

The Issuer and Borrower covenanted in the Tax Agreement to comply with the remedial action requirements set forth in Regulations §1.142-2 to remediate failures to properly use proceeds of exempt facility bonds (such as the bonds of the Issue) pursuant to Section 142(a). These Instructions provide guidance for that compliance. Capitalized terms not defined in these Instructions have the meanings given in the Tax Agreement or in Exhibit A to that Agreement.

I. Failure to Properly Use Proceeds. A failure to properly use proceeds of an exempt facility bond (a "Nonqualified Use") occurs on the following date (the "Nonqualified Use Date"):

(A) For unspent Net Proceeds of the Issue, the Nonqualified Use Date is the earlier of the date on which the Issuer reasonably determines that the Project will not be completed or the date on which the Project is placed in service; and

(B) For Net Proceeds of the Issue that have been spent, the Nonqualified Use Date is the date on which an action is taken that causes the bonds of the Issue (the "Bonds") not to be used for the qualifying purpose for which the Bonds were issued.

II. Remedial Action.

(A) Effect. A “remedial action” cures the Nonqualified Use; the Issue therefore will be treated as meeting the use of proceeds requirement of Section 142(a).

(B) Ability to Use. In order to achieve the effects set forth in II(A), the conditions in II(C) must be satisfied, and one of the remedial actions in II(D) must be taken.

(C) Conditions.

(1) *Reasonable Expectations.* A remedial action described in II(D), below, may be taken only if, on the Issuance Date, the Issuer and Borrower reasonably expected that 95% of the Net Proceeds of the Issue would be used to provide an exempt facility and for no other purpose for the entire term of the Issue (disregarding any redemption provisions). To meet this condition, the amount of the Issue must have been based on reasonable estimates about the cost of the Project.

(2) *Bonds with A First Call Date Later than 10 ½ Years from Issuance Date.* If the remedial action described in (D)(2), below, is unavailable and if the Issuer cannot redeem its nonqualified bonds (defined below) within 90 days of the Nonqualified Use Date, and if such nonqualified bonds are not callable within 10 ½ years of the Issuance Date, a remedial action cannot be taken with respect to the nonqualified bonds. In such case, a closing agreement with the IRS may be necessary, and Bond Counsel should be consulted.

(D) Remedial Actions.

(1) *Redemption of Nonqualified Bonds.* The Issuer meets the requirements of the remedial action described in this section if the Issuer redeems all of the nonqualified bonds on the earliest call date after the Nonqualified Use Date and does not use Proceeds of Tax-Exempt Obligations (other than Proceeds of the Issue) for this purpose. If the earliest call date is not within 90 days of the Nonqualified Use Date, the Issuer must establish a defeasance escrow. If the Issuer establishes such an escrow, it must notify the IRS that it has established the escrow. The Issuer should use the procedures in Regulations §1.150-5 to notify the IRS. As noted in II(C), above, the Issuer cannot use a defeasance escrow to meet the requirements of the remedial action described in this section if the nonqualified bonds are not callable within 10 ½ years from the Issuance Date. In such case, a closing agreement with the IRS may be necessary, and Bond Counsel should be consulted.

(2) *Special Rule for Certain Dispositions of Personal Property Solely for Cash.* If the Nonqualified Use is caused by the disposition of personal property, and requirements (a) – (c), below, are met with respect to such disposition of personal property, the requirements of this remedial action are satisfied. For this purpose, “disposition proceeds” are any amounts (including property, such as an agreement to

provide services) derived from the sale, exchange, or other disposition of property (other than investments) financed with the Proceeds of the Issue. Each of the following requirements must be met to satisfy the requirements of this remedial action:

(a) All disposition proceeds must consist exclusively of cash;

(b) All of the disposition proceeds must be spent to acquire replacement property for the same qualifying purpose of the Issue under Section 142; and

(c) Such replacement property must be acquired within six months of the date of the disposition.

(E) Definition of Nonqualified Bonds.

(1) *If Proceeds of the Issue have been spent to provide an exempt facility.* If some amount of Proceeds of the Issue has been spent to provide an exempt facility, then the nonqualified bonds are the amount of outstanding Bonds that, if the remaining Bonds were issued on the Nonqualified Use Date, at least 95 percent of the Net Proceeds of the remaining bonds would be used to provide an exempt facility.

(2) *If no Proceeds of the Issue have been spent to provide an exempt facility.* If no proceeds have been spent to provide an exempt facility, all of the outstanding Bonds are nonqualified bonds.

(F) Allocation of Nonqualified Bonds. Allocations of nonqualified bonds to the Bonds must be made on a pro rata basis, except that the Issuer may treat any Bonds as the nonqualified bonds so long as the following condition is satisfied. The remaining weighted average maturity of the Issue, determined as of the date on which the nonqualified bonds are redeemed or defeased ("Determination Date"), and excluding from the determination the nonqualified bonds redeemed or defeased by the Issuer to meet the requirements of the remedial action described in II(D)(1), above, must not be greater than the remaining weighted average maturity of the Issue, determined as of the Determination Date, but without regard to the redemption or defeasance of any bonds (including the nonqualified bonds) occurring on the Determination Date. In other words, the nonqualified bonds cannot be allocated to the Bonds in a manner that extends the remaining weighted average maturity of the Issue.

(End of Exhibit B)

EXHIBIT C

ARBITRAGE COMPLIANCE CHECKLIST

NOTE: 1.14 REQUIRES IDENTIFICATION OF RESPONSIBLE PERSON.

The Issuer and the Borrower have covenanted to comply with the arbitrage requirements of Section 148 of the Code. This checklist provides guidance for that compliance, and this checklist is intended to satisfy Section 7.2.3.4.4 of the Internal Revenue Manual. This checklist shall also apply to all other outstanding and future issues of Tax-Exempt Obligations issued by the Issuer the Proceeds of which are used by the Borrower. Capitalized terms not defined in this checklist have the meanings given in the Issuer's Tax Compliance Certificate and in Exhibit A to that Tax Compliance Certificate (together, the "Tax Agreement").

- 1.01 Note the Yield of the Issue, as shown on the IRS Form 8038.
- 1.02 Review the Tax Agreement to determine the Temporary Periods for the Issue, during which periods various categories of Gross Proceeds may be invested in Higher Yielding Investments.
- 1.03 Do not invest Gross Proceeds in Higher Yielding Investments following the end of the applicable Temporary Period identified in 1.02 unless Yield reduction payments may be made (see Tax Agreement).
- 1.04 Monitor expenditures of Proceeds, including Investment Proceeds, against Issuance Date expectations for satisfaction of three-year or five-year Temporary Period from Yield restriction on investment of Proceeds and to avoid "hedge bond" status.
- 1.05 Ensure that investments acquired with Gross Proceeds satisfy IRS regulatory safe harbors for establishing fair market value (e.g., through the use of bidding procedures), and maintain records to demonstrate satisfaction of such safe harbors.
- 1.06 Consult with bond counsel before engaging in credit enhancement or hedging transactions in respect of the Issue, and before creating separate funds that are reasonably expected to be used to pay Debt Service on the Issue.
- 1.07 Maintain copies of all contracts and certificates relating to credit enhancement and hedging transactions in respect of the Issue.
- 1.08 Before beginning a capital campaign that may result in gifts that are restricted to the Project (or, in the absence of such a campaign, upon the receipt of such restricted gifts), consult Bond Counsel to determine whether Replacement Proceeds may result.
- 1.09 *Even after all Proceeds of the Issue have been spent*, ensure that the Bond Fund meets the requirements of a Bona Fide Debt Service Fund, *i.e.*, one used primarily to achieve a proper matching of revenues with Debt Service that is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of (i) the earnings on the fund for the immediately preceding Bond Year; or (ii) one-twelfth of the Debt Service on the Issue for the immediately preceding Bond Year. *To the extent that the Bond Fund qualifies as a Bona Fide Debt*

Service Fund for a given Bond Year, the amounts held in that fund may be invested in Higher Yielding Investments.

- 1.10 Ensure that amounts invested in any reasonably required debt service reserve fund do not exceed the least of: (i) 10% of the stated principal amount of the Issue (or the Sale Proceeds of the Issue if the Issue has original issue discount or original issue premium that exceeds 2% of the stated principal of the Issue plus, in the case of premium, reasonable underwriter's compensation); (ii) maximum annual Debt Service on the Issue; or (iii) 125% of average annual Debt Service on the Issue.
- 1.11 Satisfaction of rebate requirement -- see Rebate Instructions (where applicable). Subject to the exceptions described below, investment earnings on Proceeds at a Yield in excess of the Bond Yield (i.e., positive arbitrage) generally must be rebated to the U.S. Treasury, even if a Temporary Period exception from Yield restriction allowed the earning of positive arbitrage.
 - 1.11.1 Ensure that rebate calculations will be timely performed and payment of Rebate Amounts, if any, will be timely made; such payments are generally due 60 days after the fifth anniversary of the Issuance Date, then in succeeding installments every five years; the final rebate payment for the Issue is due 60 days after retirement of the last bond of the Issue. Hire a rebate consultant if necessary.
 - 1.11.2 If the 6-month, 18-month, or 24-month spending exceptions from the rebate requirement (as described in the Rebate Instructions, where applicable) may apply to the Issue, ensure that the spending of Proceeds is monitored prior to semi-annual spending dates for the applicable exception.
 - 1.11.3 Timely make rebate and Yield reduction payments and file IRS Form 8038-T.
 - 1.11.4 Even after all other Proceeds of the Issue have been spent, ensure compliance with rebate requirements for any debt service reserve fund and any debt service fund that is not exempt from the rebate requirement (see the Rebate Instructions, where applicable).
- 1.12 The foregoing items in this checklist shall be monitored at least annually as long as there are unspent Gross Proceeds.
- 1.13 Maintain records of investments and expenditures of Proceeds, rebate exception analyses, rebate calculations, Forms 8038-T, and rebate and Yield reduction payments, and any other records relevant to compliance with the arbitrage restrictions.
- 1.14 The person(s) who hold the following title(s) shall be responsible for monitoring compliance with the arbitrage rebate requirements of Section 148 of the Code, as set forth in this checklist: [TITLE(S) OF PERSON(S) CHARGED WITH THIS RESPONSIBILITY].
- 1.15 The person(s) responsible for monitoring compliance with the arbitrage rebate requirements of Section 148 of the Code shall receive appropriate training regarding the Borrower's accounting systems and their application to the

investment and expenditure of Gross Proceeds. This training shall occur when a new individual assumes the responsibilities described in this checklist. Training shall also be available to ensure current knowledge of the Borrower's existing accounting systems and exposure to any pertinent modifications that are subsequently implemented by the Borrower.

- 1.16 The records required to be kept under this checklist shall be maintained in paper or electronic format until the date three (3) years after the last bond of the applicable issue of Tax-Exempt Obligations ("Issue") has been retired; if any portion of such Issue is refunded by a Refunding Issue, such records shall be maintained until the later of the date three (3) years after the last bond of the Issue has been retired or the date three (3) years after the last bond of the Refunding Issue has been retired.

(End of Exhibit C)

EXHIBIT D

INSTRUCTIONS FOR COMPLIANCE WITH REBATE REQUIREMENTS OF SECTION 148(f) OF THE CODE

The Issuer¹ covenanted in the operative documents (*i.e.*, Ordinance/Resolution/Trust Agreement and Tax Agreement) to comply with the arbitrage rebate requirement of Section 148(f) of the Code. These Instructions provide guidance for that compliance, including the spending exceptions that free the Issue from all or part of the rebate requirements.

PART I. GENERAL

SECTION 1.01. REBATE GENERALLY.

The Rebate Amount with respect to the Issue must be paid (rebated) to the United States to prevent the bonds of the Issue from being arbitrage bonds, the interest on which is subject to federal income tax. In general, the Rebate Amount is the amount by which the actual earnings on Nonpurpose Investments purchased (or deemed to have been purchased) with Gross Proceeds of the Issue exceed the amount of earnings that would have been received if those Nonpurpose Investments had a Yield equal to the Yield on the Issue.² Stated differently, the Rebate Amount for the Issue as of any date is the excess of the Future Value, as of that date, of all Receipts on Nonpurpose Investments over the Future Value, as of that date, of all Payments on Nonpurpose Investments, computed using the Yield on the Issue as the Future Value rate.³

If the Issue is a Fixed Yield Issue, the Yield on the Issue generally is the Yield to maturity, taking into account mandatory redemptions prior to maturity. If the Issue is a Variable Yield Issue, the Yield on the Issue is computed separately for each Yield Period selected by the Issuer.

PART II. EXCEPTIONS TO REBATE

SECTION 2.01. SPENDING EXCEPTIONS.

The rebate requirements with respect to the Issue are deemed to have been satisfied if any one of three spending exceptions (the 6-Month, the 18-Month, or the 2-Year Spending Exception, collectively, the “Spending Exceptions”) is satisfied. The Spending Exceptions are each independent exceptions. The Issue need not meet the requirements of any other exception in order to use any one of the three exceptions. For example, a Construction Issue may qualify for the 6-Month Spending Exception or the 18-Month Spending Exception even though the Issuer makes one or more elections under the 2-Year Exception with respect to the Issue.

The following rules apply for purposes of all of the Spending Exceptions except as otherwise noted.

¹ For purposes of these Instructions, the term “Issuer” includes the borrower in a conduit financing issue.

² Amounts earned on the Bona Fide Debt Service Fund for the Issue are not taken into account in determining the Rebate Amount: (1) for any Bond Year in which the gross earnings on such Fund for such Year are less than \$100,000; or (2) if the average annual Debt Service on the Issue does not exceed \$2,500,000.

³ The scope of these Instructions does not permit a detailed description of the computation of the Rebate Amount with respect to the Issue. If you need assistance in computing the Rebate Amount on the Issue or want Squire Patton Boggs (US) LLP to do the computations, please feel free to contact the Squire Patton Boggs (US) LLP attorney with whom you normally consult to discuss engaging the Firm to provide such assistance.

Refunding Issues. The only spending exception available for a Refunding Issue⁴ is the 6-Month Spending Exception.

Special Transferred Proceeds Rules. In applying the Spending Exceptions to a Refunding Issue, unspent Proceeds of the Prior Issue that become Transferred Proceeds of the Refunding Issue are ignored. If the Prior Issue satisfies one of the rebate Spending Exceptions, the Proceeds of the Prior Issue that are excepted from rebate under that exception are not subject to rebate either as Proceeds of the Prior Issue or as Transferred Proceeds of the Refunding Issue.

However, if the Prior Issue does not satisfy any of the Spending Exceptions and is not otherwise exempt from rebate, the Transferred Proceeds from the Prior Issue will be subject to rebate, even if the Refunding Issue satisfies the 6-Month Spending Exception. The Rebate Amount will be calculated on the Transferred Proceeds on the basis of the Yield of the Prior Issue up to each transfer date and on the basis of the Yield of the Refunding Issue after each transfer date.

Application of Spending Exceptions to a Multipurpose Issue. If the Issue is a Multipurpose Issue, the Refunding Portion and the New Money Portion are treated for purposes of the rebate Spending Exceptions as separate issues. Thus, the Refunding Portion is eligible to use only the 6-Month Spending Exception. The New Money Portion is eligible to use any of the three Spending Exceptions.

Expenditures for Governmental Purposes of the Issue. Each of the spending exceptions requires that expenditures of Gross Proceeds be for the governmental purposes of the Issue. These purposes include payment of interest (but not principal) on the Issue.

SECTION 2.02. 6-MONTH SPENDING EXCEPTION.

The Issue will be treated as satisfying the rebate requirements if all of the Gross Proceeds of the Issue are allocated to expenditures for the governmental purposes of the Issue within the 6-month period beginning on the Issuance Date and the Rebate Amount, if any, with respect to earnings on amounts deposited in a reasonably required reserve or replacement fund or a Bona Fide Debt Service Fund if and to the extent that such Fund is subject to rebate (see footnote 3) is timely paid to the United States. If no bond of the Issue is a Private Activity Bond (other than a Qualified 501(c)(3) Bond) or a tax or revenue anticipation bond, the 6-month period is extended for an additional six months if the unexpended Gross Proceeds of the Issue at the end of the 6-month period do not exceed 5% of the Proceeds of the Issue.

For purposes of the 6-Month Spending Exception, Gross Proceeds required to be spent within six months do not include amounts in a reasonably required reserve or replacement fund for the Issue or in a Bona Fide Debt Service Fund for the Issue.

⁴ For purposes of these Instructions, references to “Refunding Issue” include the Refunding Portion of a Multipurpose Issue.

SECTION 2.03. 18-MONTH SPENDING EXCEPTION.

The Issue (or the New Money Portion if the Issue is a Multipurpose Issue) is treated as satisfying the rebate requirement if the conditions set forth in (A), (B) and (C) are satisfied.

(A) All of the Gross Proceeds of the Issue (excluding amounts in a reasonably required reserve or replacement fund for the Issue or in a Bona Fide Debt Service Fund for the Issue) are allocated to expenditures for the governmental purposes of the Issue in accordance with the following schedule, measured from the Issuance Date:

- (1) at least 15% within six months;
- (2) at least 60% within 12 months; and
- (3) 100% within 18 months, subject to the Reasonable Retainage exception described below.

(B) The Rebate Amount, if any, with respect to earnings on amounts deposited in a reasonably required reserve or replacement fund or in a Bona Fide Debt Service Fund for the Issue, to the extent such Fund is subject to rebate (see footnote 3), is timely paid to the United States.

(C) The Gross Proceeds of the Issue qualify for the initial 3-year Temporary Period.

If the only unspent Gross Proceeds at the end of the 18th month are Reasonable Retainage, the requirement that 100% of the Gross Proceeds be spent by the end of the 18th month is treated as met if the Reasonable Retainage, and all earnings thereon, are spent for the governmental purposes of the Issue within 30 months of the Issuance Date.

For purposes of determining whether the spend-down requirements have been met as of the end of each of the first two spending periods, the amount of Investment Proceeds that the Issuer reasonably expects as of the Issuance Date to earn on the Sale Proceeds and Investment Proceeds of the Issue during the 18-month period are included in Gross Proceeds of the Issue. The final spend-down requirement includes actual Investment Proceeds for the entire 18 months.

The 18-Month Spending Exception does not apply to the Issue (or the New Money Portion, as applicable) if any portion of the Issue (or New Money Portion) is treated as meeting the rebate requirement under the 2-Year Spending Exception discussed below. This rule prohibits use of the 18-Month Spending Exception for the Nonconstruction Portion of a Bifurcated Issue. The only Spending Exception available for the Nonconstruction Portion of a Bifurcated Issue is the 6-Month Spending Exception.

SECTION 2.04. 2-YEAR SPENDING EXCEPTION FOR CERTAIN CONSTRUCTION ISSUES.

(A) In general. A Construction Issue no bond of which is a Private Activity Bond (other than a Qualified 501(c)(3) Bond or a Bond that finances property to be owned by a

Governmental Unit or a 501(c)(3) Organization) is treated as satisfying the rebate requirement if the Available Construction Proceeds of the Issue are allocated to expenditures for the governmental purposes of the Issue in accordance with the following schedule, measured from the Issuance Date:

- (1) at least 10% within six months;
- (2) at least 45% within one year;
- (3) at least 75% within 18 months; and
- (4) 100% within two years, subject to the Reasonable Retainage exception described below.

Amounts in a Bona Fide Debt Service Fund or a reasonably required reserve or replacement fund for the Issue are not treated as Gross Proceeds for purposes of the expenditure requirements. However, unless the Issuer has elected otherwise in the Tax Agreement, earnings on amounts in a reasonably required reserve or replacement fund for the Issue are treated as Available Construction Funds during the 2-year period and therefore must be allocated to expenditures for the governmental purposes of the Issue.

If the Issuer elected in the Tax Agreement to exclude from Available Construction Proceeds the Investment Proceeds or earnings on a reasonably required reserve or replacement fund for the Issue during the 2-year spend-down period, the Rebate Amount, if any, with respect to such Investment Proceeds or earnings from the Issuance Date must be timely paid to the United States. If the election is not made, the Rebate Amount, if any, with respect to such Investment Proceeds or earnings after the earlier of the date construction is substantially completed or two years after the Issuance Date must be timely paid to the United States. The Rebate Amount, if any, with respect to earnings on amounts in a Bona Fide Debt Service Fund must be timely paid to the extent such Fund is subject to the rebate requirements (see footnote 3).

The Issue does not fail to satisfy the spending requirement for the fourth spend-down period (*i.e.*, 100% within two years of the Issuance Date) if the only unspent Available Construction Proceeds are amounts for Reasonable Retainage if such amounts (together with all earnings on such amounts) are allocated to expenditures within three years of the Issuance Date.

For purposes of determining whether the spend down requirements have been met as of the end of each of the first three spend-down periods, Available Construction Proceeds include the amount of Investment Proceeds or earnings that the Issuer reasonably expected as of the Issuance Date to earn during the 2-year period unless the Issuer elects, on or before the Issuance Date, to apply these spend down requirements on the basis of actual facts rather than reasonable expectations. For purposes of satisfying the final spend-down requirement, Available Construction Proceeds include actual Investment Proceeds or earnings from the Issuance Date through the end of the 2-year period.

Available Construction Proceeds do not include Gross Proceeds used to pay Issuance Costs financed by the Issue, but do include earnings on such Proceeds. Thus, an expenditure of Gross Proceeds to pay Issuance Costs does not count toward meeting the spend-down requirements, but expenditures of earnings on such Gross Proceeds to pay Issuance Costs do count.

(B) 1½% penalty in lieu of rebate for Construction Issues. If the Issuer elected in the Tax Agreement for a Construction Issue, or for the Construction Portion of a Bifurcated Issue, to pay a 1½% penalty in lieu of the Rebate Amount on Available Construction Proceeds in

the event that the Construction Issue fails to satisfy any of the spend-down requirements, the 1½% penalty is calculated separately for each spend-down period, including each semiannual period after the end of the fourth spend-down period until all Available Construction Proceeds have been spent. The penalty is equal to 0.015 times the underexpended Proceeds as of the end of the applicable spend-down period. The fact that no arbitrage is in fact earned during such spend-down period is not relevant. The Rebate Amount with respect to Gross Proceeds other than Available Construction Proceeds (*e.g.*, amounts in a reasonably required reserve or replacement fund or in a Bona Fide Debt Service Fund, to the extent subject to rebate (see footnote 3)) must be timely paid.

PART III. COMPUTATION AND PAYMENT

SECTION 3.01. COMPUTATION AND PAYMENT OF REBATE AMOUNT.

If none of the Spending Exceptions described above is satisfied (and if the 1½% penalty election for a Construction Issue or the Construction Portion of a Bifurcated Issue has not been made), then within 30 days after each Computation Date, the Issuer shall compute, or cause to be computed, the Rebate Amount as of such Computation Date. The first Computation Date is a date selected by the Issuer, but shall be not later than five years after the Issuance Date. Each subsequent Computation Date shall end five years after the previous Computation Date except that, in a Variable Yield Issue, the Issuer may select annual Yield Periods. The final Computation Date shall be the date the last obligation of the Issue matures or is finally discharged.

Within 60 days after each Computation Date (except the final Computation Date), the Issuer shall pay to the United States not less than 90% of the Rebate Amount, if any, computed as of such Computation Date. Within 60 days after the final Computation Date, the Issuer shall pay to the United States 100% of the Rebate Amount, if any, computed as of the final Computation Date. In computing the Rebate Amount, a computation credit of \$1,000 may be taken into account on the last day of each Bond Year to the Computation Date during which there are unspent Gross Proceeds that are subject to the rebate requirement, and on the final maturity date.

If the operative documents pertaining to the Issue establish a Rebate Fund and require the computation of the Rebate Amount at the end of each Bond Year, the Issuer shall calculate, or cause to be calculated, within 30 days after the end of each Bond Year the Rebate Amount, taking into account the computation credit for each Bond Year. Within 50 days after the end of each Bond Year, if the Rebate Amount is positive, the Issuer shall deposit in the Rebate Fund such amount as will cause the amount on deposit therein to equal the Rebate Amount, and may withdraw any amount on deposit in the Rebate Fund in excess of the Rebate Amount. Payments of the Rebate Amount to the Internal Revenue Service on a Computation Date shall be made first from amounts on deposit in the Rebate Fund and second from other amounts specified in the operative documents.

Each payment of the Rebate Amount or portion thereof shall be payable to the Internal Revenue Service and shall be made to the Internal Revenue Service Center, Ogden, UT 84201 by certified mail. Each payment shall be accompanied by Internal Revenue Service Form 8038-T and any other form or forms required to be submitted with such remittance.

SECTION 3.02. BOOKS AND RECORDS.

(A) The Issuer or Trustee, as applicable, shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the Gross Proceeds of the Issue. Such records shall specify the account or fund to which each Nonpurpose Investment (or portion thereof) held by the Issuer or Trustee is to be allocated and shall set forth as to each Nonpurpose Investment (1) its purchase price, (2) identifying information, including par amount, interest rate, and payment dates, (3) the amount received at maturity or its sales price, as the case may be, including accrued interest, (4) the amounts and dates of any payments made with respect thereto, and (5) the dates of acquisition and disposition or maturity.

(B) The Issuer, Trustee, or Rebate Analyst, as applicable, shall retain the records of all calculations and payments of the Rebate Amount until six years after the retirement of the last obligation that is a part of the Issue.

SECTION 3.03. FAIR MARKET VALUE.

(A) No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

(B) The fair market value of any Nonpurpose Investment shall be the price at which a willing buyer would purchase the Nonpurpose Investment from a willing seller in an arm's-length transaction. Fair market value generally is determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding (*i.e.*, the trade date rather than the settlement date). Except as otherwise provided in this Section, a Nonpurpose Investment that is not of a type traded on an established securities market (within the meaning of Section 1273 of the Code) is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(C) Obligations purchased directly from the Treasury. The fair market value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price.

(D) Safe harbor for Guaranteed Investment Contracts. The purchase price of a Guaranteed Investment Contract shall be treated as its fair market value on the purchase date if all the following conditions are met.

(1) The Issuer or broker makes a bona fide solicitation for a specified Guaranteed Investment Contract and receives at least three bona fide bids from reasonably competitive providers (of Guaranteed Investment Contracts) that have no material financial interest in the Issue.

(2) The Issuer purchases the highest-yielding Guaranteed Investment Contract for which a qualifying bid is made (determined net of broker's fees).

(3) The Yield on the Guaranteed Investment Contract (determined net of broker's fees) is not less than the Yield then available from the provider on reasonably comparable Guaranteed Investment Contracts, if any, offered to other

persons from a source of funds other than Gross Proceeds of Tax-Exempt Obligations.

(4) The determination of the terms of the Guaranteed Investment Contract takes into account as a significant factor the Issuer's reasonably expected drawdown schedule for the amounts to be invested, exclusive of amounts deposited in a Bona Fide Debt Service Fund and a reasonably required reserve or replacement fund.

(5) The terms of the Guaranteed Investment Contract, including collateral security requirements, are reasonable.

(6) The obligor on the Guaranteed Investment Contract certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with the Guaranteed Investment Contract.

(E) Safe harbor for certificates of deposit. The purchase price of a certificate of deposit shall be treated as its fair market value on the purchase date if both of the following requirements are met.

(1) The certificate of deposit has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal.

(2) The Yield on the certificate of deposit is not less than (a) the Yield on reasonably comparable direct obligations of the United States, or (b) the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

Certificates evidencing the foregoing requirements should be obtained before purchasing any Guaranteed Investment Contract or certificate of deposit.

SECTION 3.04. CONSTRUCTIVE SALE/PURCHASE.

(A) Nonpurpose Investments that are held by the Issuer or Trustee as of any Computation Date (or Bond Year if the computations are required to be done annually) shall be treated for purposes of computing the Rebate Amount as of such date as having been sold for their fair market value as of such date. Investment Property that becomes allocated to Gross Proceeds of the Issue on a date after such Investment Property has actually been purchased shall be treated for purposes of the rebate requirements as having been purchased by the Issuer on such date of allocation at its fair market value on such date.

(B) For purposes of constructive or deemed sales or purchases of Investment Property (other than Investment Property in the Escrow Fund or that is otherwise not invested for a Temporary Period or is not part of a reasonably required reserve or replacement fund for the Issue) must be valued at its fair market value on the date of constructive or deemed sale or purchase.

(C) Except as set forth in (B), fixed-rate Investment Property that is (1) issued with not more than 2% of original issue discount or original issue premium, (2) issued with original issue premium that is attributable exclusively to reasonable underwriters' compensation or (3) acquired with not more than 2% of market discount or market premium may be treated as

having a fair market value equal to its outstanding stated principal amount plus accrued interest. Fixed-rate Investment Property also may be treated as having a fair market value equal to its present value.

SECTION 3.05. ADMINISTRATIVE COSTS.

(A) Administrative costs shall not be taken into account in determining the payments for or receipts from a Nonpurpose Investment unless such administrative costs are Qualified Administrative Costs. Thus, administrative costs or expenses paid, directly or indirectly, to purchase, carry, sell, or retire Nonpurpose Investments generally do not increase the Payments for, or reduce the Receipts from, Nonpurpose Investments.

(B) Qualified Administrative Costs are taken into account in determining the Payments and Receipts on Nonpurpose Investments and thus increase the Payments for, or decrease the Receipts from, Nonpurpose Investments. In the case of a Guaranteed Investment Contract, a broker's commission or similar fee paid on behalf of either the Issuer or the provider is a Qualified Administrative Cost to the extent that (1) the amount of the fee treated as a Qualified Administrative Cost does not exceed the lesser of (a) \$39,000, or such higher amount as determined and published by the Internal Revenue Service as the "cost-of-living adjustment" for the calendar year in which the Guaranteed Investment Contract is acquired and (b) 0.2% of the Computational Base or, if more, \$4,000, or such higher amount as determined and published by the Internal Revenue Service as the "cost-of-living adjustment" for the calendar year in which the Guaranteed Investment Contract is acquired and (2) the aggregate amount of broker's commissions or similar fees with respect to all Guaranteed Investment Contracts and Nonpurpose Investments acquired for a yield-restricted defeasance escrow purchased with Gross Proceeds of the Issue treated as Qualified Administrative Costs does not exceed a cap of \$110,000, or such higher amount as determined and published by the Internal Revenue Service as the "cost-of-living adjustment" for the calendar year in which the Guaranteed Investment Contract is acquired less the portion of such cap, if any, used in prior years with respect to the Issue.

PART IV. COMPLIANCE AND AMENDMENT

SECTION 4.01. COMPLIANCE.

The Issuer, Trustee or Rebate Analyst, as applicable, shall take all necessary steps to comply with the requirements of these Instructions in order to ensure that interest on the Issue is excluded from gross income for federal income tax purposes under Section 103(a) of the Code. However, compliance shall not be required in the event and to the extent stated therein the Issuer and the Trustee receive a Bond Counsel's Opinion that either (A) compliance with such requirement is not required to maintain the exclusion from gross income for federal income tax purposes of interest on the Issue, or (B) compliance with some other requirement in lieu of such requirement will comply with Section 148(f) of the Code, in which case compliance with the other requirement specified in the Bond Counsel's Opinion shall constitute compliance with such requirement.

SECTION 4.02. LIABILITY.

If for any reason any requirement of these Instructions is not complied with, the Issuer and the Trustee, if applicable, shall take all necessary and desirable steps to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence. The Trustee shall have no duty or responsibility to independently verify any of the Issuer's, or the Rebate Analyst's, calculations with respect to the payments of the Rebate Amount due and owing to the United States. Under no circumstances whatsoever shall the Trustee be liable to the Issuer, any bondholder or any other person for any inclusion of the interest on the Issue in gross income for federal income tax purposes, or any claims, demands, damages, liabilities, losses, costs or expenses resulting therefrom or in any way connected therewith, so long as the Trustee acts only in accordance with these Instructions and the operative documents pertaining to the Issue.

(End of Exhibit D)

EXHIBIT E

Allocation of Bond Proceeds/Useful Life Chart

EXHIBIT E TO TAX CERTIFICATE AND AGREEMENT

Useful Life and Qualifying Costs Calculation - Essex County IDA-Champlain Valley Milling, Inc., 2017

Issue Date: 5/16/2017
 120% Useful Life/Maximum Weighted Average Maturity (see below): 26.8408 years
 Percentage of Net Proceeds Used for Qualifying Costs (see below: must exceed 95%): 98.0000%

Payee	Description	Category	Project Cost	Useful Life	120% of Useful Life	Placed in Service Date	Adjustment (yrs) to Bond Issuance Date	[3] * [5]	[1] X [6]	[7] / [1]
Mill Equipment Codema	Refurbish old equipment and new supplies for the mill	Equipment	472,603.00	7	8.4	11/30/2017	0.5500	9.0	4,229,797	
Engineering - Codema	Design of the mill system	Equipment/ Building	138,390.00	7	8.4	11/30/2017	0.5500	9.0	1,238,591	
Satake	Color Sorter	Equipment	150,000.00	7	8.4	11/30/2017	0.5500	9.0	1,342,600	
Construction Co-Coordinator		Moving/Equipment/Building	34,000.00	7	8.4	11/30/2017	0.5500	9.0	304,300	
Air Compressor		Equipment	43,750.00	7	8.4	11/30/2017	0.5500	9.0	391,563	
Freight	Shipping Costs	Equipment	20,000.00	7	8.4	11/30/2017	0.5500	9.0	179,000	
Kice	Air Compressor plant supply loop piping	Equipment	10,000.00	7	8.4	11/30/2017	0.5500	9.0	89,500	
Kice Quote 97199	Hammermill/Vac System	Equipment	98,896.00	7	8.4	11/30/2017	0.5500	9.0	885,119	
Kice Quote 97201	Filter System Cleaning/milling	Equipment	74,299.00	7	8.4	11/30/2017	0.5500	9.0	664,976	
Kice	Bulk flour load out system	Equipment	150,000.00	7	8.4	11/30/2017	0.5500	9.0	1,342,500	
	Sub Total:		1,191,938.00						10,667,845	
A.N. Martin Quote 24432	Truck Scales	Equipment	68,393.75	7	8.4	11/30/2017	0.5500	9.0	612,124	
A.N. Martin Est No 22007	2 - 27' diameter grain bins	Equipment	84,709.94	7	8.4	11/30/2017	0.5500	9.0	758,154	
A.N. Martin Quote 25276	3 bins 6ft diameters	Equipment	23,763.00	7	8.4	11/30/2017	0.5500	9.0	212,679	
A.N. Martin Quote 25279	Flex augur to midds	Equipment	3,250.00	7	8.4	11/30/2017	0.5500	9.0	29,088	
A.N. Martin Quote 25281	9' 9"ina bin for clean grain	Equipment	12,818.00	7	8.4	11/30/2017	0.5500	9.0	114,721	
A.N. Martin Quote 25282	10' bucket elevator extension	Equipment	3,688.00	7	8.4	11/30/2017	0.5500	9.0	32,829	
A.N. Martin Quote 25283	Bucket elevator to temper augur	Equipment	31,283.50	7	8.4	11/30/2017	0.5500	9.0	279,987	
A.N. Martin Estimate # 22495	Grain unloading elevator (Lea)	Equipment	106,135.75	7	8.4	11/30/2017	0.5500	9.0	949,915	
A.N. Martin Estimate # 22496	Drag conveyor for unloading elevator	Equipment	26,255.00	7	8.4	11/30/2017	0.5500	9.0	234,982	
A.N. Martin Estimate #22501	Scale for mixing tank	Equipment	4,729.00	7	8.4	11/30/2017	0.5500	9.0	42,325	
A.N. Martin Estimate #22502	Packing bin for grains	Equipment	4,100.00	7	8.4	11/30/2017	0.5500	9.0	36,695	
A.N. Martin Quote 25139	Tear down and reinstall grain bins	Moving/Equipment	165,000.00	7	8.4	11/30/2017	0.5500	9.0	1,476,750	
	Sub Total:		534,105.94						4,780,248	
John Sheehan Invoice #611	Site work for new mill building and concrete for scales	Real Estate Improvements	157,340.00	39	46.8	11/30/2017	0.5500	47.4	7,450,049	
John Sheehan Invoice #511	Concrete for the grain bin pad	Real Estate Improvements	32,760.00	39	46.8	11/30/2017	0.5500	47.4	1,551,186	
A.N. Martin Estimate #20223	Pouring concrete for grain bin pad	Real Estate Improvements	130,800.00	39	46.8	11/30/2017	0.5500	47.4	6,193,380	
John Sheehan Inv. #565	Site Work for grain bin pad and road for scales	Real Estate Improvements	59,035.00	39	46.8	11/30/2017	0.5500	47.4	2,795,307	
	Sub Total:		379,935.00						17,989,922	
Jeffords Steel	Mill Building with roof	Building Construction	864,860.00	39	46.8	11/30/2017	0.5500	47.4	40,951,121	
CVM	Bulk flour truck & trailer on road	Equipment	254,000.00	7	8.4	11/30/2017	0.5500	9.0	2,273,300	
Mark Buckley	Electrical(RASP & Ace Electric)	Building Improvement	517,360.00	39	46.8	11/30/2017	0.5500	47.4	24,496,996	
Creason	New hoods/rebuilding roll stands	Equipment	40,000.00	7	8.4	11/30/2017	0.5500	9.0	358,000	
Total			\$3,782,198.94 **						101,517,433	26.8408 years

*All costs shown are qualifying costs, used in the manufacturing or production of tangible personal property.
 **Pro rata portion of the above costs is being financed

For 8038
 Amount of Equipment >5 \$2,020,043.94 53.41%
 Amount of Building \$1,762,155.00 46.59%

Qualifying Costs Calculation	
Total Qualifying Project Costs:	\$3,637,597.55
Remaining Qualifying Costs	\$144,601.39
Construction Contingency (rounding amount)	\$0.00
Capitalized Interest (Qualifying Portion)	\$143,710.95
Capitalized Interest (Nonqualifying Portion)	\$0.00
Reserve Fund	\$325,468.76
Issuer Fee and Title Insurance	\$53,322.74
Other Issuance Costs (net of equity contrib.)	\$84,900.00
Total:	\$4,245,000.00
<i>Net Sale Proceeds, excluding neutral costs:</i>	\$3,866,208.50
<i>Estimated Investment Earnings</i>	\$19,301.67 [assume 30 basis points for 2 years]
Amount of Nonqualifying Costs:	\$84,900.00
Total Nonqualifying Costs	\$84,900.00 [earnings allocated to remaining qualifying costs]
Nonqualifying Costs Percentage	2.00% [all COI]

EXHIBIT F
UNDERWRITER'S CERTIFICATE

Exhibit F

to Tax Certificate and Agreement

Pertaining to

\$4,245,000

**ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
TAX-EXEMPT REVENUE BONDS
(CHAMPLAIN VALLEY MILLING, INC. PROJECT)
SERIES 2017**

Dated May 16, 2017

UNDERWRITER'S CERTIFICATE

Janney Montgomery Scott LLC (“Underwriter”), as underwriter for the bonds identified above (the “Issue”), issued by Essex County Industrial Development Agency (the “Issuer”) for the benefit of Champlain Valley Milling Corp., Inc. (the “Borrower”), based on its knowledge regarding the sale of the Issue, certifies as of this date as follows:

(1) **Issue Price.** All of the bonds of the Issue were actually sold to Oppenheimer Rochester High Yield Municipal Fund (the “Purchaser”) at the prices set forth in the final Limited Offering Memorandum, for the Issue (the “Issue Price” as applicable to respective maturities) for the purposes of the Purchaser’s investment and not for resale, which is not more than the fair market value of each maturity as of May 16, 2017, the Sale Date of the Issue. The aggregate Issue Price of the Issue, there being no Pre-Issuance Accrued Interest, is \$4,245,000.

(2) **Yield.** The Yield on the Issue is 6.2990%, being the discount rate that, when used in computing the present worth of all payments of principal and interest to be paid on the Issue, computed on the basis of a 360-day year and semi-annual compounding, produces an amount equal to the Issue Price of the Issue as stated in paragraph (1).

(3) **Weighted Average Maturity.** The weighted average maturity (defined below) of the Issue is 20.1341 years. The weighted average maturity of an issue is equal to the sum of the products of the Initial Offering Price of each maturity of the issue and the number of years to the maturity date of the respective maturity (taking into account mandatory but not optional redemptions), divided by the Initial Offering Price of the entire Issue.

(4) **Underwriter’s Discount.** The Underwriter’s discount is \$75,000, being the amount by which the aggregate Issue Price (as set forth in paragraph (1)) exceeds the price paid by the Underwriter to the Issuer for the Issue.

(5) **CUSIP Number.** Based on the notification from the CUSIP Service Bureau, the CUSIP Number assigned to the final maturity of the Issue is 296830 AH5.

(6) **No Discount or Premium Bonds.** No bond of the Issue was sold at an original issue discount or premium.

(7) **No Stepped Coupon Bonds.** No bond of the Issue bears interest at an increasing interest rate.

All capitalized terms not defined in this Certificate have the meaning set forth in the Tax Certificate and Agreement or in Exhibit A to it.

(signature page follows)

The signer is an officer of the Underwriter and duly authorized to execute and deliver this Certificate of the Underwriter. The Underwriter understands that the certifications contained in this Certificate will be relied on by each of the Issuer and the Borrower in making certain of their representations in the Tax Certificate and Agreement and in completing and filing the Information Return for the Issue, and by Squire Patton Boggs (US) LLP, as bond counsel, in rendering certain of its legal opinions in connection with the issuance of the Issue.

Dated: May 16, 2017

JANNEY MONTGOMERY SCOTT LLC

AS REP
By: Daniel S. Froehlich
Title: Managing Director

EXHIBIT G

Underwriter's Calculations

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Champlain Valley Milling (NY)
2017 New Money Financing
Private Placement - Oppenheimer
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SOURCES AND USES OF FUNDS

Champlain Valley Milling (NY)
2017 New Money Financing
Private Placement - Oppenheimer
REVISED FINAL NUMBERS

Dated Date 05/16/2017
Delivery Date 05/16/2017

Sources:

Bond Proceeds:	
Par Amount	4,245,000.00
Other Sources of Funds:	
Equity Contribution	101,200.00
	4,346,200.00

Uses:

Project Fund Deposits:	
Project Fund	3,637,597.55
Other Fund Deposits:	
Debt Service Reserve Fund	325,468.76
Capitalized Interest Fund	143,710.95
	469,179.71
Cost of Issuance:	
Placement Agent Counsel Fee	15,000.00
Bond Counsel Fee	50,000.00
Borrower's Counsel Fee	17,325.00
Issuer's Counsel Fee	2,775.00
Purchaser's Counsel Fee	15,000.00
Trustee Fee	8,000.00
Trustee's Counsel Fee	3,000.00
	111,100.00
Underwriter's Discount:	
Average Takedown	42,450.00
Management Fee	32,022.00
Expenses	528.00
	75,000.00
Other Delivery Date Expenses:	
Issuer Fee	31,837.50
Title Insurance	16,360.24
Kevin Hall Surveyor	2,175.00
Atlantic Testing Laboratories (phase I enviro)	2,950.00
	53,322.74
	4,346,200.00

BOND SUMMARY STATISTICS

Champlain Valley Milling (NY)
 2017 New Money Financing
 Private Placement - Oppenheimer
 REVISED FINAL NUMBERS

Dated Date	05/16/2017
Delivery Date	05/16/2017
First Coupon	06/01/2017
Last Maturity	06/01/2047
Arbitrage Yield	6.298985%
True Interest Cost (TIC)	6.466832%
Net Interest Cost (NIC)	6.337751%
All-In TIC	6.852013%
Average Coupon	6.250000%
Average Life (years)	20.134
Duration of Issue (years)	10.908
Par Amount	4,245,000.00
Bond Proceeds	4,245,000.00
Total Interest	5,341,836.29
Net Interest	5,416,836.29
Total Debt Service	9,586,836.29
Maximum Annual Debt Service	325,468.76
Average Annual Debt Service	319,117.99
Underwriter's Fees (per \$1000)	
Average Takedown	10.000000
Management Fee	7.543463
Other Fee	0.124382
Total Underwriter's Discount	17.667845
Bid Price	98.233216

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Term Bond Due 2047	4,245,000.00	100.000	6.250%	20.134	11.011	5,730.75
	4,245,000.00			20.134		5,730.75

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,245,000.00	4,245,000.00	4,245,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-75,000.00	-75,000.00	
- Cost of Issuance Expense		-111,100.00	
- Other Amounts		-53,322.74	
Target Value	4,170,000.00	4,005,577.26	4,245,000.00
Target Date	05/16/2017	05/16/2017	05/16/2017
Yield	6.466832%	6.852013%	6.298985%

BOND PRICING

Champlain Valley Milling (NY)
 2017 New Money Financing
 Private Placement - Oppenheimer
 REVISED FINAL NUMBERS

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond Due 2047:	06/01/2047	4,245,000	6.250%	6.250%	100.000
		4,245,000			

Dated Date	05/16/2017		
Delivery Date	05/16/2017		
First Coupon	06/01/2017		
Par Amount	4,245,000.00		
Original Issue Discount			
Production	4,245,000.00	100.000000%	
Underwriter's Discount	-75,000.00	-1.766784%	
Purchase Price	4,170,000.00	98.233216%	
Accrued Interest			
Net Proceeds	4,170,000.00		

BOND DEBT SERVICE

Champlain Valley Milling (NY)
 2017 New Money Financing
 Private Placement - Oppenheimer
 REVISED FINAL NUMBERS

Dated Date 05/16/2017
 Delivery Date 05/16/2017

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
05/16/2017						4,245,000	4,245,000
06/01/2017			11,054.69	11,054.69	11,054.69	4,245,000	4,245,000
09/01/2017			66,328.13	66,328.13		4,245,000	4,245,000
12/01/2017			66,328.13	66,328.13		4,245,000	4,245,000
03/01/2018			66,328.13	66,328.13		4,245,000	4,245,000
06/01/2018			66,328.13	66,328.13	265,312.52	4,245,000	4,245,000
09/01/2018			66,328.13	66,328.13		4,245,000	4,245,000
12/01/2018			66,328.13	66,328.13		4,245,000	4,245,000
03/01/2019			66,328.13	66,328.13		4,245,000	4,245,000
06/01/2019			66,328.13	66,328.13	265,312.52	4,245,000	4,245,000
09/01/2019			66,328.13	66,328.13		4,245,000	4,245,000
12/01/2019	25,000	6.250%	66,328.13	91,328.13		4,220,000	4,220,000
03/01/2020			65,937.50	65,937.50		4,220,000	4,220,000
06/01/2020	35,000	6.250%	65,937.50	100,937.50	324,531.26	4,185,000	4,185,000
09/01/2020			65,390.63	65,390.63		4,185,000	4,185,000
12/01/2020	30,000	6.250%	65,390.63	95,390.63		4,155,000	4,155,000
03/01/2021			64,921.88	64,921.88		4,155,000	4,155,000
06/01/2021	30,000	6.250%	64,921.88	94,921.88	320,625.02	4,125,000	4,125,000
09/01/2021			64,453.13	64,453.13		4,125,000	4,125,000
12/01/2021	30,000	6.250%	64,453.13	94,453.13		4,095,000	4,095,000
03/01/2022			63,984.38	63,984.38		4,095,000	4,095,000
06/01/2022	35,000	6.250%	63,984.38	98,984.38	321,875.02	4,060,000	4,060,000
09/01/2022			63,437.50	63,437.50		4,060,000	4,060,000
12/01/2022	35,000	6.250%	63,437.50	98,437.50		4,025,000	4,025,000
03/01/2023			62,890.63	62,890.63		4,025,000	4,025,000
06/01/2023	35,000	6.250%	62,890.63	97,890.63	322,656.26	3,990,000	3,990,000
09/01/2023			62,343.75	62,343.75		3,990,000	3,990,000
12/01/2023	35,000	6.250%	62,343.75	97,343.75		3,955,000	3,955,000
03/01/2024			61,796.88	61,796.88		3,955,000	3,955,000
06/01/2024	40,000	6.250%	61,796.88	101,796.88	323,281.26	3,915,000	3,915,000
09/01/2024			61,171.88	61,171.88		3,915,000	3,915,000
12/01/2024	35,000	6.250%	61,171.88	96,171.88		3,880,000	3,880,000
03/01/2025			60,625.00	60,625.00		3,880,000	3,880,000
06/01/2025	45,000	6.250%	60,625.00	105,625.00	323,593.76	3,835,000	3,835,000
09/01/2025			59,921.88	59,921.88		3,835,000	3,835,000
12/01/2025	40,000	6.250%	59,921.88	99,921.88		3,795,000	3,795,000
03/01/2026			59,296.88	59,296.88		3,795,000	3,795,000
06/01/2026	45,000	6.250%	59,296.88	104,296.88	323,437.52	3,750,000	3,750,000
09/01/2026			58,593.75	58,593.75		3,750,000	3,750,000
12/01/2026	45,000	6.250%	58,593.75	103,593.75		3,705,000	3,705,000
03/01/2027			57,890.63	57,890.63		3,705,000	3,705,000
06/01/2027	45,000	6.250%	57,890.63	102,890.63	322,968.76	3,660,000	3,660,000
09/01/2027			57,187.50	57,187.50		3,660,000	3,660,000
12/01/2027	45,000	6.250%	57,187.50	102,187.50		3,615,000	3,615,000
03/01/2028			56,484.38	56,484.38		3,615,000	3,615,000
06/01/2028	50,000	6.250%	56,484.38	106,484.38	322,343.76	3,565,000	3,565,000
09/01/2028			55,703.13	55,703.13		3,565,000	3,565,000
12/01/2028	50,000	6.250%	55,703.13	105,703.13		3,515,000	3,515,000
03/01/2029			54,921.88	54,921.88		3,515,000	3,515,000
06/01/2029	50,000	6.250%	54,921.88	104,921.88	321,250.02	3,465,000	3,465,000
09/01/2029			54,140.63	54,140.63		3,465,000	3,465,000
12/01/2029	50,000	6.250%	54,140.63	104,140.63		3,415,000	3,415,000
03/01/2030			53,359.38	53,359.38		3,415,000	3,415,000
06/01/2030	60,000	6.250%	53,359.38	113,359.38	325,000.02	3,355,000	3,355,000
09/01/2030			52,421.88	52,421.88		3,355,000	3,355,000
12/01/2030	55,000	6.250%	52,421.88	107,421.88		3,300,000	3,300,000
03/01/2031			51,562.50	51,562.50		3,300,000	3,300,000
06/01/2031	60,000	6.250%	51,562.50	111,562.50	322,968.76	3,240,000	3,240,000
09/01/2031			50,625.00	50,625.00		3,240,000	3,240,000
12/01/2031	65,000	6.250%	50,625.00	115,625.00		3,175,000	3,175,000
03/01/2032			49,609.38	49,609.38		3,175,000	3,175,000
06/01/2032	60,000	6.250%	49,609.38	109,609.38	325,468.76	3,115,000	3,115,000
09/01/2032			48,671.88	48,671.88		3,115,000	3,115,000
12/01/2032	65,000	6.250%	48,671.88	113,671.88		3,050,000	3,050,000
03/01/2033			47,656.25	47,656.25		3,050,000	3,050,000
06/01/2033	65,000	6.250%	47,656.25	112,656.25	322,656.26	2,985,000	2,985,000
09/01/2033			46,640.63	46,640.63		2,985,000	2,985,000
12/01/2033	65,000	6.250%	46,640.63	111,640.63		2,920,000	2,920,000

BOND DEBT SERVICE
 Champlain Valley Milling (NY)
 2017 New Money Financing
 Private Placement - Oppenheimer
 REVISED FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
03/01/2034			45,625.00	45,625.00		2,920,000	2,920,000
06/01/2034	75,000	6.250%	45,625.00	120,625.00	324,531.26	2,845,000	2,845,000
09/01/2034			44,453.13	44,453.13		2,845,000	2,845,000
12/01/2034	75,000	6.250%	44,453.13	119,453.13		2,770,000	2,770,000
03/01/2035			43,281.25	43,281.25		2,770,000	2,770,000
06/01/2035	75,000	6.250%	43,281.25	118,281.25	325,468.76	2,695,000	2,695,000
09/01/2035			42,109.38	42,109.38		2,695,000	2,695,000
12/01/2035	75,000	6.250%	42,109.38	117,109.38		2,620,000	2,620,000
03/01/2036			40,937.50	40,937.50		2,620,000	2,620,000
06/01/2036	80,000	6.250%	40,937.50	120,937.50	321,093.76	2,540,000	2,540,000
09/01/2036			39,687.50	39,687.50		2,540,000	2,540,000
12/01/2036	80,000	6.250%	39,687.50	119,687.50		2,460,000	2,460,000
03/01/2037			38,437.50	38,437.50		2,460,000	2,460,000
06/01/2037	85,000	6.250%	38,437.50	123,437.50	321,250.00	2,375,000	2,375,000
09/01/2037			37,109.38	37,109.38		2,375,000	2,375,000
12/01/2037	85,000	6.250%	37,109.38	122,109.38		2,290,000	2,290,000
03/01/2038			35,781.25	35,781.25		2,290,000	2,290,000
06/01/2038	90,000	6.250%	35,781.25	125,781.25	320,781.26	2,200,000	2,200,000
09/01/2038			34,375.00	34,375.00		2,200,000	2,200,000
12/01/2038	95,000	6.250%	34,375.00	129,375.00		2,105,000	2,105,000
03/01/2039			32,890.63	32,890.63		2,105,000	2,105,000
06/01/2039	95,000	6.250%	32,890.63	127,890.63	324,531.26	2,010,000	2,010,000
09/01/2039			31,406.25	31,406.25		2,010,000	2,010,000
12/01/2039	100,000	6.250%	31,406.25	131,406.25		1,910,000	1,910,000
03/01/2040			29,843.75	29,843.75		1,910,000	1,910,000
06/01/2040	100,000	6.250%	29,843.75	129,843.75	322,500.00	1,810,000	1,810,000
09/01/2040			28,281.25	28,281.25		1,810,000	1,810,000
12/01/2040	110,000	6.250%	28,281.25	138,281.25		1,700,000	1,700,000
03/01/2041			26,562.50	26,562.50		1,700,000	1,700,000
06/01/2041	105,000	6.250%	26,562.50	131,562.50	324,687.50	1,595,000	1,595,000
09/01/2041			24,921.88	24,921.88		1,595,000	1,595,000
12/01/2041	110,000	6.250%	24,921.88	134,921.88		1,485,000	1,485,000
03/01/2042			23,203.13	23,203.13		1,485,000	1,485,000
06/01/2042	115,000	6.250%	23,203.13	138,203.13	321,250.02	1,370,000	1,370,000
09/01/2042			21,406.25	21,406.25		1,370,000	1,370,000
12/01/2042	120,000	6.250%	21,406.25	141,406.25		1,250,000	1,250,000
03/01/2043			19,531.25	19,531.25		1,250,000	1,250,000
06/01/2043	120,000	6.250%	19,531.25	139,531.25	321,875.00	1,130,000	1,130,000
09/01/2043			17,656.25	17,656.25		1,130,000	1,130,000
12/01/2043	125,000	6.250%	17,656.25	142,656.25		1,005,000	1,005,000
03/01/2044			15,703.13	15,703.13		1,005,000	1,005,000
06/01/2044	130,000	6.250%	15,703.13	145,703.13	321,718.76	875,000	875,000
09/01/2044			13,671.88	13,671.88		875,000	875,000
12/01/2044	140,000	6.250%	13,671.88	153,671.88		735,000	735,000
03/01/2045			11,484.38	11,484.38		735,000	735,000
06/01/2045	135,000	6.250%	11,484.38	146,484.38	325,312.52	600,000	600,000
09/01/2045			9,375.00	9,375.00		600,000	600,000
12/01/2045	145,000	6.250%	9,375.00	154,375.00		455,000	455,000
03/01/2046			7,109.38	7,109.38		455,000	455,000
06/01/2046	145,000	6.250%	7,109.38	152,109.38	322,968.76	310,000	310,000
09/01/2046			4,843.75	4,843.75		310,000	310,000
12/01/2046	155,000	6.250%	4,843.75	159,843.75		155,000	155,000
03/01/2047			2,421.88	2,421.88		155,000	155,000
06/01/2047	155,000	6.250%	2,421.88	157,421.88	324,531.26		
	4,245,000		5,341,836.29	9,586,836.29	9,586,836.29		

NET DEBT SERVICE

Champlain Valley Milling (NY)
 2017 New Money Financing
 Private Placement - Oppenheimer
 REVISED FINAL NUMBERS

Date	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
06/01/2017	11,054.69		11,054.69	
09/01/2017	66,328.13		66,328.13	
12/01/2017	66,328.13		66,328.13	
03/01/2018	66,328.13			66,328.13
06/01/2018	66,328.13			66,328.13
09/01/2018	66,328.13			66,328.13
12/01/2018	66,328.13			66,328.13
03/01/2019	66,328.13			66,328.13
06/01/2019	66,328.13			66,328.13
09/01/2019	66,328.13			66,328.13
12/01/2019	91,328.13			91,328.13
03/01/2020	65,937.50			65,937.50
06/01/2020	100,937.50			100,937.50
09/01/2020	65,390.63			65,390.63
12/01/2020	95,390.63			95,390.63
03/01/2021	64,921.88			64,921.88
06/01/2021	94,921.88			94,921.88
09/01/2021	64,453.13			64,453.13
12/01/2021	94,453.13			94,453.13
03/01/2022	63,984.38			63,984.38
06/01/2022	98,984.38			98,984.38
09/01/2022	63,437.50			63,437.50
12/01/2022	98,437.50			98,437.50
03/01/2023	62,890.63			62,890.63
06/01/2023	97,890.63			97,890.63
09/01/2023	62,343.75			62,343.75
12/01/2023	97,343.75			97,343.75
03/01/2024	61,796.88			61,796.88
06/01/2024	101,796.88			101,796.88
09/01/2024	61,171.88			61,171.88
12/01/2024	96,171.88			96,171.88
03/01/2025	60,625.00			60,625.00
06/01/2025	105,625.00			105,625.00
09/01/2025	59,921.88			59,921.88
12/01/2025	99,921.88			99,921.88
03/01/2026	59,296.88			59,296.88
06/01/2026	104,296.88			104,296.88
09/01/2026	58,593.75			58,593.75
12/01/2026	103,593.75			103,593.75
03/01/2027	57,890.63			57,890.63
06/01/2027	102,890.63			102,890.63
09/01/2027	57,187.50			57,187.50
12/01/2027	102,187.50			102,187.50
03/01/2028	56,484.38			56,484.38
06/01/2028	106,484.38			106,484.38
09/01/2028	55,703.13			55,703.13
12/01/2028	105,703.13			105,703.13
03/01/2029	54,921.88			54,921.88
06/01/2029	104,921.88			104,921.88
09/01/2029	54,140.63			54,140.63
12/01/2029	104,140.63			104,140.63
03/01/2030	53,359.38			53,359.38
06/01/2030	113,359.38			113,359.38
09/01/2030	52,421.88			52,421.88
12/01/2030	107,421.88			107,421.88
03/01/2031	51,562.50			51,562.50
06/01/2031	111,562.50			111,562.50
09/01/2031	50,625.00			50,625.00
12/01/2031	115,625.00			115,625.00
03/01/2032	49,609.38			49,609.38
06/01/2032	109,609.38			109,609.38
09/01/2032	48,671.88			48,671.88
12/01/2032	113,671.88			113,671.88
03/01/2033	47,656.25			47,656.25
06/01/2033	112,656.25			112,656.25
09/01/2033	46,640.63			46,640.63
12/01/2033	111,640.63			111,640.63
03/01/2034	45,625.00			45,625.00
06/01/2034	120,625.00			120,625.00
09/01/2034	44,453.13			44,453.13
12/01/2034	119,453.13			119,453.13
03/01/2035	43,281.25			43,281.25

NET DEBT SERVICE

Champlain Valley Milling (NY)
 2017 New Money Financing
 Private Placement - Oppenheimer
 REVISED FINAL NUMBERS

Date	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest Fund	Net Debt Service
06/01/2035	118,281.25			118,281.25
09/01/2035	42,109.38			42,109.38
12/01/2035	117,109.38			117,109.38
03/01/2036	40,937.50			40,937.50
06/01/2036	120,937.50			120,937.50
09/01/2036	39,687.50			39,687.50
12/01/2036	119,687.50			119,687.50
03/01/2037	38,437.50			38,437.50
06/01/2037	123,437.50			123,437.50
09/01/2037	37,109.38			37,109.38
12/01/2037	122,109.38			122,109.38
03/01/2038	35,781.25			35,781.25
06/01/2038	125,781.25			125,781.25
09/01/2038	34,375.00			34,375.00
12/01/2038	129,375.00			129,375.00
03/01/2039	32,890.63			32,890.63
06/01/2039	127,890.63			127,890.63
09/01/2039	31,406.25			31,406.25
12/01/2039	131,406.25			131,406.25
03/01/2040	29,843.75			29,843.75
06/01/2040	129,843.75			129,843.75
09/01/2040	28,281.25			28,281.25
12/01/2040	138,281.25			138,281.25
03/01/2041	26,562.50			26,562.50
06/01/2041	131,562.50			131,562.50
09/01/2041	24,921.88			24,921.88
12/01/2041	134,921.88			134,921.88
03/01/2042	23,203.13			23,203.13
06/01/2042	138,203.13			138,203.13
09/01/2042	21,406.25			21,406.25
12/01/2042	141,406.25			141,406.25
03/01/2043	19,531.25			19,531.25
06/01/2043	139,531.25			139,531.25
09/01/2043	17,656.25			17,656.25
12/01/2043	142,656.25			142,656.25
03/01/2044	15,703.13			15,703.13
06/01/2044	145,703.13			145,703.13
09/01/2044	13,671.88			13,671.88
12/01/2044	153,671.88			153,671.88
03/01/2045	11,484.38			11,484.38
06/01/2045	146,484.38			146,484.38
09/01/2045	9,375.00			9,375.00
12/01/2045	154,375.00			154,375.00
03/01/2046	7,109.38			7,109.38
06/01/2046	152,109.38			152,109.38
09/01/2046	4,843.75			4,843.75
12/01/2046	159,843.75			159,843.75
03/01/2047	2,421.88			2,421.88
06/01/2047	157,421.88	325,468.76		-168,046.88
	9,586,836.29	325,468.76	143,710.95	9,117,656.58

FORM 8038 STATISTICS

Champlain Valley Milling (NY)
 2017 New Money Financing
 Private Placement - Oppenheimer
 REVISED FINAL NUMBERS

Dated Date 05/16/2017
 Delivery Date 05/16/2017

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Term Bond Due 2047:						
	12/01/2019	25,000.00	6.250%	100.000	25,000.00	25,000.00
	06/01/2020	35,000.00	6.250%	100.000	35,000.00	35,000.00
	12/01/2020	30,000.00	6.250%	100.000	30,000.00	30,000.00
	06/01/2021	30,000.00	6.250%	100.000	30,000.00	30,000.00
	12/01/2021	30,000.00	6.250%	100.000	30,000.00	30,000.00
	06/01/2022	35,000.00	6.250%	100.000	35,000.00	35,000.00
	12/01/2022	35,000.00	6.250%	100.000	35,000.00	35,000.00
	06/01/2023	35,000.00	6.250%	100.000	35,000.00	35,000.00
	12/01/2023	35,000.00	6.250%	100.000	35,000.00	35,000.00
	06/01/2024	40,000.00	6.250%	100.000	40,000.00	40,000.00
	12/01/2024	35,000.00	6.250%	100.000	35,000.00	35,000.00
	06/01/2025	45,000.00	6.250%	100.000	45,000.00	45,000.00
	12/01/2025	40,000.00	6.250%	100.000	40,000.00	40,000.00
	06/01/2026	45,000.00	6.250%	100.000	45,000.00	45,000.00
	12/01/2026	45,000.00	6.250%	100.000	45,000.00	45,000.00
	06/01/2027	45,000.00	6.250%	100.000	45,000.00	45,000.00
	12/01/2027	45,000.00	6.250%	100.000	45,000.00	45,000.00
	06/01/2028	50,000.00	6.250%	100.000	50,000.00	50,000.00
	12/01/2028	50,000.00	6.250%	100.000	50,000.00	50,000.00
	06/01/2029	50,000.00	6.250%	100.000	50,000.00	50,000.00
	12/01/2029	50,000.00	6.250%	100.000	50,000.00	50,000.00
	06/01/2030	60,000.00	6.250%	100.000	60,000.00	60,000.00
	12/01/2030	55,000.00	6.250%	100.000	55,000.00	55,000.00
	06/01/2031	60,000.00	6.250%	100.000	60,000.00	60,000.00
	12/01/2031	65,000.00	6.250%	100.000	65,000.00	65,000.00
	06/01/2032	60,000.00	6.250%	100.000	60,000.00	60,000.00
	12/01/2032	65,000.00	6.250%	100.000	65,000.00	65,000.00
	06/01/2033	65,000.00	6.250%	100.000	65,000.00	65,000.00
	12/01/2033	65,000.00	6.250%	100.000	65,000.00	65,000.00
	06/01/2034	75,000.00	6.250%	100.000	75,000.00	75,000.00
	12/01/2034	75,000.00	6.250%	100.000	75,000.00	75,000.00
	06/01/2035	75,000.00	6.250%	100.000	75,000.00	75,000.00
	12/01/2035	75,000.00	6.250%	100.000	75,000.00	75,000.00
	06/01/2036	80,000.00	6.250%	100.000	80,000.00	80,000.00
	12/01/2036	80,000.00	6.250%	100.000	80,000.00	80,000.00
	06/01/2037	85,000.00	6.250%	100.000	85,000.00	85,000.00
	12/01/2037	85,000.00	6.250%	100.000	85,000.00	85,000.00
	06/01/2038	90,000.00	6.250%	100.000	90,000.00	90,000.00
	12/01/2038	95,000.00	6.250%	100.000	95,000.00	95,000.00
	06/01/2039	95,000.00	6.250%	100.000	95,000.00	95,000.00
	12/01/2039	100,000.00	6.250%	100.000	100,000.00	100,000.00
	06/01/2040	100,000.00	6.250%	100.000	100,000.00	100,000.00
	12/01/2040	110,000.00	6.250%	100.000	110,000.00	110,000.00
	06/01/2041	105,000.00	6.250%	100.000	105,000.00	105,000.00
	12/01/2041	110,000.00	6.250%	100.000	110,000.00	110,000.00
	06/01/2042	115,000.00	6.250%	100.000	115,000.00	115,000.00
	12/01/2042	120,000.00	6.250%	100.000	120,000.00	120,000.00
	06/01/2043	120,000.00	6.250%	100.000	120,000.00	120,000.00
	12/01/2043	125,000.00	6.250%	100.000	125,000.00	125,000.00
	06/01/2044	130,000.00	6.250%	100.000	130,000.00	130,000.00
	12/01/2044	140,000.00	6.250%	100.000	140,000.00	140,000.00
	06/01/2045	135,000.00	6.250%	100.000	135,000.00	135,000.00
	12/01/2045	145,000.00	6.250%	100.000	145,000.00	145,000.00
	06/01/2046	145,000.00	6.250%	100.000	145,000.00	145,000.00
	12/01/2046	155,000.00	6.250%	100.000	155,000.00	155,000.00
	06/01/2047	155,000.00	6.250%	100.000	155,000.00	155,000.00
		4,245,000.00			4,245,000.00	4,245,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	06/01/2047	6.250%	155,000.00	155,000.00		
Entire Issue			4,245,000.00	4,245,000.00	20.1341	6.2990%

FORM 8038 STATISTICS

Champlain Valley Milling (NY)
2017 New Money Financing
Private Placement - Oppenheimer
REVISED FINAL NUMBERS

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	84,900.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	325,468.76

PROOF OF ARBITRAGE YIELD

Champlain Valley Milling (NY)
 2017 New Money Financing
 Private Placement - Oppenheimer
 REVISED FINAL NUMBERS

Date	Debt Service	Present Value to 05/16/2017 @ 6.2989854468%
06/01/2017	11,054.69	11,026.16
09/01/2017	66,328.13	65,139.13
12/01/2017	66,328.13	64,136.96
03/01/2018	66,328.13	63,150.22
06/01/2018	66,328.13	62,178.65
09/01/2018	66,328.13	61,222.03
12/01/2018	66,328.13	60,280.13
03/01/2019	66,328.13	59,352.72
06/01/2019	66,328.13	58,439.58
09/01/2019	66,328.13	57,540.49
12/01/2019	91,328.13	78,009.38
03/01/2020	65,937.50	55,455.06
06/01/2020	100,937.50	83,584.88
09/01/2020	65,390.63	53,315.95
12/01/2020	95,390.63	76,579.72
03/01/2021	64,921.88	51,317.51
06/01/2021	94,921.88	73,876.67
09/01/2021	64,453.13	49,391.41
12/01/2021	94,453.13	71,267.29
03/01/2022	63,984.38	47,535.09
06/01/2022	98,984.38	72,405.81
09/01/2022	63,437.50	45,689.80
12/01/2022	98,437.50	69,807.21
03/01/2023	62,890.63	43,912.90
06/01/2023	97,890.63	67,299.79
09/01/2023	62,343.75	42,201.90
12/01/2023	97,343.75	64,880.41
03/01/2024	61,796.88	40,554.45
06/01/2024	101,796.88	65,776.82
09/01/2024	61,171.88	38,918.55
12/01/2024	96,171.88	60,244.78
03/01/2025	60,625.00	37,392.93
06/01/2025	105,625.00	64,146.20
09/01/2025	59,921.88	35,830.76
12/01/2025	99,921.88	58,829.84
03/01/2026	59,296.88	34,374.42
06/01/2026	104,296.88	59,530.75
09/01/2026	58,593.75	32,929.70
12/01/2026	103,593.75	57,324.00
03/01/2027	57,890.63	31,541.16
06/01/2027	102,890.63	55,196.51
09/01/2027	57,187.50	30,206.71
12/01/2027	102,187.50	53,145.50
03/01/2028	56,484.38	28,924.35
06/01/2028	106,484.38	53,689.27
09/01/2028	55,703.13	27,653.34
12/01/2028	105,703.13	51,668.09
03/01/2029	54,921.88	26,432.99
06/01/2029	104,921.88	49,720.27
09/01/2029	54,140.63	25,261.39
12/01/2029	104,140.63	47,843.23
03/01/2030	53,359.38	24,136.68
06/01/2030	113,359.38	50,488.29
09/01/2030	52,421.88	22,988.59
12/01/2030	107,421.88	46,383.01
03/01/2031	51,562.50	21,921.31
06/01/2031	111,562.50	46,700.04
09/01/2031	50,625.00	20,865.58
12/01/2031	115,625.00	46,922.78
03/01/2032	49,609.38	19,822.67
06/01/2032	109,609.38	43,123.36
09/01/2032	48,671.88	18,854.26
12/01/2032	113,671.88	43,356.16
03/01/2033	47,656.25	17,897.16
06/01/2033	112,656.25	41,656.80
09/01/2033	46,640.63	16,980.93
12/01/2033	111,640.63	40,020.81
03/01/2034	45,625.00	16,103.97
06/01/2034	120,625.00	41,921.21
09/01/2034	44,453.13	15,211.26
12/01/2034	119,453.13	40,246.39

PROOF OF ARBITRAGE YIELD

Champlain Valley Milling (NY)
 2017 New Money Financing
 Private Placement - Oppenheimer
 REVISED FINAL NUMBERS

Date	Debt Service	Present Value to 05/16/2017 @ 6.2989854468%
03/01/2035	43,281.25	14,358.05
06/01/2035	118,281.25	38,634.76
09/01/2035	42,109.38	13,542.77
12/01/2035	117,109.38	37,084.02
03/01/2036	40,937.50	12,763.89
06/01/2036	120,937.50	37,126.93
09/01/2036	39,687.50	11,996.33
12/01/2036	119,687.50	35,621.30
03/01/2037	38,437.50	11,263.74
06/01/2037	123,437.50	35,615.66
09/01/2037	37,109.38	10,542.51
12/01/2037	122,109.38	34,156.69
03/01/2038	35,781.25	9,854.82
06/01/2038	125,781.25	34,109.52
09/01/2038	34,375.00	9,178.44
12/01/2038	129,375.00	34,012.84
03/01/2039	32,890.63	8,513.95
06/01/2039	127,890.63	32,595.99
09/01/2039	31,406.25	7,881.48
12/01/2039	131,406.25	32,469.41
03/01/2040	29,843.75	7,260.70
06/01/2040	129,843.75	31,103.72
09/01/2040	28,281.25	6,670.47
12/01/2040	138,281.25	32,113.49
03/01/2041	26,562.50	6,073.79
06/01/2041	131,562.50	29,620.28
09/01/2041	24,921.88	5,524.64
12/01/2041	134,921.88	29,449.13
03/01/2042	23,203.13	4,986.58
06/01/2042	138,203.13	29,244.27
09/01/2042	21,406.25	4,459.95
12/01/2042	141,406.25	29,008.44
03/01/2043	19,531.25	3,945.05
06/01/2043	139,531.25	27,749.82
09/01/2043	17,656.25	3,457.43
12/01/2043	142,656.25	27,505.05
03/01/2044	15,703.13	2,981.08
06/01/2044	145,703.13	27,234.75
09/01/2044	13,671.88	2,516.22
12/01/2044	153,671.88	27,847.22
03/01/2045	11,484.38	2,049.09
06/01/2045	146,484.38	25,734.26
09/01/2045	9,375.00	1,621.65
12/01/2045	154,375.00	26,292.40
03/01/2046	7,109.38	1,192.21
06/01/2046	152,109.38	25,115.52
09/01/2046	4,843.75	787.47
12/01/2046	159,843.75	25,586.73
03/01/2047	2,421.88	381.71
06/01/2047	157,421.88	24,429.64
	9,586,836.29	4,245,000.00

Proceeds Summary

Delivery date	05/16/2017
Par Value	4,245,000.00
Target for yield calculation	4,245,000.00

Exhibit H

Form 8038

**Information Return for Tax-Exempt
 Private Activity Bond Issues**
 (Under Internal Revenue Code section 149(e))
 ▶ See separate instructions.

Part I Reporting Authority		Check if Amended Return <input type="checkbox"/>	
1 Issuer's name Essex County Industrial Development Agency		2 Issuer's employer identification number 14-1630643	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) 7566 Court Street	Room/suite	5 Report number (For IRS Use Only) <input type="checkbox"/> 1 <input type="checkbox"/> <input type="checkbox"/>	
6 City, town, or post office, state, and ZIP code Elizabethtown, NY 12932		7 Date of issue (MM/DD/YYYY) 05/16/2017	
8 Name of issue Tax-Exempt Revenue Bonds (Champlain Valley Milling, Inc. Project) Series 2017		9 CUSIP number None.	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information Carol Calabrese/Jody Olcott, Co-Executive Directors		10b Telephone number of officer or other employee shown on 10a 518-873-9114	

Part II Type of Issue (Enter the issue price.)	Issue Price
11 Exempt facility bond:	
a Airport (sections 142(a)(1) and 142(c))	11a
b Docks and wharves (sections 142(a)(2) and 142(c))	11b
c Water furnishing facilities (sections 142(a)(4) and 142(e))	11c
d Sewage facilities (section 142(a)(5))	11d
e Solid waste disposal facilities (section 142(a)(6))	11e
f Qualified residential rental projects (sections 142(a)(7) and 142(d)) (see instructions)	11f
Meeting 20-50 test (section 142(d)(1)(A)) <input type="checkbox"/>	
Meeting 40-60 test (section 142(d)(1)(B)) <input type="checkbox"/>	
Meeting 25-60 test (NYC only) (section 142(d)(6)) <input type="checkbox"/>	
Has an election been made for deep rent skewing (section 142(d)(4)(B))? <input type="checkbox"/> Yes <input type="checkbox"/> No	
g Facilities for the local furnishing of electric energy or gas (sections 142(a)(8) and 142(f))	11g
h Facilities allowed under a transitional rule of the Tax Reform Act of 1986 (see instructions)	11h
Facility type _____	
1986 Act section _____	
i Qualified enterprise zone facility bonds (section 1394) (see instructions)	11i
j Qualified empowerment zone facility bonds (section 1394(f)) (see instructions)	11j
k District of Columbia Enterprise Zone facility bonds (section 1400A)	11k
l Qualified public educational facility bonds (sections 142(a)(13) and 142(k))	11l
m Qualified green building and sustainable design projects (sections 142(a)(14) and 142(l))	11m
n Qualified highway or surface freight transfer facilities (sections 142(a)(15) and 142(m))	11n
o Other (see instructions) _____	
p Qualified New York Liberty Zone bonds (section 1400L(d)) _____	11p
q Other (see instructions) _____	11q
12a Qualified mortgage bond (section 143(a))	12a
b Other (see instructions) _____	12b
13 Qualified veterans' mortgage bond (section 143(b)) (see instructions) ▶	13
Check the box if you elect to rebate arbitrage profits to the United States <input type="checkbox"/>	
14 Qualified small issue bond (section 144(a)) (see instructions) ▶	14
Check the box for \$10 million small issue exemption <input checked="" type="checkbox"/>	\$4,245,000
15 Qualified student loan bond (section 144(b))	15
16 Qualified redevelopment bond (section 144(c))	16
17 Qualified hospital bond (section 145(c)) (attach schedule—see instructions)	17
18 Qualified 501(c)(3) nonhospital bond (section 145(b)) (attach schedule—see instructions)	18
Check box if 95% or more of net proceeds will be used only for capital expenditures ▶ <input type="checkbox"/>	
19 Nongovernmental output property bond (treated as private activity bond) (section 141(d))	19
20a Other (see instructions) _____	
b New York Liberty Zone advance refunding bond (section 1400L(e)) (see instructions) _____	20b
c Other. Describe (see instructions) ▶ _____	20c

Part III Description of Bonds (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	06/01/2047	\$ 4,245,000	\$ 4,245,000	20.1341 years	6.2990 %

Part IV Uses of Proceeds of Issue (including underwriters' discount)

	Amount
22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23 \$4,245,000
24 Proceeds used for bond issuance costs (including underwriters' discount)	24 84,900
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26 325,468.76
27 Proceeds used to currently refund prior issue (complete Part VI)	27
28 Proceeds used to advance refund prior issue (complete Part VI)	28
29 Add lines 24 through 28	29 410,368.76
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 \$3,834,631.24

Part V Description of Property Financed by Nonrefunding Proceeds

Caution: The total of lines 31a through e below must equal line 30 above. Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.

31 Type of Property Financed by Nonrefunding Proceeds:	Amount
a Land	31a
b Buildings and structures	31b \$1,786,583.60
c Equipment with recovery period of more than 5 years	31c \$2,048,047.64
d Equipment with recovery period of 5 years or less	31d
e Other. Describe (see instructions)	31e

32 North American Industry Classification System (NAICS) of the projects financed by nonrefunding proceeds.

a	NAICS Code	Amount of nonrefunding proceeds	c	NAICS Code	Amount of nonrefunding proceeds
a	311211	\$ 3,834,631.24	c		\$
b		\$	d		\$

Part VI Description of Refunded Bonds (Complete this part only for refunding bonds.)

33 Enter the remaining weighted average maturity of the bonds to be currently refunded	years
34 Enter the remaining weighted average maturity of the bonds to be advance refunded	years
35 Enter the last date on which the refunded bonds will be called	/ /
36 Enter the date(s) the refunded bonds were issued	

Part VII Miscellaneous

37 Name of governmental unit(s) approving issue (see the instructions) **Essex County approved the issue on July 5, 2016, after a public hearing held on May 23, 2016, following reasonable public notice thereof, published in the Valley News**

38 Check the box if you have designated any issue under section 265(b)(3)(B)(i)(II)

39 Check the box if you have elected to pay a penalty in lieu of arbitrage rebate

40a Check the box if you have identified a hedge and enter the following information

b Name of hedge provider _____

c Type of hedge

d Term of hedge

41 Check the box if the hedge is superintegrated

42a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC)

b Enter the final maturity date of the GIC / /

c Enter the name of the GIC provider

43 Check the box if the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated in accordance with the requirements under the Code and Regulations (see instructions)

44 Check the box if the issuer has established written procedures to monitor the requirements of section 148

45a Enter the amount of reimbursement if some portion of the proceeds was used to reimburse expenditures \$420,652.86

b Enter the date the official intent was adopted 04 / 19 / 2016

46 Check the box if the issue is comprised of qualified redevelopment, qualified small issue, or exempt facilities bonds and provide name and EIN of the primary private user

Name **Champlain Valley Milling Corp., Inc.** EIN **14-1667594**

Part VIII Volume Caps		Amount
47	Amount of state volume cap allocated to the issuer. Attach copy of state certification	47 4,245,000.00
48	Amount of issue subject to the unified state volume cap	48
49	Amount of issue not subject to the unified state volume cap or other volume limitations:	49
a	Of bonds for governmentally owned solid waste facilities, airports, docks, wharves, environmental enhancements of hydroelectric generating facilities, or high-speed intercity rail facilities	49a
b	Under a carryforward election. Attach a copy of Form 8328 to this return	49b
c	Under transitional rules of the Tax Reform Act of 1986. Enter Act section ▶	49c
d	Under the exception for current refunding (section 146(i) and section 1313(a) of the Tax Reform Act of 1986)	49d
50a	Amount of issue of qualified veterans' mortgage bonds	50a
b	Enter the state limit on qualified veterans' mortgage bonds	50b
51a	Amount of section 1394(f) volume cap allocated to issuer. Attach copy of local government certification	51a
b	Name of empowerment zone ▶	
52	Amount of section 142(k)(5) volume cap allocated to issuer. Attach copy of state certification	52

Signature and Consent Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.

Darren Darrah Signature of issuer's authorized representative 05/16/17 Date Darren Darrah, Chairman Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name John W. Hutchinson	Preparer's signature <i>John W. Hutchinson</i>	Date 05/16/2017	Check <input type="checkbox"/> if self-employed	Preparer's PTIN P01065270
Firm's name ▶ Squire Patton Boggs (US) LLP	Firm's EIN ▶ 34-0648199		Firm's address ▶ 30 Rockefeller Plaza, 23rd Floor, New York, NY 10112-2399	
Firm's address ▶ 30 Rockefeller Plaza, 23rd Floor, New York, NY 10112-2399			Phone no. 212-872-9821	



**New York State
Department
of Economic
Development**

August 7, 2017

Attached is a copy of the Budget Director's Certification No. 17-02-DED relating to the 2017 Cap on Private Activity Bonds for the second quarter of 2017 and necessary for filing with the Internal Revenue Service.

George LaPointe
Commerce Policy Analyst 2

CERTIFICATION

Pursuant to Section 149(e) (2) (F) of the
Internal Revenue Code of 1986 for Private Activity Bonds
Which Require an Allocation of Volume Cap

On behalf of Robert F. Mujica, Jr., Director of the New York State Division of the Budget, designated under Chapter 337 of the Laws of 1989 as a State official who may make the certification required by Section 149(e)(2) of the Internal Revenue Code of 1986 (the "Code") I hereby certify that the issuance of the Private Activity Bonds during 2017 by the Issuers, as described in the attached Schedule A (the "Bonds"), meets the requirements of Section 146 of the Internal Revenue Code of 1986 (relating to the cap on Private Activity Bonds) to wit:

(a) Pursuant to Section 146 of the Code, the issuers received an allocation of \$414,270,000 of 2017 State Volume Cap.

(b) This Certification is based on information maintained by the New York State Division of the Budget concerning the level of State Agency issues and information supplied to the Department of Economic Development by Local or Other Issuers concerning the level of Local or Other Issuer activity.

(c) On the basis of such information, the aggregate face amount of the Bonds does not exceed the State's total Volume Cap for the 2017 calendar year.



George Westervelt
Chief Budget Examiner

Certificate No. 17-02-DED

Dated: 8/7/17

**NEW YORK STATE
PRIVATE ACTIVITY BOND CERTIFICATION**

Schedule A

Certificate Number: 17-02-DED

2017 State Ceiling: \$1,974,528,900

Census Figure: 19,745,289

ISSUER	TITLE OF ISSUE	AMOUNT	TYPE	DATE ISSUED
New York City Housing Development Corporation	Multi-Family Housing Revenue Bonds, 2017 Series A-1-A, A-1-B, A-2-A, A-2-B, and A-3	\$74,505,000	RR	04/05/2017
New York City Housing Development Corporation	Multi-Family Housing Revenue Bonds, 2017 Series C-1, C-2, C-3A, C-3-B, C-4, and D	\$335,520,000	RR	06/28/2017
Essex County Industrial Development Agency	Champlain Valley Milling, Inc. Project	\$4,245,000	SI	05/16/2017

RR – Residential Rental

SI – Small issue (manufacturing)



New York State
Department
of Economic
Development

April 20, 2017

Lauren M. Trialonis, Esq.
Senior Associate
Squire Patton Boggs (US) LLP
30 Rockefeller Plaza, 23rd Floor
New York, New York 10112

RE: NCREDC/Essex County IDA: Volume Cap Allocation for Champlain Valley Milling, Inc.
Project

Dear Ms. Trialonis:

On the recommendation of the North Country Regional Economic Development Council, I am pleased to approve an allocation of 2017 private activity bond volume cap to the Essex County Industrial Development Agency in the amount of \$2,963,228 which, when combined with the IDA's initial allocation, will permit the issuance of tax exempt private activity bonds to finance the Champlain Valley Milling, Inc., Project, a small issue (manufacturing) project located in the Town of Willsboro, New York.

Once bonds have been issued, please send us a copy of IRS Form 8038 so that we can provide the certification required under Section 149(e) (2) of the Internal Revenue Code. Should any part of the above allocation not be needed, please notify us immediately so that it will become available for reallocation for other projects.

If you have any other questions or need additional information, please feel free to contact George LaPointe at (518) 292-5307.

Sincerely,

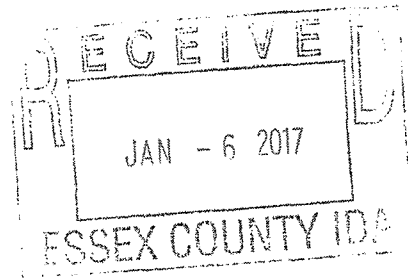
Howard Zemsky
President & CEO, Empire State Development
Commissioner, NYS Department of Economic Development



January 3, 2017

Ms. Jody Olcott
CFO
Essex County IDA
7566 Court Street
P. O. Box 217
Elizabethtown, NY 12932

Subject: Notification of Initial Allocation



Dear Ms. Olcott:

I am pleased to inform you that, pursuant to the Private Activity Bond Allocation Act of 2016, your initial allocation for calendar year 2017 is \$1,282,472. This allocation is based upon the formula prescribed in Chapter 82, Laws of 2016, utilizing the most recent official population estimates of the U.S. Bureau of the Census.

If you have any questions or need additional information, please feel free to contact George LaPointe at george.lapointe@esd.ny.gov or (518)292-5307.

Sincerely yours,

Howard Zemsky
President & CEO, Empire State Development
Commissioner, NYS Department of Economic Development

Exhibit I

Borrower's Tax Questionnaire Response

M E M O R A N D U M

TO: Champlain Valley Milling, Inc.

FROM: Squire Patton Boggs (US) LLP

DATE: April 4, 2017

RE: Essex County Industrial Development Agency – Qualified Small Issue Bonds

Our “due diligence” as bond counsel for the Bonds to be issued by the Essex County Industrial Development Agency (the “Issuer”) for the benefit of Champlain Valley Milling, Inc. (the “Borrower”), will require that we review certain information and documents. We have attached a list of the information and documents that we need.

We may have follow-up questions about the information and documents that you provide. Please call Johnny Hutchinson at (212) 872-9821 if you have any questions in preparing your responses or assembling documents.

Squire Patton Boggs (US) LLP

Documents and Other Items Required for Tax Due Diligence

- 1) For each capital expenditure for the Project, please provide:
 - a) A description of the item (construction, new equipment, etc.).
 - i) **RESPONSE:** Please see attached Excel Workbook.
 - b) The amount paid for such item.
 - i) **RESPONSE:** Please see attached Excel Workbook.
 - c) The date on which the Borrower paid (or expects to pay) for the item.
 - i) **RESPONSE:** Please see attached Excel Workbook.
 - d) The date on which such item was (or is expected to be) placed in service.
 - i) **RESPONSE:** All items are expected to be placed in service on November 30, 2017.
 - e) The reasonably expected useful life of such item on the date it was (or is expected to be) placed in service for federal income tax purposes.
 - i) **RESPONSE:** Received.
 - f) Whether or not the Borrower will use Bond proceeds to pay for the asset.
 - i) **RESPONSE:** See attached Excel workbook.
- 2) **Acquisition of Old Adirondack Building and related assets.**
 - a) What assets did or will the Borrower acquire when it purchased the Old Adirondack building?
 - i) **RESPONSE:** When Champlain Valley Milling purchased the Old Adirondack building they acquired the building and land as assets. Also acquired as assets through the sale was pallet racks, a Yale Forklift, the heating system and the fuel tanks used with the heating system.
 - b) Were or will any tax-exempt bond proceeds be used to pay or reimburse the Borrower for the purchase?
 - i) **RESPONSE:** Yes, Champlain Valley Milling will use bond proceeds for payment or reimbursement of the Old Adirondack Building and related assets, but not for the acquisition of the Old Adirondack Building.

- c) What has or will the Borrower do with the Old Adirondack building? Will it be torn down or renovated?
 - i) **RESPONSE:** Champlain Valley Milling is making minor renovations to the existing building. These renovations will include things such as windows and siding. The borrower is also adding a 75' by 60' addition to the building which will serve as the new production area.

3) **Construction of the Project.**

- a) Has the Borrower commenced construction of the Project? If so, tell us the construction start date and the date on which the Borrower expects to place the Project in service for tax purposes.
 - i) **RESPONSE:** Yes, Champlain Valley Milling has commenced construction on the project. The start date of the construction was October 2016. Champlain Valley Milling expects to place the project in service by November 30, 2017.
- b) Will the Project include office space? If so, will the Borrower use bond proceeds to pay for the cost of constructing or equipping the office space? If so, what percentage of the bond proceeds will be used for office space?
 - i) **RESPONSE:** Yes, the Project will include office space, but no portion of the proceeds of the Bonds will be used for these expenditures.
- c) Will the Project include any other areas or operations that are not related to the Borrower's core manufacturing operation (other than office space described above)? (For example, space where the Borrower sells products to consumers.) If so, please tell us the amount of bond proceeds to be spent on this ancillary space.
 - i) **RESPONSE:** No, the Project will not include any other areas or operations that are not related to Champlain Valley Milling's core manufacturing operation.
- d) Will the Project include the purchase of land? If so, tell us how much it will cost (or has cost)? Please provide any appraisal documents that the Borrower obtained.
 - i) **RESPONSE:** No, no Bond proceeds will be used for land acquisition costs.
- e) Please confirm that the Project will be located entirely within the geographic jurisdiction of the Town of Willsboro, Essex County, New York. If not, please tell us the other geographic jurisdictions in which the Project will be located.
 - i) **RESPONSE:** Yes, the Project is located entirely within the geographic jurisdiction of the Town of Willsboro, Essex County, New York.

4) **Users of the Project**

a) Please give the name, address, and tax identification number of any legal entities other than the Borrower that will be using the Project. Ignore customers and business invitees when answering this question.

i) **RESPONSE:** There will be no other legal entities using the Project other than Champlain Valley Milling.

b) Please give the name, entity form, and tax identification number of all entities that are Related Persons to the Borrower. The definition of "Related Persons" is complex, and we have described it at the end of this questionnaire. If you have doubts about whether a person (which includes both individuals and business entities) is Related to the Borrower, please err on the side of caution and assume that it is Related to the Borrower.

i) **RESPONSE:** The only related persons to Champlain Valley Milling are their shareholders. They are all individual people. None of the shareholders of Champlain Valley Milling are other corporations. No business entity that is a Related Person to any of the Borrower's shareholders has had any Capital Expenditures in the Town of Willsboro in the 3 years prior to the Issuance Date of the Issue, nor do they expect to have any such Capital Expenditures in the 3 years following the Issuance Date of the Issue.

i. Please indicate whether any of these entities will be using the Project.

RESPONSE: None of the Champlain Valley Milling Related Persons will be using the project.

ii. For any LLC, please also indicate whether the entity is a disregarded entity for federal income tax purposes.

RESPONSE: There are no LLC's that are considered Related to Champlain Valley Milling.

c) Does the Borrower expect that it will gain any "new" Related Persons in the 3 years after the bonds are issued (for example, through a reorganization or acquisition)? If so, please describe.

i) **RESPONSE:** No, Champlain Valley Milling does not expect that it will gain any new Related Persons in the 3 years after the bonds are issued.

d) Are there any tax-exempt bonds currently outstanding for the benefit of the Borrower or any Related Persons to the Borrower? If so, please tell us the amount

of the bonds when they were issued, the amount that is currently outstanding, and the location of the project financed with those bonds.

i) **RESPONSE:** No. There are no tax exempt bonds currently outstanding.

5) **Capital Expenditure Limitations.**

a) Please describe the nature, date, and amount of any expenditures that the Borrower or any Related Person has made for any facilities located in the same geographic jurisdiction as the Project (see question 6). This includes expenditures that aren't part of this Project or that haven't been financed with tax-exempt bonds.

i) **RESPONSE:** No, there are no other expenditures that have been made in the same geographic jurisdiction.

b) Please give the amount of expected future expenditures by the Borrower and any Related Person in the same geographic jurisdiction as the Project. This includes expenditures that aren't part of this Project or that won't be financed with tax-exempt bonds.

i) **RESPONSE:** There are no expected future expenditures expected by Champlain Valley Milling in the same geographic jurisdiction.

Definition of “Related Person”

For purposes of this questionnaire, a person (which includes both individuals and business entities) is a related person to another person according to the guidelines below.

- 1) **Controlled groups of corporations.** A person is related to another person if it is part of the same controlled group of corporations. A controlled group of corporations means:
 - a) A chain of corporations connected through stock ownership by a common parent if at least 50% of the voting power or 50% of the total value of all of the stock of each corporation in the chain is owned by one or more of the other corporations in the chain connected by a common parent, **and**, the common parent owns at least 50% of the voting power or value of shares in at least one of the other corporations in the chain.
 - b) Two or more corporations if 5 or fewer persons who are individuals, estates, or trusts for tax purposes, own more than 50% of the voting power or value of the stock of each corporation, taking into account the stock ownership of each person only to the extent the person owns identical shares with respect to each corporation.
 - c) Three or more corporations each of which is described in a) or b) above, and one of which is a common parent corporation included in a) and is included in a group described in b).

- 2) **Partnerships.**
 - a) A partnership and a person owning, directly or indirectly, more than 50 percent of the capital interest, or the profits interest, in such partnership are related parties.
 - b) Two partnerships are related where the same persons own, directly or indirectly, more than 50 percent of the capital interests or profits interests.
 - c) **For purposes of this section:**
 - i) Stock owned, directly or indirectly, by or for a corporation, partnership, estate, or trust shall be considered as being owned proportionately by or for its shareholders, partners, or beneficiaries.
 - ii) An individual shall be considered as owning the stock owned, directly or indirectly, by or for his family.
 - iii) The family of an individual shall include only his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

- iv) Stock constructively owned by a person by reason of the application of paragraph (i) shall, for the purpose of applying paragraph (i), (ii), or (iii), be treated as actually owned by such person, but stock constructively owned by an individual by reason of the application of paragraph (ii) or (iii) shall not be treated as owned by him for the purpose of again applying either of such paragraphs in order to make another the constructive owner of such stock.

3) **Other relationships.**

- a) Members of a family (meaning an individual's brothers and sisters (whole or half), spouse, ancestors, and lineal descendants) are related to each other.
- b) An individual is related to a corporation more than 50 percent in value of the outstanding stock of which is owned, directly or indirectly, by or for that individual.
- c) A grantor and a fiduciary of any trust are related.
- d) A fiduciary of a trust is related to a fiduciary of another trust, if the same person is a grantor of both trusts.
- e) A fiduciary of a trust and a beneficiary of that trust are related.
- f) A fiduciary of a trust is related to a beneficiary of another trust, if the same person is a grantor of both trusts.
- g) A fiduciary of a trust is related to a corporation where more than 50 percent in value of the outstanding stock of the corporation is owned, directly or indirectly, by or for the trust or by or for a person who is a grantor of the trust.
- h) A person and an organization to which section 501 (relating to certain educational and charitable organizations which are exempt from tax) applies and which is controlled directly or indirectly by such person or (if such person is an individual) by members of the family of such individual.
- i) A corporation is related to a partnership if the same persons own:
 - i) more than 50 percent in value of the outstanding stock of the corporation, and
 - ii) more than 50 percent of the capital interest, or the profits interest, in the partnership.
- j) An S corporation is related to another S corporation if the same persons own more than 50 percent in value of the outstanding stock of each corporation.

- k) An S corporation and a C corporation, if the same persons own more than 50 percent in value of the outstanding stock of each corporation.
- l) Except in the case of a sale or exchange in satisfaction of a pecuniary bequest, an executor of an estate is related to beneficiary of such estate.
- m) **For purposes of this section:**
 - i) Stock owned, directly or indirectly, by or for a corporation, partnership, estate, or trust shall be considered as being owned proportionately by or for its shareholders, partners, or beneficiaries.
 - ii) An individual shall be considered as owning the stock owned, directly or indirectly, by or for his family.
 - iii) An individual owning (otherwise than by the application of paragraph (ii)) any stock in a corporation shall be considered as owning the stock owned, directly or indirectly, by or for his partner.
 - iv) The family of an individual shall include only his brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.
 - v) Stock constructively owned by a person by reason of the application of paragraph (i) shall, for the purpose of applying paragraph (i), (ii), or (iii), be treated as actually owned by such person, but stock constructively owned by an individual by reason of the application of paragraph (ii) or (iii) shall not be treated as owned by him for the purpose of again applying either of such paragraphs in order to make another the constructive owner of such stock.

INDUCEMENT RESOLUTION

A regular meeting of the Essex County Industrial Development Agency, Essex County, New York, was convened in public session on April 19, 2016, at 1 p.m. at 7566 Court Street, Elizabethtown, New York.

The meeting was called to order by the Chairman, with the following members being:

Present: Darren Darrah (via conference call)
John Boyea (via conference call)
Jamie Rogers (via conference call)
Gerald Morrow (via conference call)
Joseph Kusalonis (via conference call)
James Bowen (via conference call)

Also Present: Jody Olcott
Carol Calabrese
Jen Briggs (via conference call)
Sam Sherman, Champlain Valley Milling (via conference call)

Absent: Matthew Courtright

Upon motion duly made and seconded, the following resolution was unanimously adopted by the members of the Essex County Industrial Development Agency:

RESOLUTION TAKING OFFICIAL ACTION TOWARD THE ISSUANCE BY THE AGENCY OF UP TO FIVE MILLION DOLLARS (\$5,000,000) TAX EXEMPT INDUSTRIAL DEVELOPMENT REVENUE BONDS TO FINANCE THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, EQUIPPING AND INSTALLATION OF BUILDINGS AND BUILDING IMPROVEMENTS AND EQUIPMENT, INCLUDING FIXTURES, FOR CHAMPLAIN VALLEY MILLING, INC., A NEW YORK CORPORATION, AND ITS SUCCESSORS AND ASSIGNS

WHEREAS, Champlain Valley Milling, Inc., a New York corporation, and its successors and assigns (the "Company"), located in Willsboro, New York, has applied to the Essex County Industrial Development Agency (the "Agency") to issue tax-exempt industrial development revenue bonds ("small issue" manufacturing exemption for private activity bonds) in an aggregate principal amount not to exceed \$5,000,000 (the "Bonds") for the purpose of financing (i) the acquisition, construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including fixtures, to manufacture grain into flour, all within the Town of Willsboro, New York 12996 (the "Facility"), and (ii) certain costs of issuing the Bonds (hereinafter collectively referred to as the "Project").

WHEREAS, the Company is, or shall be prior to the providing of financial assistance, if any, by the Agency, a corporation, duly organized in the State of New York or other state, and authorized to do business in the State of New York, and

WHEREAS pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 563 of the Laws of 1973 of the State of New York, as amended (collectively, the "Act"), the Agency is authorized and empowered to finance the acquisition, construction, reconstruction, equipping and installation of such facility within Essex County, New York through the issuance of its tax-exempt industrial development revenue bonds, and

WHEREAS, the members of the Agency have approved the application of the Company and have agreed to issue Bonds for the purpose of financing the acquisition, construction, reconstruction, equipping and installation of the Project for the Company.

NOW, THEREFORE, BE IT RESOLVED by the Essex County Industrial Development Agency as follows:

Section 1. The Agency has found and determined that the Company's project constitutes a "project" within the meaning of the Act and shall accomplish the public purpose of the Agency as presented in the Act; and will promote the job opportunities, health, general prosperity and the economic welfare of the inhabitants of Essex County and the State of New York and improve their standard of living and will thereby serve the public purposes of the Act; and that it is desirable and in the public interest to issue up to FIVE MILLION DOLLARS (\$5,000,000) principal amount of Bonds for the purpose of financing the acquisition, construction, reconstruction, equipping and installation of the Project, together with necessary incidental expenses in connection therewith.

Section 2. The Agency will (i) issue the Bonds in the principal amount of not more than FIVE MILLION DOLLARS (\$5,000,000) the particular maturity, interest rate, redemption term and other terms and provisions to be determined by a further resolution of the Agency, (ii) acquire, construct, reconstruct, equip and install the Project, or cause the Project to be acquired, constructed, reconstructed, equipped or installed, (iii) lease with option to purchase, or sell the Project to the Company pursuant to a lease or an installment sale agreement by and between the Agency and the Company, whereby the Company will be obligated, among other things, to make payments to the Agency in amounts and at times so that such payments will be adequate to pay the principal of and premium, if any, and interest on the Bonds and (iv) secure the Bonds in such manner as the Agency, the purchaser of the Bonds and the Company mutually deem appropriate. If the proceeds from the sale of such Bonds are insufficient to finance the entire cost of acquisition, construction, reconstruction, equipping and installation of the Project, the Company shall complete and pay for the Project. Alternatively, the Agency may enter into a "straight-lease" transaction with the Company and grant a mortgage on the Project to secure conventional financing therefore.

- Section 3. The Company is hereby appointed the true and lawful agent of the Agency (i) to acquire, construct, reconstruct, equip and install the Project, and (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency and 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 as the Agency could do if acting on its own behalf. In addition, the Company is hereby authorized to advance such funds as may be necessary to accomplish such purposes and, to the extent permitted by law, the Agency agrees to reimburse the Company therefor out of the proceeds of the Bonds.
- Section 4. The Agency in reviewing the Company's application has preliminarily determined that the Company meets the provisions of Section 862 (2) of the General Municipal Law or that such provisions are not applicable. Any financial assistance which the Agency may provide to the Company shall be subject to the "clawback" provisions of Section 875 of the General Municipal Law, and the Company shall at all times cooperate with and indemnify and hold harmless the Agency in the Agency's colorable and good faith compliance with said Section 875.
- Section 5. Squire Patton Boggs (US) LLP is hereby appointed Bond Counsel in relation to the issuance of the Bonds.
- Section 6. Jennifer Briggs, Esq. is hereby appointed as general counsel to the Agency in relation to the issuance of the Bonds.
- Section 7. Bond Counsel is hereby authorized to work with the Company and others to prepare, for submission to the Agency, all documents necessary to effect the authorization, issuance and sale of the Bonds.
- Section 8. The Chairman of the Agency is hereby authorized and directed to distribute copies of this resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.
- Section 9. This resolution is hereby adopted subject to the requirements of the State Environmental Quality Review Act (SEQRA), as amended, Article 8 of the Environmental Conservation Law of the State of New York, and all regulations thereunder, and applicable regulations, if any, of the Adirondack Park Agency ("APA").
- Section 10. The Agency understands initially that the Company's Project will constitute a qualified manufacturing facility and that the Bonds will constitute "qualified small issue bonds" pursuant to Section 144(a) of the Internal Revenue Code of 1986, as amended (the "Code). Accordingly, the Agency shall prepare and publish a notice of public hearing in compliance with Section 147(f) of the Code and shall hold such public

hearing prior to the issuance of the Bonds, the Agency must have approved the issuance of the Bonds after such public hearing on the issuance of the Bonds and the nature and location of the Project has been held by the Agency at a regularly scheduled meeting of the Agency.

Section 11. The Agency intends this Resolution to be a Declaration of Official Intent of the Agency with respect to the Bonds under U.S. Treasury Regulations Section 1.150-2 (successor to Section 1.103-18) for purposes of Sections 103 and 141 to 150 of the Code. The Agency is the “actual issuer” of the Bonds within the meaning of Section 1.150-2 of the U.S. Treasury Regulations. A general functional description of the property, project or program for which the Company reasonably expects to reimburse all or a portion of the capital expenditures paid within 60 days prior to the date hereof or to be paid on or after the date hereof (the “Expenditures”) is: the acquisition, construction, reconstruction, equipping and installation of the Project. The maximum principal amount of debt expected to be issued for the purposes of reimbursement of the Expenditures is \$5,000,000. The Agency reasonably expects the Company to reimburse the Expenditures with proceeds of debt consisting of the Bonds to be issued by the Agency. This Declaration of Official Intent shall be reasonably available for inspection by the general public, commencing no later than 30 days after the date hereof, until the date of issue of the last Bonds issued to finance the Expenditures, during normal business hours on business days at the office of the Agency, County Government Center, Elizabethtown, New York 12932.

Section 12. The Project qualifies for a payment in lieu of taxes agreement to be negotiated, if at all, at the option of the Agency under its uniform tax-exemption policy.

Section 13. The resolution incorporates by reference the information, statements, exhibits, terms and covenants contained in the Company's Application for Financial Assistance, dated and filed with the Agency on March 8, 2016, which is deemed to be a part of this resolution.

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

Darren Darrah	Voting YES	John Boyea	Voting YES
James Bowen	Voting YES	Gerald Morrow	Voting YES
Jamie Rogers	Voting YES	Joe Kusalonis	Voting YES

The resolution was thereupon declared duly adopted.

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

I, **JAMIE ROGERS**, Secretary of the Essex County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY as follows:

1. A special meeting of the Agency was duly held on April 19, 2016 and minutes of such meeting have been duly recorded in the book kept by me in accordance with law for the purpose of recording the minutes of meetings of the Agency.

2. At such meeting more than a quorum of the members of the Agency were present after all had been duly notified of the meeting and the purposes of the meeting in the manner and within the time prescribed by the By-Laws of the Agency.

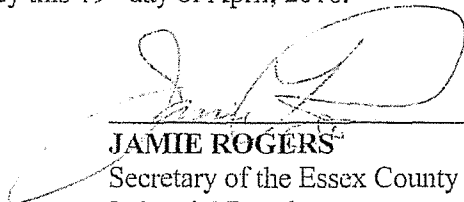
3. I have compared the attached extract with such minutes so recorded and such extract is a true and correct copy of such minutes and of the whole thereof insofar as such minutes relate to matters referred to in such extract.

4. Notice of such meeting was given as prescribed by law and such meeting was open to all persons who were entitled by law to attend such meeting.

5. The resolution referred to in such extract was introduced in typewritten form.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Essex County Industrial Development Agency this 19th day of April, 2016.

(SEAL)



JAMIE ROGERS
Secretary of the Essex County
Industrial Development Agency, New York

**Information Return for Tax-Exempt
 Private Activity Bond Issues**
 (Under Internal Revenue Code section 149(e))
 ▶ See separate instructions.

Part I Reporting Authority		Check if Amended Return <input type="checkbox"/>
1 Issuer's name Essex County Industrial Development Agency		2 Issuer's employer identification number 14-1630643
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) 7566 Court Street	Room/suite	5 Report number (For IRS Use Only) <input checked="" type="checkbox"/> 1 <input type="checkbox"/> <input type="checkbox"/>
6 City, town, or post office, state, and ZIP code Elizabethtown, NY 12932		7 Date of issue (MM/DD/YYYY) 05/16/2017
8 Name of issue Tax-Exempt Revenue Bonds (Champlain Valley Milling, Inc. Project) Series 2017		9 CUSIP number None.
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information Carol Calabrese/Jody Olcott, Co-Executive Directors		10b Telephone number of officer or other employee shown on 10a 518-873-9114

Part II Type of Issue (Enter the issue price.)	Issue Price
11 Exempt facility bond:	
a Airport (sections 142(a)(1) and 142(c))	11a
b Docks and wharves (sections 142(a)(2) and 142(c))	11b
c Water furnishing facilities (sections 142(a)(4) and 142(e))	11c
d Sewage facilities (section 142(a)(5))	11d
e Solid waste disposal facilities (section 142(a)(6))	11e
f Qualified residential rental projects (sections 142(a)(7) and 142(d)) (see instructions)	11f
Meeting 20-50 test (section 142(d)(1)(A)) <input type="checkbox"/>	
Meeting 40-60 test (section 142(d)(1)(B)) <input type="checkbox"/>	
Meeting 25-60 test (NYC only) (section 142(d)(6)) <input type="checkbox"/>	
Has an election been made for deep rent skewing (section 142(d)(4)(B))? <input type="checkbox"/> Yes <input type="checkbox"/> No	
g Facilities for the local furnishing of electric energy or gas (sections 142(a)(8) and 142(f))	11g
h Facilities allowed under a transitional rule of the Tax Reform Act of 1986 (see instructions)	11h
Facility type _____	
1986 Act section _____	
i Qualified enterprise zone facility bonds (section 1394) (see instructions)	11i
j Qualified empowerment zone facility bonds (section 1394(f)) (see instructions)	11j
k District of Columbia Enterprise Zone facility bonds (section 1400A)	11k
l Qualified public educational facility bonds (sections 142(a)(13) and 142(k))	11l
m Qualified green building and sustainable design projects (sections 142(a)(14) and 142(l))	11m
n Qualified highway or surface freight transfer facilities (sections 142(a)(15) and 142(m))	11n
o Other (see instructions) _____	
p Qualified New York Liberty Zone bonds (section 1400L(d))	11p
q Other (see instructions) _____	11q
12a Qualified mortgage bond (section 143(a))	12a
b Other (see instructions) _____	12b
13 Qualified veterans' mortgage bond (section 143(b)) (see instructions) ▶	13
Check the box if you elect to rebate arbitrage profits to the United States <input type="checkbox"/>	
14 Qualified small issue bond (section 144(a)) (see instructions) ▶	14 \$4,245,000
Check the box for \$10 million small issue exemption <input checked="" type="checkbox"/>	
15 Qualified student loan bond (section 144(b))	15
16 Qualified redevelopment bond (section 144(c))	16
17 Qualified hospital bond (section 145(c)) (attach schedule—see instructions)	17
18 Qualified 501(c)(3) nonhospital bond (section 145(b)) (attach schedule—see instructions)	18
Check box if 95% or more of net proceeds will be used only for capital expenditures ▶ <input type="checkbox"/>	
19 Nongovernmental output property bond (treated as private activity bond) (section 141(d))	19
20a Other (see instructions) _____	
b New York Liberty Zone advance refunding bond (section 1400L(e)) (see instructions)	20b
c Other. Describe (see instructions) ▶ _____	20c

Part III Description of Bonds (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	06/01/2047	\$ 4,245,000	\$ 4,245,000	20.1341 years	6.2990 %

Part IV Uses of Proceeds of Issue (including underwriters' discount)

		Amount
22	Proceeds used for accrued interest	22
23	Issue price of entire issue (enter amount from line 21, column (b))	23 \$4,245,000
24	Proceeds used for bond issuance costs (including underwriters' discount)	24 84,900
25	Proceeds used for credit enhancement	25
26	Proceeds allocated to reasonably required reserve or replacement fund	26 325,468.76
27	Proceeds used to currently refund prior issue (complete Part VI)	27
28	Proceeds used to advance refund prior issue (complete Part VI)	28
29	Add lines 24 through 28	29 410,368.76
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 \$3,834,631.24

Part V Description of Property Financed by Nonrefunding Proceeds

Caution: The total of lines 31a through e below must equal line 30 above. Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.

	Type of Property Financed by Nonrefunding Proceeds:	Amount
a	Land	31a
b	Buildings and structures	31b \$1,786,583.60
c	Equipment with recovery period of more than 5 years	31c \$2,048,047.64
d	Equipment with recovery period of 5 years or less	31d
e	Other. Describe (see instructions)	31e

32 North American Industry Classification System (NAICS) of the projects financed by nonrefunding proceeds.

	NAICS Code	Amount of nonrefunding proceeds		NAICS Code	Amount of nonrefunding proceeds
a	311211	\$ 3,834,631.24	c		\$
b		\$	d		\$

Part VI Description of Refunded Bonds (Complete this part only for refunding bonds.)

33	Enter the remaining weighted average maturity of the bonds to be currently refunded	years
34	Enter the remaining weighted average maturity of the bonds to be advance refunded	years
35	Enter the last date on which the refunded bonds will be called	/ /
36	Enter the date(s) the refunded bonds were issued	

Part VII Miscellaneous

37 Name of governmental unit(s) approving issue (see the instructions) **Essex County approved the issue on July 5, 2016, after a public hearing held on May 23, 2016, following reasonable public notice thereof, published in the Valley News**

38 Check the box if you have designated any issue under section 265(b)(3)(B)(i)(III)

39 Check the box if you have elected to pay a penalty in lieu of arbitrage rebate

40a Check the box if you have identified a hedge and enter the following information

b Name of hedge provider _____

c Type of hedge

d Term of hedge

41 Check the box if the hedge is superintegrated

42a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC)

b Enter the final maturity date of the GIC

c Enter the name of the GIC provider

43 Check the box if the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated in accordance with the requirements under the Code and Regulations (see instructions)

44 Check the box if the issuer has established written procedures to monitor the requirements of section 148

45a Enter the amount of reimbursement if some portion of the proceeds was used to reimburse expenditures \$420,652.86

b Enter the date the official intent was adopted 04 / 19 / 2016

46 Check the box if the issue is comprised of qualified redevelopment, qualified small issue, or exempt facilities bonds and provide name and EIN of the primary private user

Name Champlain Valley Milling Corp., Inc. EIN 14-1667594

Part VIII Volume Caps		Amount
47	Amount of state volume cap allocated to the issuer. Attach copy of state certification	47 4,245,000.00
48	Amount of issue subject to the unified state volume cap	48
49	Amount of issue not subject to the unified state volume cap or other volume limitations:	49
a	Of bonds for governmentally owned solid waste facilities, airports, docks, wharves, environmental enhancements of hydroelectric generating facilities, or high-speed intercity rail facilities	49a
b	Under a carryforward election. Attach a copy of Form 8328 to this return	49b
c	Under transitional rules of the Tax Reform Act of 1986. Enter Act section ▶	49c
d	Under the exception for current refunding (section 146(i) and section 1313(a) of the Tax Reform Act of 1986)	49d
50a	Amount of issue of qualified veterans' mortgage bonds	50a
b	Enter the state limit on qualified veterans' mortgage bonds	50b
51a	Amount of section 1394(f) volume cap allocated to issuer. Attach copy of local government certification	51a
b	Name of empowerment zone ▶	
52	Amount of section 142(k)(5) volume cap allocated to issuer. Attach copy of state certification	52

Signature and Consent Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.

Signature of issuer's authorized representative: *Darren Darrah* Date: 05/16/17 Type or print name and title: Darren Darrah, Chairman

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	Preparer's PTIN
	John W. Hutchinson	<i>John W. Hutchinson</i>	05/16/2017		P01065270
	Firm's name ▶ Squire Patton Boggs (US) LLP	Firm's EIN ▶	34-0648199		
	Firm's address ▶ 30 Rockefeller Plaza, 23rd Floor, New York, NY 10112-2399	Phone no.	212-872-9821		



**New York State
Department
of Economic
Development**

August 7, 2017

Attached is a copy of the Budget Director's Certification No. 17-02-DED relating to the 2017 Cap on Private Activity Bonds for the second quarter of 2017 and necessary for filing with the Internal Revenue Service.

George LaPointe
Commerce Policy Analyst 2

CERTIFICATION

Pursuant to Section 149(e) (2) (F) of the
Internal Revenue Code of 1986 for Private Activity Bonds
Which Require an Allocation of Volume Cap

On behalf of Robert F. Mujica, Jr., Director of the New York State Division of the Budget, designated under Chapter 337 of the Laws of 1989 as a State official who may make the certification required by Section 149(e)(2) of the Internal Revenue Code of 1986 (the "Code") I hereby certify that the issuance of the Private Activity Bonds during 2017 by the Issuers, as described in the attached Schedule A (the "Bonds"), meets the requirements of Section 146 of the Internal Revenue Code of 1986 (relating to the cap on Private Activity Bonds) to wit:

(a) Pursuant to Section 146 of the Code, the issuers received an allocation of \$414,270,000 of 2017 State Volume Cap.

(b) This Certification is based on information maintained by the New York State Division of the Budget concerning the level of State Agency issues and information supplied to the Department of Economic Development by Local or Other Issuers concerning the level of Local or Other Issuer activity.

(c) On the basis of such information, the aggregate face amount of the Bonds does not exceed the State's total Volume Cap for the 2017 calendar year.



George Westervelt
Chief Budget Examiner

Certificate No. 17-02-DED

Dated: 8/7/17

**NEW YORK STATE
PRIVATE ACTIVITY BOND CERTIFICATION**

Schedule A

Certificate Number: 17-02-DED

2017 State Ceiling: \$1,974,528,900

Census Figure: 19,745,289

ISSUER	TITLE OF ISSUE	AMOUNT	TYPE	DATE ISSUED
New York City Housing Development Corporation	Multi-Family Housing Revenue Bonds, 2017 Series A-1-A, A-1-B, A-2-A, A-2-B, and A-3	\$74,505,000	RR	04/05/2017
New York City Housing Development Corporation	Multi-Family Housing Revenue Bonds, 2017 Series C-1, C-2, C-3A, C-3-B, C-4, and D	\$335,520,000	RR	06/28/2017
Essex County Industrial Development Agency	Champlain Valley Milling, Inc. Project	\$4,245,000	SI	05/16/2017

RR – Residential Rental

SI – Small issue (manufacturing)



ESSEX COUNTY CLERK
JOSEPH A. PROVONCHA

Receipt

Receipt Date: 05/16/2017 03:04:00 PM
RECEIPT # 2017172416

Recording Clerk: SN
Cash Drawer: CASH1
Rec'd Frm: G & G ABSTRACT
Rec'd In Person

Instr#: 2017-2608 Bk/Pg: 76/311
DOC: UCC AFFIXED/REALTY
OR Party: CHAMPLAIN NATIONAL BANK
EE Party: CHAMPLAIN VALLEY MILLING CORP
INC

Recording Fees
UCC Filing \$0.00

DOCUMENT TOTAL: ----> \$0.00

Instr#: 2017-2100 Bk/Pg: 1873/222
DOC: DEED
DEED STAMP: 1760
OR Party: CHAMPLAIN VALLEY MILLING CORP
INC
EE Party: ESSEX COUNTY INDUSTRIAL DEV
AGENCY

Recording Fees
Cover Page \$0.00
Recording Fee \$0.00
Cultural Ed \$0.00
Records Management - County \$0.00
Records Management - State \$0.00
RP5217 Residential/Agricultural - State \$0.00
RP5217 - County \$0.00

Transfer Tax
Transfer Tax - State \$0.00
Transfer Tax - County \$0.00

DOCUMENT TOTAL: ----> \$0.00

Instr#: 2017-2101 Bk/Pg: 2452/48
DOC: MORTGAGE
MTG STAMP: DI-0141
OR Party: CHAMPLAIN VALLEY MILLING CORP
INC
EE Party: Z B N A TR

Recording Fees
Cover Page \$0.00
Recording Fee \$0.00
Affidavit \$0.00
Cultural Ed \$0.00
Records Management - County \$0.00
Records Management - State \$0.00

Mortgage Tax
Basic \$0.00
Special \$0.00
Additional \$0.00
Local \$0.00

DOCUMENT TOTAL: ----> \$0.00

Instr#: 2017-2609 Bk/Pg: 76/312
DOC: LIEN
OR Party: Z B N A
EE Party: CHAMPLAIN VALLEY MILLING CORP
INC

Recording Fees
Lien \$0.00

DOCUMENT TOTAL: ----> \$0.00

Instr#: 2017-2102 Bk/Pg: 2452/82
DOC: AGREEMENT
OR Party: ESSEX COUNTY INDUSTRIAL DEV
AGENCY
EE Party: CHAMPLAIN VALLEY MILLING CORP
INC

Recording Fees
 Cover Page \$0.00
 Recording Fee \$0.00
 Cultural Ed \$0.00
 Records Management - County \$0.00
 Records Management - State \$0.00

 DOCUMENT TOTAL: ----> \$0.00

Instr#: 2017-2103 Bk/Pg: 2452/144
 DOC: AGREEMENT
 OR Party: ESSEX COUNTY INDUSTRIAL DEV
 AGENCY
 EE Party: Z B N A TR

Recording Fees
 Cover Page \$0.00
 Recording Fee \$0.00
 Cultural Ed \$0.00
 Records Management - County \$0.00
 Records Management - State \$0.00

 DOCUMENT TOTAL: ----> \$0.00

Instr#: 2017-2610 Bk/Pg: 77/1
 DOC: UCC AFFIXED/REALTY
 OR Party: Z B N A
 EE Party: ESSEX COUNTY INDUSTRIAL
 DEVELOPMENT AGENCY

Recording Fees
 UCC Filing \$0.00

 DOCUMENT TOTAL: ----> \$0.00

Instr#: 2017-2611 Bk/Pg: 77/49
 DOC: UCC AFFIXED/REALTY
 OR Party: ESSEX COUNTY INDUSTRIAL DEV
 AGENCY
 EE Party: CHAMPLAIN VALLEY MILLING CORP
 INC

Recording Fees
 UCC Filing \$0.00

 DOCUMENT TOTAL: ----> \$0.00

Receipt Summary
 TOTAL RECEIPT: ----> \$0.00
 TOTAL RECEIVED: ----> \$0.00

 CASH BACK: ----> \$0.00

Document 8

Form 8038-G

[To be provided by SPB]



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

ROSSANA ROSADO
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

May 24, 2017

RETURN TO CUSTOMER SERVICE COUNTER

CORPORATION SERVICE COMPANY
80 STATE STREET, 6TH FLOOR
ALBANY NY 12207-0000

Attached is the acknowledgment copy of your recently submitted filing. This filing consists of a total of 48 pages; however, only the first page of the filed document is returned as part of this acknowledgment. This document has been filed with the New York State Department of State, Uniform Commercial Code Division.

The Financing Statement has been assigned Filing Number: 201705170240543, Filing Date: 05/17/2017 and is currently reflected in our automated database as follows:

Debtor's Name & Address

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
7566 COURT STREET
ELIZABETHTOWN NY 12932

Secured Party's Name & Address

ZB, NATIONAL ASSOCIATION
401 LIBERTY AVENUE, SUITE 1729
PITTSBURGH PA 15222

This filing will lapse on 05/17/2022, unless continued. We encourage filers to take full advantage of the six-month window of opportunity in which to file a Financing Statement Amendment (Continuation). Submission of your documents at the onset of the six-month window will allow ample time to rectify potential filing errors and help to assure timely recording of your filing.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 473-2492, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 210166



210166

2017 MAY 17 AM 11:15

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Corporation Services Company
 UCC Filing Dept.
 1180 Avenue of the Americas, Suite 210
 New York, NY 10036

**CSC 50
 DRAW DOWN**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
Essex County Industrial Development Agency

OR
 1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
7566 Court Street Elizabethtown NY 12932 USA

1d. SEE INSTRUCTIONS ADDL INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any
 Not Applicable Local Devel. Corp. New York NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR
 2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADDL INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any
 Not Applicable NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR SIP) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
ZB, National Association

OR
 3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
401 Liberty Avenue, Suite 1729 Pittsburgh PA 15222 USA

4. This FINANCING STATEMENT covers the following collateral:

See attached (i) Exhibit A, (ii) Mortgage and (iii) Pledge and Assignment for descriptions of the collateral.

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (or recorded) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

File with the Secretary of the State of New York.

646776 KXIC

FILING OFFICE COPY -- UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

FILING NUMBER: 201705170240543

CORPORATION SERVICE COMPANY

www.cscglobal.com

CSC- New York
Suite 210
1180 Avenue OF the Americas
New York, NY 10036-8401
212-299-5600
212-299-5656 (Fax)

Matter# CHAMPLAIN VALLEY
MILLING

Order# 646776-1

Project Id :

Order Date 05/17/2017

Additional Reference : NOT PROVIDED

Entity Name: CHAMPLAIN VALLEY MILLING CORP., INC. (Debtor)/ ESSEX
COUNTY INDUSTRIAL DEVELOPMENT AGENCY (Secured Party)

Jurisdiction: NY - DEPARTMENT OF STATE

Request for: UCC Filing

File Type: ORIGINAL

Result: Filed

File Number: 201705170240593

Filing Date: 05/17/2017

Ordered by LAUREN TRIALONAS at SQUIRE PATTON BOGGS (US) LLP

Thank you for using CSC. For real-time 24 hour access to the status of any order placed with CSC, access our website at www.cscglobal.com.

If you have any questions concerning this order or CSCGlobal, please feel free to contact us.

Jeffrey Boyle
jeboyle@cscinfo.com

The responsibility for verification of the files and determination of the information therein lies with the filing officer; we accept no liability for errors or omissions.



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

ROSSANA ROSADO
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

May 24, 2017

RETURN TO CUSTOMER SERVICE COUNTER

CORPORATION SERVICE COMPANY
80 STATE STREET, 6TH FLOOR
ALBANY NY 12207-0000

Attached is the acknowledgment copy of your recently submitted filing. This filing consists of a total of 99 pages; however, only the first page of the filed document is returned as part of this acknowledgment. This document has been filed with the New York State Department of State, Uniform Commercial Code Division.

The Financing Statement has been assigned Filing Number: 201705170240593, Filing Date: 05/17/2017 and is currently reflected in our automated database as follows:

Debtor's Name & Address

CHAMPLAIN VALLEY MILLING CORP., INC.
6679 MAIN STREET, P.O. BOX 454
WESTPORT NY 12993

Secured Party's Name & Address

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
7566 COURT STREET
ELIZABETHTOWN NY 12932

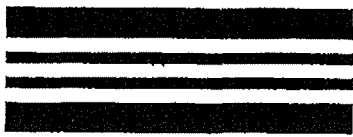
This filing will lapse on 05/17/2022, unless continued. We encourage filers to take full advantage of the six-month window of opportunity in which to file a Financing Statement Amendment (Continuation). Submission of your documents at the onset of the six-month window will allow ample time to rectify potential filing errors and help to assure timely recording of your filing.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 473-2492, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 210167



210167

2017 MAY 17 AM 11:15

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Corporation Services Company
 UCC Filing Dept.
 1180 Avenue of the Americas, Suite 210
 New York, NY 10036

CSC 50
DRAW DOWN

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
 Champlain Valley Milling Corp., Inc.

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
 6679 Main Street, P.O. Box 454 Westport NY 12993 USA

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any
 Not Applicable Corporation New York NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any
 Not Applicable NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
 Essex County Industrial Development Agency

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
 7566 Court Street Elizabethtown NY 12932 USA

4. This FINANCING STATEMENT covers the following collateral:
See attached (i) Mortgage and (ii) Installment Sale Agreement for a description of the collateral.

5. ALTERNATIVE DESIGNATION [if applicable]: LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

File with the Secretary of the State of New York. 646776 KXK

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

FILING NUMBER: 201705170240593

CORPORATION SERVICE COMPANY

www.cscglobal.com

CSC- New York
Suite 210
1180 Avenue OF the Americas
New York, NY 10036-8401
212-299-5600
212-299-5656 (Fax)

Matter# CHAMPLAIN VALLEY
MILLING

Order# 646776-2

Project Id :

Order Date 05/17/2017

Additional Reference : NOT PROVIDED

Entity Name: ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY (Debtor)/
ZB, NATIONAL ASSOCIATION (Secured Party)

Jurisdiction: NY - DEPARTMENT OF STATE

Request for: UCC Filing

File Type: ORIGINAL

Result: Filed

File Number: 201705170240543

Filing Date: 05/17/2017

Ordered by LAUREN TRIALONAS at SQUIRE PATTON BOGGS (US) LLP

Thank you for using CSC. For real-time 24 hour access to the status of any order placed with CSC, access our website at www.cscglobal.com.

If you have any questions concerning this order or CSCGlobal, please feel free to contact us.

Jeffrey Boyle
jeboyle@cscinfo.com

The responsibility for verification of the files and determination of the information therein lies with the filing officer; we accept no liability for errors or omissions.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Corporation Services Company
 UCC Filing Dept.
 1180 Avenue of the Americas, Suite 210
 New York, NY 10036

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
Champlain Valley Milling Corp., Inc.

OR
 1b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS
6679 Main Street, P.O. Box 454

CITY Westport	STATE NY	POSTAL CODE 12993	COUNTRY USA
-------------------------	--------------------	-----------------------------	-----------------------

1d. <u>SEE INSTRUCTIONS</u> Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION Corporation	1f. JURISDICTION OF ORGANIZATION New York	1g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
-----------------------------------------------	-----------------------------------	------------------------------------------------	-----------------------------------------------------	------------------------------------------------------------------

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR
 2b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY

2d. <u>SEE INSTRUCTIONS</u> Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
-----------------------------------------------	-----------------------------------	--------------------------	----------------------------------	------------------------------------------------------------------

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
Essex County Industrial Development Agency

OR
 3b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS

CITY Elizabethtown	STATE NY	POSTAL CODE 12932	COUNTRY USA
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4. This FINANCING STATEMENT covers the following collateral:
See attached (i) Mortgage and (ii) Installment Sale Agreement for a description of the collateral.

5. ALTERNATIVE DESIGNATION [if applicable]:	<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR	<input type="checkbox"/> SELLER/BUYER	<input type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-UCC FILING
6. <input checked="" type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum	<input type="checkbox"/> if applicable	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE)	<input type="checkbox"/> optional	<input type="checkbox"/> All Debtors	<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2

8. OPTIONAL FILER REFERENCE DATA

File with the Secretary of the State of New York.

Instructions for UCC Financing Statement (Form UCC1)

Please type or laser-print this form. Be sure it is completely legible. Read all Instructions, especially Instruction 1; correct Debtor name is crucial. Follow Instructions completely.

Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. Filing office cannot give legal advice. Do not insert anything in the open space in the upper portion of this form; it is reserved for filing office use.

When properly completed, send Filing Office Copy, with required fee, to filing office. If you want an acknowledgment, complete item B and, if filing in a filing office that returns an acknowledgment copy furnished by filer, you may also send Acknowledgment Copy; otherwise detach. If you want to make a search request, complete item 7 (after reading Instruction 7 below) and send Search Report Copy, otherwise detach. Always detach Debtor and Secured Party Copies.

If you need to use attachments, you are encouraged to use either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP).

A. To assist filing offices that might wish to communicate with filer, filer may provide information in item A. This item is optional.

B. Complete item B if you want an acknowledgment sent to you. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form a carbon or other copy of this form for use as an acknowledgment copy.

1. **Debtor name:** Enter only one Debtor name in item 1, an organization's name (1a) or an individual's name (1b). Enter Debtor's exact full legal name. Don't abbreviate.
- 1a. **Organization Debtor.** "Organization" means an entity having a legal identity separate from its owner. A partnership is an organization; a sole proprietorship is not an organization, even if it does business under a trade name. If Debtor is a partnership, enter exact full legal name of partnership; you need not enter names of partners as additional Debtors. If Debtor is a registered organization (e.g., corporation, limited partnership, limited liability company), it is advisable to examine Debtor's current filed charter documents to determine Debtor's correct name, organization type, and jurisdiction of organization.
- 1b. **Individual Debtor.** "Individual" means a natural person; this includes a sole proprietorship, whether or not operating under a trade name. Don't use prefixes (Mr., Mrs., Ms.). Use suffix box only for titles of lineage (Jr., Sr., III) and not for other suffixes or titles (e.g., M.D.). Use married woman's personal name (Mary Smith, not Mrs. John Smith). Enter individual Debtor's family name (surname) in Last Name box, first given name in First Name box, and all additional given names in Middle Name box.
For both organization and individual Debtors: Don't use Debtor's trade name, DBA, AKA, FKA, Division name, etc. in place of or combined with Debtor's legal name; you may add such other names as additional Debtors if you wish (but this is neither required nor recommended).
- 1c. An address is always required for the Debtor named in 1a or 1b.
- 1d. Reserved for Financing Statements to be filed in North Dakota or South Dakota only. If this Financing Statement is to be filed in North Dakota or South Dakota, the Debtor's taxpayer identification number (tax ID#) — social security number or employer identification number must be placed in this box.
- 1e,f,g. "Additional information re organization Debtor" is always required. Type of organization and jurisdiction of organization as well as Debtor's exact legal name can be determined from Debtor's current filed charter document. Organizational ID #, if any, is assigned by the agency where the charter document was filed; this is different from tax ID #; this should be entered preceded by the 2-character U.S. Postal identification of state of organization if one of the United States (e.g., CA12345, for a California corporation whose organizational ID # is 12345); if agency does not assign organizational ID #, check box in item 1g indicating "none."
2. If an additional Debtor is included, complete item 2, determined and formatted per Instruction 1. To include further additional Debtors, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names.
3. Enter information for Secured Party or Total Assignee, determined and formatted per Instruction 1. To include further additional Secured Parties, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names. If there has been a total assignment of the Secured Party's interest prior to filing this form, you may either (1) enter Assignor S/P's name and address in item 3 and file an Amendment (Form UCC3) [see item 5 of that form]; or (2) enter Total Assignee's name and address in item 3 and, if you wish, also attaching Addendum (Form UCC1Ad) giving Assignor S/P's name and address in item 12.
4. Use item 4 to indicate the collateral covered by this Financing Statement. If space in item 4 is insufficient, put the entire collateral description or continuation of the collateral description on either Addendum (Form UCC1Ad) or other attached additional page(s).
5. If filer desires (at filer's option) to use titles of lessee and lessor, or consignee and consignor, or seller and buyer (in the case of accounts or chattel paper), or bailee and bailor instead of Debtor and Secured Party, check the appropriate box in item 5. If this is an agricultural lien (as defined in applicable Commercial Code) filing or is otherwise not a UCC security interest filing (e.g., a tax lien, judgment lien, etc.), check the appropriate box in item 5, complete items 1-7 as applicable and attach any other items required under other law.
6. If this Financing Statement is filed as a fixture filing or if the collateral consists of timber to be cut or as-extracted collateral, complete items 1-5, check the box in item 6, and complete the required information (items 13, 14 and/or 15) on Addendum (Form UCC1Ad).
7. This item is optional. Check appropriate box in item 7 to request Search Report(s) on all or some of the Debtors named in this Financing Statement. The Report will list all Financing Statements on file against the designated Debtor on the date of the Report, including this Financing Statement. There is an additional fee for each Report. If you have checked a box in item 7, file Search Report Copy together with Filing Officer Copy (and Acknowledgment Copy). Note: Not all states do searches and not all states will honor a search request made via this form; some states require a separate request form.
8. This item is optional and is for filer's use only. For filer's convenience of reference, filer may enter in item 8 any identifying information (e.g., Secured Party's loan number, law firm file number, Debtor's name or other identification, state in which form is being filed, etc.) that filer may find useful.

Note: If Debtor is a trust or a trustee acting with respect to property held in trust, enter Debtor's name in item 1 and attach Addendum (Form UCC1Ad) and check appropriate box in item 17. If Debtor is a decedent's estate, enter name of deceased individual in item 1b and attach Addendum (Form UCC1Ad) and check appropriate box in item 17. If Debtor is a transmitting utility or this Financing Statement is filed in connection with a Manufactured-Home Transaction or a Public-Finance Transaction as defined in applicable Commercial Code, attach Addendum (Form UCC1Ad) and check appropriate box in item 18.

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME Champlain Valley Milling Corp., Inc			
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME					
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
11d. <u>SEE INSTRUCTIONS</u> Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any	<input type="checkbox"/> NONE

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME					
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

14. Description of real estate:

19 Meyers Way, Willsboro, NY 12996
31.9-1-42.100

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest)

Essex County Industrial Development Agency
P.O. Box 217
Elizabethtown, NY 12932

16. Additional collateral description

17. Check only if applicable and check only one box.
Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.
 Debtor is a TRANSMITTING UTILITY
 Filed in connection with a Manufactured-Home Transaction — effective 30 years
 Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"

LEGAL DESCRIPTION

All that certain parcel of land being located in the northwesterly part of the Hamlet of Willsboro and in the Town of Willsboro, County of Essex and State of New York, said parcel being located on the westerly bounds of the New York State Highway known as Route 22, and being part of the property described in a deed from Tambrands, Inc., to Old Adirondack, Inc. dated May 25, 1994 recorded May 26, 1994 in the Essex County Clerk's Office in deed book 1062 at page 166 and being shown as Lot 1 on a Map of Survey prepared for Willsboro Development Corporation, dated June 27, 1994, revised July 11, 1994, by Kevin A. Hall, Land Surveyor and filed in the Essex County Clerk's Office as Map Number 4554, formerly being part of "Parcel No. 10" as described in a deed dated June 8, 1962, from the New York & Pennsylvania Co. Inc. to the Champlain Mills Properties, Inc. and recorded in the Essex County Clerk's Office in deed book 400 at page 240, being bounded and described as follows:

Beginning at a 3 foot long 1/2" iron pipe set to grade located at the northeast corner of the herein described parcel and the southeast corner of Anjou Development Corp. as described in deed book 1066 at page 40, being Lot 2 as shown on said map, said iron pipe being in the assumed westerly road bounds of said Route 22, a distance of 25 feet from the centerline thereof and running the following two courses along said road bounds;

1. Southerly on a curve concave to the east an arc distance of 161.85 feet to a found 3/4" iron pipe 0.1' below grade at the point of tangency, said curve having a radius of 434.26 feet and a delta angle of 21°-21'-16";
2. S 04°-32'-20" E as referenced to north by deed book 1062 at page 166 a distance of 26.19 feet to a 4 foot long 3/4" iron pipe set to 0.1' below grade located at the northeast corner of Samuel J. and Ann E. Marcotte as described in a deed from Tampax, Inc., dated November 8, 1974, recorded in deed book 598 at page 180 and running the following course along said Marcotte as described in said deed book 598 at page 180 and in a deed from Tambrands, Inc. dated August 27, 1986, recorded in deed book 876 at page 281;
3. N 82°-52'-20" W 214.11 feet to a found 3/4" iron pipe at grade at the northwest corner of said Marcotte and running the following course along said Marcotte as described in said deed book 876 at page 281 and Glen and Elizabeth Flora as described in a deed from Tambrands, Inc. dated August 27, 1986 recorded in deed book 876 at page 68;
4. S 03°-57'-00" E 193.26 feet to a found 1" high 1/2" iron pipe;
5. S 83°-45'-12" E 100.00 feet to a found 3/4" iron pipe 0.5' below grade, set in June 1994, located at the northwest corner of Stafford as described in deed book 596 at page 122;
6. S 17°-51'-00" W 109.00 feet to a found 0.5' high 1/2" iron pipe, set in June 1994, said iron pipe being located at the southwest corner of said Stafford;
7. N 55°-32'-40" W 120.41 feet along land of an unknown owner to a 0.5' high 5/8" iron rod with cap set in September 1999, and continuing on the same course of N 55°-32'-40" W an additional distance of 1,113.37 feet along the north bounds of Essex County Industrial Development Agency as described in deed book 1299 at page 20, for a total distance of 1,233.78 feet to a found 1/2" iron pipe plug in a drill hole in a 2' X 2' X 1' high rock, said iron pipe plug set in June of 1994 and running the following two courses along Lot 2;
8. N 25°-31'-29" E 293.75 feet to a found 0.2' high 1/2" iron pipe set in June of 1994;
9. S 64°-28'-31" E 1,151.42 feet to the point and place of beginning, containing 10.00 acres, within the above described bounds and shown on the herein above referenced map.

Subject to all rights, title and interest of the public in and to that portion of land lying westerly of the first two courses and the true legal road bounds of New York State Rt. 22.

Together with all rights, title and interest of the grantor in and to that portion of land lying easterly of the first two courses and the true legal centerline of New York State Rt. 22.

LEGAL DESCRIPTION - CONTINUED

Together with an easement labeled with the letter "A" as shown on the herein above referenced map.

Subject to an easement to Willsboro Sewer District #1 as described in a deed dated and recorded June 29, 1994 in the Essex County Clerk's Office in deed book 1064 at page 280.

Subject to all easements and restrictions of record.

The lands conveyed are subject to Adirondack Park Agency Permit 2001-182 issued October 12, 2001, the terms and conditions of which are binding upon the heirs, successors and assigns of the grantors and all subsequent grantees, filed in the Essex County Clerk's Office in APA Book 54 at page 126.

Further granting and conveying an easement and right of way for ingress and egress at a width of 50 feet commencing at Route 22 and running in a westerly direction along the northerly boundary of the parcel herein described then turning and running the entire length of the westerly boundary of the parcel herein described. This easement is to be used in common with others more specifically being Anjou Development Corporation being the fee title owner and also Willsboro Development Corporation which reserves said easement rights in order to gain access to its other lands located to the south of the subject property.

Subject to a certain easement reserved by Willsboro Development Corporation in a deed from Willsboro Development Corporation dated March 12, 2002 and recorded in the Essex County Clerk's Office at Book 1314 of Deeds at page 266 thereof.

19 Myers Way, Willsboro, Essex County, New York 12996, Tax Map #31.9-1-42.100

Equipment	Amount	Model Number	Serial Number
Present in Willsboro			
Yale Forklift	1		
JEM Sewing Head	1		
Pallet Racks			
27' by 11 ring Grain Bin	2		
Temper Bin	1		
Ford Tractor	1	5640	P.O./004576
48' Van Trailer	1		
Fortress Metal Detector	1	Phantom	21340
Moving to Willsboro from Westport			
15' by 8 ring hopper bottom grain bin	4		
12' by 8 ring hopper bottom grain bin	2		
9' by 5 ring hopper bottom grain bin	5		
Codema Air Lock	11		
Flour Tanks	4		
13' flour bin	1		
Walinga Agri Vac	1	4510	MT4510WLX-40E-050810183
All Fill system	1	14-9000	20010101373
Perten Laboratory Mill	1	3100	050210
Perten Falling Number Machine	1	FN1500	057107
Perten Inframatic Flour Analyzer	1	IM 9140	4111
Brabender Farinograph	1	S300	184502
Fischbein Sewing Machine	5		
Helms Whole Mill	1	25-S	340
Fortress Metal Detector	1	Phantom	F5247
Flour Bagger Tank with Airlock	1		
Chantland bagger with scales	1	4198 Weighmaster II	39402
Stone Mill			
Airlock bench	1		
Airlocks	10		

Cyclones	10		
Allis Chalmers Sifter	1		1155
Sieves	68		
Codema Filter Tank with Airlock	1		
Roll Stand	4		
IR Piston type air compressor	1	7100	8056694
Whole Mill Filter Tank	1	16005.6	16005.0202
Whole Mill Vacuum Pump	1	GAELDPA	S159590
Kaeser Blower 1	1	MDB 130	1495 135 2005
Kaeser Blower 2	1	MDB 130	1414 135 2005
Kaeser Blower 3	1	MDB 130	1493 135 2005
Kaeser Blower 4	1	MDB 130	1496 135 2005
JEM Bagger	1	GWD-21-GG	061451
JEM Conveyor	1	Con 508 w/PED	31422
Portable Air Lock	1		
Mixing Tank	1		
Blue Master Bucket Elevator	1	500S	688112536
Triner Scale	1	TS-700 MS	AE120319080
Alapala Scour/Aspirator	1	KKSI 3010	796
Temper Augur	1		
Toyota Electric Pallet Jack	1	8HBW23	8HBW23-28589
Toyota Electric Pallet Jack	1	7HBW23	7HBW23-28589
Toyota Forklift	1	42-6FGCU15	60961
Incoming Equipment			
IR Rotary screw compressor	1	IRN30H Nirvana	
Ocrim Separator Sifter	1		
Codema Destoner	1		
Clean Grain Bin	1		
Magnet	1		
Scales	1		
Bliss Whole Mill	1		

Witt Rollstand	1		
Whole Mill Filter Tank	1		
White Flour Filter Tank	1		
Satake Color Sorter	1		

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Corporation Services Company
 UCC Filing Dept.
 1180 Avenue of the Americas, Suite 210
 New York, NY 10036

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME						
Essex County Industrial Development Agency						
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY
7566 Court Street			Elizabethtown	NY	12932	USA
1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any		
Not Applicable		Local Devel. Corp.	New York	<input type="checkbox"/> NONE		

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME						
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY
2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any		
Not Applicable				<input type="checkbox"/> NONE		

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME						
ZB, National Association						
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY
401 Liberty Avenue, Suite 1729			Pittsburgh	PA	15222	USA

4. This FINANCING STATEMENT covers the following collateral:

See attached (i) Exhibit A, (ii) Mortgage and (iii) Pledge and Assignment for descriptions of the collateral.

5. ALTERNATIVE DESIGNATION (if applicable):	<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR	<input type="checkbox"/> SELLER/BUYER	<input type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-UCC FILING
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8. OPTIONAL FILER REFERENCE DATA						

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Instructions for UCC Financing Statement (Form UCC1)

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A. To assist filing offices that might wish to communicate with filer, filer may provide information in item A. This item is optional.

B. Complete item B if you want an acknowledgment sent to you. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form a carbon or other copy of this form for use as an acknowledgment copy.

1. **Debtor name:** Enter only one Debtor name in item 1, an organization's name (1a) or an individual's name (1b). Enter Debtor's exact full legal name. Don't abbreviate.
 - 1a. **Organization Debtor.** "Organization" means an entity having a legal identity separate from its owner. A partnership is an organization; a sole proprietorship is not an organization, even if it does business under a trade name. If Debtor is a partnership, enter exact full legal name of partnership; you need not enter names of partners as additional Debtors. If Debtor is a registered organization (e.g., corporation, limited partnership, limited liability company), it is advisable to examine Debtor's current filed charter documents to determine Debtor's correct name, organization type, and jurisdiction of organization.
 - 1b. **Individual Debtor.** "Individual" means a natural person; this includes a sole proprietorship, whether or not operating under a trade name. Don't use prefixes (Mr., Mrs., Ms.). Use suffix box only for titles of lineage (Jr., Sr., III) and not for other suffixes or titles (e.g., M.D.). Use married woman's personal name (Mary Smith, not Mrs. John Smith). Enter individual Debtor's family name (surname) in Last Name box, first given name in First Name box, and all additional given names in Middle Name box.
For both organization and individual Debtors: Don't use Debtor's trade name, DBA, AKA, FKA, Division name, etc. in place of or combined with Debtor's legal name; you may add such other names as additional Debtors if you wish (but this is neither required nor recommended).
 - 1c. An address is always required for the Debtor named in 1a or 1b.
 - 1d. Reserved for Financing Statements to be filed in North Dakota or South Dakota only. If this Financing Statement is to be filed in North Dakota or South Dakota, the Debtor's taxpayer identification number (tax ID#) — social security number or employer identification number must be placed in this box.
 - 1e,f,g. "Additional information re organization Debtor" is always required. Type of organization and jurisdiction of organization as well as Debtor's exact legal name can be determined from Debtor's current filed charter document. Organizational ID #, if any, is assigned by the agency where the charter document was filed; this is different from tax ID #; this should be entered preceded by the 2-character U.S. Postal identification of state of organization if one of the United States (e.g., CA12345, for a California corporation whose organizational ID # is 12345); if agency does not assign organizational ID #, check box in item 1g indicating "none."
- Note:* If Debtor is a trust or a trustee acting with respect to property held in trust, enter Debtor's name in item 1 and attach Addendum (Form UCC1Ad) and check appropriate box in item 17. If Debtor is a decedent's estate, enter name of deceased individual in item 1b and attach Addendum (Form UCC1Ad) and check appropriate box in item 17. If Debtor is a transmitting utility or this Financing Statement is filed in connection with a Manufactured-Home Transaction or a Public-Finance Transaction as defined in applicable Commercial Code, attach Addendum (Form UCC1Ad) and check appropriate box in item 18.
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UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME			
Essex County Industrial Development Agency			
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX

10. MISCELLANEOUS:

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11a. ORGANIZATION'S NAME			
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX
11c. MAILING ADDRESS		CITY	STATE POSTAL CODE COUNTRY
11d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION
Not Applicable			11g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME			
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX
12c. MAILING ADDRESS		CITY	STATE POSTAL CODE COUNTRY

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing

14. Description of real estate:

19 Meyers Way, Willsboro, NY 12996
31.9-1-42.100

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest)

Essex County Industrial Development Agency
P.O. Box 217
Elizabethtown, NY 12932

16. Additional collateral description

17. Check only if applicable and check only one box
Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box
 Debtor is a TRANSMITTING UTILITY
 Filed in connection with a Manufactured-Home Transaction — effective 30 years
 Filed in connection with a Public-Finance Transaction — effective 30 years

EXHIBIT A

This Financing Statement, as security for the due and punctual payment by Essex County Industrial Development Agency (the “Debtor”) to ZB, National Association, as Trustee (the “Secured Party”) of the Bonds, as defined in the Trust Indenture, dated as of May 1, 2017 (the “Indenture”), covers all of the following described property, franchises, rights and income, including any title or interest therein acquired after the date hereof (collectively, the “Trust Estate”).

Terms that are not otherwise defined herein have the meanings given to them in the Indenture.

1. All right, title and interest of the Issuer in and to the Trust Revenues and the Financing Documents (other than Unassigned Rights);
2. Any and all moneys, securities and other investment property from time to time held by the Trustee under the terms of the Indenture, except (A) moneys on deposit with or paid to the Trustee for the mandatory purchase of the Bonds, notice of which has been given, (B) moneys deposited with or paid to the Trustee for the redemption of Bonds notice of which has been duly given, (C) moneys on deposit in the Rebate Fund, and (D) unclaimed funds held under Section 410 of the Indenture; and
3. Any and all other Property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the Issuer or by anyone in its behalf or with its written consent in favor of the Trustee.

SCHEDULE "A"

LEGAL DESCRIPTION

All that certain parcel of land being located in the northwesterly part of the Hamlet of Willsboro and in the Town of Willsboro, County of Essex and State of New York, said parcel being located on the westerly bounds of the New York State Highway known as Route 22, and being part of the property described in a deed from Tambrands, Inc., to Old Adirondack, Inc. dated May 25, 1994 recorded May 26, 1994 in the Essex County Clerk's Office in deed book 1062 at page 166 and being shown as Lot 1 on a Map of Survey prepared for Willsboro Development Corporation, dated June 27, 1994, revised July 11, 1994, by Kevin A. Hall, Land Surveyor and filed in the Essex County Clerk's Office as Map Number 4554, formerly being part of "Parcel No. 10" as described in a deed dated June 8, 1962, from the New York & Pennsylvania Co. Inc. to the Champlain Mills Properties, Inc. and recorded in the Essex County Clerk's Office in deed book 400 at page 240, being bounded and described as follows:

Beginning at a 3 foot long 1/2" iron pipe set to grade located at the northeast corner of the herein described parcel and the southeast corner of Anjou Development Corp. as described in deed book 1066 at page 40, being Lot 2 as shown on said map, said iron pipe being in the assumed westerly road bounds of said Route 22, a distance of 25 feet from the centerline thereof and running the following two courses along said road bounds;

1. Southerly on a curve concave to the east an arc distance of 161.85 feet to a found 3/4" iron pipe 0.1' below grade at the point of tangency, said curve having a radius of 434.26 feet and a delta angle of 21°-21'-16";
2. S 04°-32'-20" E as referenced to north by deed book 1062 at page 166 a distance of 26.19 feet to a 4 foot long 3/4" iron pipe set to 0.1' below grade located at the northeast corner of Samuel J. and Ann E. Marcotte as described in a deed from Tampax, Inc., dated November 8, 1974, recorded in deed book 598 at page 180 and running the following course along said Marcotte as described in said deed book 598 at page 180 and in a deed from Tambrands, Inc. dated August 27, 1986, recorded in deed book 876 at page 281;
3. N 82°-52'-20" W 214.11 feet to a found 3/4" iron pipe at grade at the northwest corner of said Marcotte and running the following course along said Marcotte as described in said deed book 876 at page 281 and Glen and Elizabeth Flora as described in a deed from Tambrands, Inc. dated August 27, 1986 recorded in deed book 876 at page 68;
4. S 03°-57'-00" E 193.26 feet to a found 1' high 1/2" iron pipe;
5. S 83°-45'-12" E 100.00 feet to a found 3/4" iron pipe 0.5' below grade, set in June 1994, located at the northwest corner of Stafford as described in deed book 596 at page 122;
6. S 17°-51'-00" W 109.00 feet to a found 0.3' high 1/2" iron pipe, set in June 1994, said iron pipe being located at the southwest corner of said Stafford;
7. N 55°-32'-40" W 120.41 feet along land of an unknown owner to a 0.5' high 5/8" iron rod with cap set in September 1999, and continuing on the same course of N 55°-32'-40" W an additional distance of 1,113.37 feet along the north bounds of Essex County Industrial Development Agency as described in deed book 1299 at page 20, for a total distance of 1,233.78 feet to a found 1/2" iron pipe plug in a drill hole in a 2' X 2' X 1' high rock, said iron pipe plug set in June of 1994 and running the following two courses along Lot 2,
8. N 25°-31'-29" E 293.75 feet to a found 0.2' high 1/2" iron pipe set in June of 1994,
9. S 64°-28'-31" E 1,151.42 feet to the point and place of beginning, containing 10.00 acres, within the above described bounds and shown on the herein above referenced map.

Subject to all rights, title and interest of the public in and to that portion of land lying westerly of the first two courses and the true legal road bounds of New York State Rt. 22.

Together with all rights, title and interest of the grantor in and to that portion of land lying easterly of the first two courses and the true legal centerline of New York State Rt. 22.

LEGAL DESCRIPTION - CONTINUED

Together with an easement labeled with the letter "A" as shown on the herein above referenced map.

Subject to an easement to Willsboro Sewer District #1 as described in a deed dated and recorded June 29, 1994 in the Essex County Clerk's Office in deed book 1064 at page 280.

Subject to all easements and restrictions of record.

The lands conveyed are subject to Adirondack Park Agency Permit 2001-182 issued October 12, 2001, the terms and conditions of which are binding upon the heirs, successors and assigns of the grantors and all subsequent grantees, filed in the Essex County Clerk's Office in APA Book 54 at page 126.

Further granting and conveying an easement and right of way for ingress and egress at a width of 50 feet commencing at Route 22 and running in a westerly direction along the northerly boundary of the parcel herein described then turning and running the entire length of the westerly boundary of the parcel herein described. This easement is to be used in common with others more specifically being Anjou Development Corporation being the fee title owner and also Willsboro Development Corporation which reserves said easement rights in order to gain access to its other lands located to the south of the subject property.

Subject to a certain easement reserved by Willsboro Development Corporation in a deed from Willsboro Development Corporation dated March 12, 2002 and recorded in the Essex County Clerk's Office at Book 1314 of Deeds at page 266 thereof.

19 Myers Way, Willsboro, Essex County, New York 12996, Tax Map #31.9-1-42.100

Equipment	Amount	Model Number	Serial Number
Present in Willsboro			
Yale Forklift	1		
JEM Sewing Head	1		
Pallet Racks			
27' by 11 ring Grain Bin	2		
Temper Bin	1		
Ford Tractor	1	5640	P.O./004576
48' Van Trailer	1		
Fortress Metal Detector	1	Phantom	21340
Moving to Willsboro from Westport			
15' by 8 ring hopper bottom grain bin	4		
12' by 8 ring hopper bottom grain bin	2		
9' by 5 ring hopper bottom grain bin	5		
Codema Air Lock	11		
Flour Tanks	4		
13' flour bin	1		
Walinga Agri Vac	1	4510	MT4510WLX-40E-050810183
All Fill system	1	14-9000	20010101373
Perten Laboratory Mill	1	3100	050210
Perten Falling Number Machine	1	FN1500	057107
Perten Inframatic Flour Analyzer	1	IM 9140	4111
Brabender Farinograph	1	S300	184502
Fischbein Sewing Machine	5		
Helms Whole Mill	1	25-S	340
Fortress Metal Detector	1	Phantom	F5247
Flour Bagger Tank with Airlock	1		
Chantland bagger with scales	1	4198 Weighmaster II	39402
Stone Mill			
Airlock bench	1		
Airlocks	10		

Cyclones	10		
Allis Chalmers Sifter	1		1155
Sieves	68		
Codema Filter Tank with Airlock	1		
Roll Stand	4		
IR Piston type air compressor	1	7100	8056694
Whole Mill Filter Tank	1	16005.6	16005.0202
Whole Mill Vacuum Pump	1	GAELDPA	S159590
Kaeser Blower 1	1	MDB 130	1495 135 2005
Kaeser Blower 2	1	MDB 130	1414 135 2005
Kaeser Blower 3	1	MDB 130	1493 135 2005
Kaeser Blower 4	1	MDB 130	1496 135 2005
JEM Bagger	1	GWD-21-GG	061451
JEM Conveyor	1	Con 508 w/PED	31422
Portable Air Lock	1		
Mixing Tank	1		
Blue Master Bucket Elevator	1	500S	688112536
Triner Scale	1	TS-700 MS	AE120319080
Alapala Scour/Aspirator	1	KKSI 3010	796
Temper Augur	1		
Toyota Electric Pallet Jack	1	8HBW23	8HBW23-28589
Toyota Electric Pallet Jack	1	7HBW23	7HBW23-28589
Toyota Forklift	1	42-6FGCU15	60961
Incoming Equipment			
IR Rotary screw compressor	1	IRN30H Nirvana	
Ocrim Separator Sifter	1		
Codema Destoner	1		
Clean Grain Bin	1		
Magnet	1		
Scales	1		
Bliss Whole Mill	1		

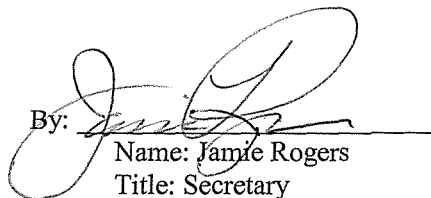
Witt Rollstand	1		
Whole Mill Filter Tank	1		
White Flour Filter Tank	1		
Satake Color Sorter	1		

**CERTIFICATE AS TO CHAPTER 563 OF THE LAWS OF 1973 OF THE STATE OF
NEW YORK SECTION 914-A OF THE GENERAL MUNICIPAL LAW, AS AMENDED**

I, Jamie Rogers, Secretary of the Essex County Industrial Development Agency (the “Issuer”), a governmental agency and instrumentality constituting a body corporate and politic and a public benefit corporation of the State of New York (the “State”), duly organized and existing under the laws of the State **HEREBY CERTIFY** that a true and correct copy of the Chapter 563 of the Laws of 1973 of the State of New York (Section 914-a of the General Municipal Law), as amended, establishing the Issuer is attached hereto.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Issuer this
May 16th, 2017.

(SEAL)

By: 
Name: Jamie Rogers
Title: Secretary

Parcel 119 on Map 96 filed in the office of the county clerk of the county of Onondaga on the 29th day of May, 1968 in Book of Deeds 2375 at page 156 in relation to the Fairmount-Syracuse State Highway.

§ 2. If the court shall find that the lands of the claimants or any interest of said claimants in said lands or any part thereof were so appropriated, and that such claimants are the owners of the property affected thereby, or have some interest therein and have not been compensated for the value of and damages to such lands, or easement rights in such lands, or other interest in such lands, including consequential or severance damages, such value and damages shall constitute a legal and valid claim against the state and the state shall be liable therefor and the court may make an award and render judgment for such claimants and against the state in such sum as shall reasonably compensate the claimants for the value of such premises appropriated and for such damages sustained by reason of such appropriation.

§ 3. The state hereby consents to have its liability on such claim or claims determined notwithstanding the failure of the claimants to file such claim or notice of intention to file such claim or to do any other act in relation to the presentation thereof within the time limited or prescribed by law, to the same extent and with the same effect as though said claim had been timely filed; provided such claims are filed with the court within six months after this act takes effect.

§ 4. Nothing herein contained shall be construed as passing upon the merits of such claim and no award shall be made or judgment rendered against the state unless sustained by such evidence as would create a liability against an individual or corporation.

§ 5. This act shall take effect immediately.

CHAPTER 563

AN ACT to amend the general municipal law, in relation to creating and establishing the Essex county industrial development agency, and providing for its functions, powers and duties

Became a law June 5, 1973, with the approval of the Governor. Passed on Home Rule request pursuant to Article IX, section 2(b)(2) of the Constitution by a majority vote, three-fifths being present

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The general municipal law is hereby amended by inserting in title two of article eighteen-A, a new section, to be section nine hundred fourteen-a, to read as follows:

§ 914-a. *Essex county industrial development agency. For the benefit of the county of Essex and the inhabitants thereof, an industrial development agency, to be known as the ESSEX*

COUNTY INDUSTRIAL DEVELOPMENT AGENCY, is hereby established for the accomplishment of any or all of the purposes specified in title one of article eighteen-A of this chapter. It shall constitute a body corporate and politic, and be perpetual in duration. It shall have the powers and duties now or hereafter conferred by title one of article eighteen-A of this chapter upon industrial development agencies and provided that the exercise of the powers by such agency with respect to the acquisition of real property whether by purchase, condemnation or otherwise, shall be limited to the corporate limits of the county of Essex, and such agency shall take into consideration the local zoning and planning regulations as well as the regional and local comprehensive land use plans. It shall be organized in a manner prescribed by and be subject to the provisions of title one of article eighteen-A of this chapter. Its members shall be appointed by the governing body of the county of Essex. The agency, its members, officers and employees and its operations and activities shall in all respects be governed by the provisions of title one of article eighteen-A of this chapter.

§ 2. This act shall take effect immediately.

CHAPTER 564

AN ACT to confer jurisdiction on the court of claims to hear, audit and determine the claim or claims of Ramona K. Beals and Carlton Beals for compensation for damages for certain lands owned by them and appropriated by the state and to render judgment thereon

Became a law June 5, 1973, with the approval of the Governor. Passed by a majority vote, three-fifths being present

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Jurisdiction is hereby conferred upon the court of claims to hear, audit and determine the claim or claims of Ramona K. Beals and Carlton Beals of 10212 Allegheny Road, Darien Center in the Town of Darien, Genesee County, New York, or their successors in interest, against the state for compensation, value and damages, including consequential and severance damages to real property alleged to have been sustained by Ramona K. Beals and Carlton Beals by reason of the appropriation pursuant to section six hundred seventy-six-a of the conservation law of certain lands in the county of Genesee in the construction or reconstruction of Darien Lakes State Park in such county and described as follows:

ALL THAT TRACT OR PARCEL OF LAND being part of Great Lot 5, Township 11, Range 4, Town of Darien, County of Genesee, State of New York as shown on a map entitled "Acquisition Map, Darien Lakes State Park, County of Genesee, State of

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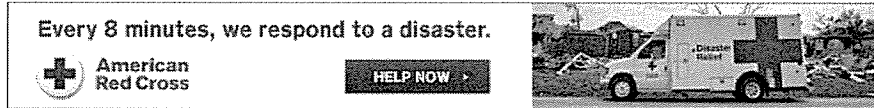
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New York Consolidated Laws, General Municipal Law - GMU § 914-a. Essex county industrial development agency

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l-1973, c. 563. Other §§ 914-a were added by other acts.]>

For the benefit of the county of Essex and the inhabitants thereof, an industrial development agency, to be known as the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, is hereby established for the accomplishment of any or all of the purposes specified in title one of article eighteen-A of this chapter. It shall constitute a body corporate and politic, and be perpetual in duration. It shall have the powers and duties now or hereafter conferred by title one of article eighteen-A of this chapter upon industrial development agencies and provided that the exercise of the powers by such agency with respect to the acquisition of real property whether by purchase, condemnation or otherwise, shall be limited to the corporate limits of the county of Essex, and such agency shall take into consideration the local zoning and planning regulations as well as the regional and local comprehensive land use plans. It shall be organized in a manner prescribed by and be subject to the provisions of title one of article eighteen-A of this chapter. Its members shall be appointed by the governing body of the county of Essex. The agency, its members, officers and employees and its operations and activities shall in all respects be governed by the provisions of title one of article eighteen-A of this chapter.

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**CERTIFICATE AS TO ESTABLISHMENT OF ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

I, **JAMIE ROGERS**, Secretary of the Essex County Industrial Development Agency (the "Issuer"), **HEREBY CERTIFY** that pursuant to Sections 856 and 914-a of Title I of Article 18-A of the General Municipal Law, the Issuer is and has been established and is in existence from June 11, 1973 continuously to and including the date hereof. Certificates required to be filed with the office of the Secretary of State of New York pursuant to Section 856 of said Law stating the names of the members of the Issuer and their offices and other matters have been duly filed and such filings remain in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Issuer
this 16th day of May 2017.

By: 

Name: Jamie Rogers
Title: Secretary

(SEAL)

**CERTIFICATE AS TO BY-LAWS OF THE ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

I, **JAMIE ROGERS**, Secretary of the Essex County Industrial Development Agency (the "Issuer"), a governmental agency and instrumentality constituting a body corporate and politic and a public benefit corporation of the State of New York (the "State"), duly organized and existing under the laws of the State **HEREBY CERTIFY** that I am the Secretary of the Issuer and custodian of the records of the Issuer.

I **FURTHER CERTIFY** that a true and correct copy of the By-Laws of the Issuer which have been in effect from August 18, 1998, including any amendments, through the date of this certificate, is attached hereto.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Issuer
this 6th day of May 2017.

By: 

Name: Jamie Rogers
Title: Secretary

(SEAL)

By-Laws Of The
Essex County Industrial Development Agency

Pursuant to the authority contained in 858, subdivision 5 and 914-a of the General Municipal Law, the Essex County Industrial Development Agency hereby makes and adopts the following by-laws for the management and regulation of its affairs.

Article One: Name & Official Seal

The name of the Agency shall be the Essex County Industrial Development Agency.

The official seal of the Agency shall be in a design circular in form bearing the words and date as follows: Essex County Industrial Development Agency, New York, Corporate Deal, 1973.

Article Two: Agency Members & Term

Member & Term – The members of the Agency shall be appointed by the Essex County Board of Supervisors, shall serve at the pleasure of said Board, and shall continue to hold office until his/her successor is appointed and has qualified.

Number of Members – The Agency shall consist of not less than three nor more than seven members, as determined by the Essex County Board of Supervisors.

Persons Eligible For Membership – Members of the Essex County Board of Supervisors, representatives of local government, school boards, organized labor and business may be appointed to serve as members of the Agency.

Failure To Attend Meetings – The Essex County Board of Supervisors shall be notified in writing by the Secretary of the Agency of any member who shall miss three (3) consecutive regular meetings or four (4) non-consecutive regular meetings in a single calendar year. A copy of such notice shall be mailed to any such member by certified mail, return receipt requested.

No Compensation – All members of the Agency shall serve without compensation for their services, but shall be entitled to the necessary expenses, including travel expenses incurred in the discharge of their duties to the extent that funds are appropriated in the Agency's budget therefore.

Article Three: Officers

Term & Number – The officers of the Agency shall be a Chairman, Vice-Chairman, Secretary and Treasurer, who shall have such duties, powers and functions as hereinafter provided, all of whom shall be elected by the members of the Agency, except the original Chairman who shall be appointed by the Essex County Board of Supervisors. Such officers shall be elected at the annual meeting of the Agency in each fiscal year.

Term of Office – Each officer of the Agency shall hold office for one year and shall continue to hold office until his/her successor is elected and qualifies. If the term of an Agency

member should terminate, his/her term of office as an officer shall also terminate, and at the regular meeting next succeeding such termination the members of the Agency shall elect from among their number a successor who shall serve until the next annual meeting of the Agency.

Chairman – The Chairman shall: preside at all meetings of the Agency, sign and execute on behalf of the Agency all contracts, notes, bonds, trust indentures, other evidences of indebtedness, and all other official documents of the Agency, when so authorized by the Agency; shall submit to the Agency such recommendations and information as she/he may consider proper concerning the business, affairs, and policies of the Agency.

Vice-Chairman – The Vice-Chairman shall: during the absence or disability of the Chairman, have all the powers and perform all the duties of the Chairman; perform such other duties as the Agency shall prescribe or designate; in case of the resignation or the death of the Chairman perform such duties as are imposed on the Chairman until such time as the Agency shall elect a new Chairman.

Secretary – The Secretary shall: witness the recording of all the notes and minutes of the Agency in a journal to be kept for that purpose; assist in serving of notices of all meetings when required; oversee the safe custody the seal of the Agency and have power to affix such seal to all papers or other documents as may be required; attend to such correspondence as may assigned; perform all other duties as the Agency may designate.

Treasurer – The Treasurer shall: oversee the care and custody of all funds and securities of the Agency; oversee deposit of all funds and monies of the Agency forthwith shall designate; oversee the treasury and the receipts, deposits and disbursements of all Agency monies; witness full, accurate and separate accounts of the various funds and monies of the Agency; at a reasonable time exhibit the books and accounts to any member of the Agency upon request at the office of the Agency during business hours; assist staff/CPA with rendering a full financial report at the annual meeting of the Agency, and at any regular meeting if so requested; have such other powers and duties as are conferred by the Agency or by any special or general law.

Removal, Resignation & Death – Any officer of the Agency may be removed by the Agency with or without cause. In the event of death, resignation or removal of an officer, the Agency in its discretion may elect a successor to fill the unexpired term at the next regular or special meeting of the Agency

Article Four: Administrative Staff

Executive Director – The Agency may retain the services of an Executive Director or Directors, either by employing a person or contracting with an independent contractor qualified to perform the duties of Executive Director, who or which shall be appointed by the Agency and shall be responsible for the administration of its affairs. The Executive Director shall, subject to the Agency's supervision, direction and control, perform such duties as the Agency shall determine either by resolution or by contract, which duties may include the following: serve as the general manager of the Agency; exercise supervision and control of

all administrative functions of the Agency; be responsible for the implementation of all resolutions, orders, programs or projects of the Agency; attend all meetings of the Agency with the right to take part in the discussion and to recommend such measures as he/she may deem necessary or expedient; and perform such other duties and have such other powers as may prescribed for him/her by law or by the Agency, and have all the necessary incidental powers to perform and exercise any of the duties and functions specified above or lawfully delegated to him/her.

Personnel – The Agency may appoint and employ such employees as the Agency may require for the performance of its duties, and fix and determine their qualifications, duties and compensation. The Agency may also appoint counsel, who may be Counsel of the County, fix his/her compensation for services, which, if permitted by law, shall be payable to him/her in addition to his/her official compensation, and may retain and employ private consultants for professional and technical assistance and advice.

Article Five: Fiscal Year & Insurance

Fiscal Year – The fiscal year of the Agency shall begin on the 1st day of January.

Bonding of Officers – The Chairman, Treasurer and such other officers and employees of the Agency as the Agency may require, shall execute bonds conditioned upon the faithful performance of their official Agency duties, with the amount of the premiums thereof to be paid by the Agency.

Insurance – The Agency shall procure and maintain such insurance coverage as the Agency shall determine are necessary and appropriate to the proper functioning and protection of the Agency, and all premiums therefore shall be paid by the Agency.

Article Six: Meetings & Committees

Annual Meeting – The annual meeting of the Agency shall be held on the third Tuesday of March at 9:00AM at the regular meeting place of the Agency.

Regular Meetings – Regular meetings of the Agency may be held at such times and places as from time to time may be determined by resolution of the Agency. Regular meetings may be adjourned to any other place at the will of a majority of the members of the Agency.

Special Meetings – The Chairman of the Agency may, when he/she deems it desirable, and shall upon written request of two members of the Agency, call a special meeting of the Agency for the purpose of transacting any business designated in the notice of such meeting. No business shall be considered at any special meeting other than as designated in the notice thereof, except that if all members of the Agency are present at such special meeting then any and all business may be transacted at such special meeting upon unanimous consent of and execution of written waivers of notice by such members.

Notice of Meetings – Notice of any regular or special meeting of the Agency shall be served on each member of the Agency by personal delivery, facsimile transmission, first class mail, or if authorized in writing by a member by electronic mail to such member, received by each such member at least seven (7) days prior to the date of a regular meeting and twenty-four

(24) hours prior to the time of a special meeting. Any member of the Agency may waive notice of any regular or special meeting by executing a written waiver of such notice prior to such meeting.

Quorum & Majority – At all meetings of the Agency or any committee thereof, a majority of the total membership of the Agency or committee shall constitute a quorum. No official action of the Agency or of any committee thereof shall be taken or authorized except upon the affirmative vote of a majority of the total membership of the Agency or committee even though one or more members of the Agency or of such committee may not be present and voting thereat. The abstention by a member from voting on any matter shall not reduce the number of affirmative votes necessary or required for a majority.

Order of Business – The order of business at regular meetings shall be: roll call, reading of minutes of preceding meetings, approval of minutes of preceding meeting, reports of committees, report of Executive Director, communications, unfinished business, new business and adjournment.

Director & Committee Action by Conference Telephone – Any one or more members of the board of directors, or of any committee thereof, may participate in a meeting of such board or committee by means of a conference telephone or similar equipment which allows all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at such meeting.

Committees – The Agency shall have two (2) required committees: Audit Committee and Governance Committee as determined by the Public Accountability Reform Act of 2005 and other committees the Agency deems necessary. Agency members who serve on these committees will be independent board members as described by the Public Accountability Reform Act of 2005.

Article Seven: Amendments

Amendments to By-Laws – The By-Laws of the Agency shall be amended only with the approval of at least a majority of all of the members of the Agency at a regular or a special meeting, but no such amendment shall be adopted unless at least seven (7) days written notice thereof has been previously given to all members of the Agency.

Adopted by IDA Board of Directors: February 25, 2007

Re-Adopted by IDA Board of Directors: February 26, 2008

Re-Adopted by IDA Board of Directors March 17, 2009

Amended by IDA Board of Directors March 1, 2010 – new conference telephone added

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Re-Adopted by IDA Board of Directors March 28, 2012

Amended by IDA Board of Directors July 17, 2012 – change duties of Secretary & Treasurer

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Re-Adopted by IDA Board of Directors March 25, 2015

Re-Adopted by IDA Board of Directors March 23, 2016
Re-Adopted by IDA Board of Directors March 23, 2017

**GENERAL CERTIFICATE OF
ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

WE, THE UNDERSIGNED, Chairman and Secretary of the Essex County Industrial Development Agency (the “Issuer”), **HEREBY CERTIFY** as follows:

1. The Issuer is a public body corporate and politic and a public benefit corporation of the State of New York (the “State”), duly created by Chapter 563 of the Laws of 1973 of the State, and is authorized and empowered by Chapter 1030 of the Laws of 1969 of the State (Article 18-A of the General Municipal Law), as amended and supplemented to the date hereof (the “Act”) to enter into the Indenture, as hereinafter defined, for the purposes enumerated in the Act.

2. On April 19, 2016 and continuously thereafter to and including the date hereof, the following are the duly appointed, qualified and acting members of the Issuer:

<u>NAME</u>	<u>EXPIRATION OF TERM OF OFFICE</u>
<u>Darren Darrah</u>	
<u>James Bowen</u>	
<u>Matt Courtright</u>	All Board members serve at the pleasure of the Essex County Board of Supervisors.
<u>Joe Kusalonis</u>	
<u>Jamie Rogers</u>	
<u>John Boyea</u>	
<u>Gerald Morrow</u>	

3. On April 19, 2016 and continuously thereafter to and including the date hereof, the following, are the duly elected, qualified and acting officers of the Issuer:

NAME

OFFICE

SIGNATURE

Darren Darrah

Chairman



Jamie Rogers

Secretary



4. Attached hereto as Exhibit A and Exhibit B are true and complete copies of the Certificate of Establishment of the Issuer and By-Laws of the Issuer, as the same have been amended from time to time and as the same were in full force and effect during the period from April 19, 2016 to and including the date hereof.

5. Attached hereto as Exhibit C is a true and complete copy of the Inducement Resolution, dated April 19, 2016, authorizing the Project (as defined in the Indenture, dated as May 1, 2017, between the Issuer and ZB, National Association (the "Trustee"). Minutes of such meeting have been duly recorded in the Minute Book kept by me in accordance with law for the purpose of recording the minutes of the meetings of the Board of Directors of the Issuer (the "Board"). Notice of such meeting was given as prescribed by law and such meeting was open to all persons who were entitled by law to attend such meeting.

6. Attached hereto as Exhibit D and Exhibit E are true and correct copies of the TEFRA Proceedings of the Issuer and the approval by the Board of Supervisors of the County of Essex. The TEFRA Resolution was adopted by the Board on May 23, 2016 and minutes of such meeting have been duly recorded in the minute book kept by me in accordance with law for the purpose of recording the minutes of the meetings of the Board. Notice of such meeting was given as prescribed by law and such meeting was open to all persons who were entitled by law to attend such meeting. The Board of Supervisors of Essex County approved the TEFRA Proceedings of the Issuer on July 5, 2016, a copy of which is attached hereto as Exhibit F.

7. Attached hereto as Exhibit G is a true and correct copy of the Bond Resolution, dated April 6, 2017 (the “Bond Resolution”), which authorizes execution and delivery by the Issuer of the Issuer Documents (as hereinafter defined). Minutes of the Board meeting have been duly recorded in the minute book kept by the Secretary of the Board in accordance with law for the purpose of recording the minutes of the meetings of the Board. Notice of the Board meeting was given as prescribed by law and such meeting was open to all persons who were entitled by law to attend such meeting. The Bond Resolution has not been amended or rescinded and is in full force and effect on the date hereof.

8. We have officially caused the following documents (hereinafter referred to collectively as the “Issuer Documents”) to be executed in the name of the Issuer by signing each of the Financing Documents with the signature of the Chairman and, where required, with the signature of the Secretary attesting thereto and the corporate seal of the Issuer impressed thereon:

- (a) the Trust Indenture, dated as of May 1, 2017, between the Issuer and the Trustee and attached to the Record of Proceedings as Document 1;
- (b) the Bonds, specimens of which are attached to the Record of Proceedings as Documents 2;
- (c) the Installment Sale Agreement, dated as of May 1, 2017, between the Issuer and Champlain Valley Milling, Inc. (the “Company”) and attached to the Record of Proceedings as Document 3;
- (d) the Pledge and Assignment Agreement, dated as of May 1, 2017, and attached to the Record of Proceedings as Document 4;
- (e) the Mortgage and Security Agreement, dated as of May 1, 2017, and attached to the Record of Proceedings as Document 5;

- (f) the Guaranty Agreement, dated as of May 1, 2017, from both the Company and the majority owners of the Company to the Issuer and the Trustee and accepted by the Issuer, attached to the Record of Proceedings as Document 6;
- (g) the Tax Compliance Certificate dated as of May 16, 2017, along with Internal Revenue Service Form 8038-G and attached to the Record of Proceedings as Documents 7 and 8; and
- (h) the UCC Financing Statements from the Issuer to the Trustee attached to the Record of Proceedings as Document 9;
- (i) the Payment in Lieu of Taxes Agreement (“PILOT Agreement”), dated May 16, 2017, attached to the Record of Proceedings as Document 18; and
- (j) the Bond Purchase Agreement among the Issuer, the Company, and Janney Montgomery Scott, LLC (the “Placement Agent”), dated May 10, 2017, attached to the Record of Proceedings as Document 28;

All capitalized terms used in this Certificate and not otherwise defined herein shall have the same meanings assigned to them as in the Indenture.

9. The Issuer has (i) authorized and provided for the execution and delivery of the Issuer Documents in the Bond Resolution, (ii) duly performed all of its obligations to be performed at or prior to the date hereof and each of the representations and warranties of the Issuer contained in the Issuer Documents are true and correct as of the date hereof, and (iii) duly authorized by all necessary action, the execution, delivery, receipt and due performance of the Issuer Documents and any and all other agreements and documents as may be required to be executed and delivered by the Issuer in order to carry out, give effect to and consummate the transactions described and contemplated in the Issuer Documents. No further act, resolution or

consent by the Issuer is required to give effect to and consummate the transactions described and contemplated in the Issuer Documents.

10. On the date of delivery of the Issuer Documents, which is also the date of this certificate and the date of delivery of and payment for the Bonds, we are the duly elected and acting officers indicated on the Issuer Documents and on this certificate and are duly authorized to cause the Issuer Documents to be executed as recited above and to be delivered and to effect other transactions contemplated by the Issuer Documents.

11. The Issuer has determined that the Project is a “Type 2” Action under the applicable provisions of Article 8 of the State Environmental Quality Review Act, as amended, and the Regulations promulgated thereunder by the New York Department of Environmental Conservation and therefore no review is required thereunder.


12. To the best of our knowledge, on the date hereof there has been no substantial adverse change of any kind in the condition of the Issuer. All certifications, warranties and representations made by the Issuer in connection with the issuance of the Bonds are hereby ratified, confirmed and approved as if made on the date hereof.

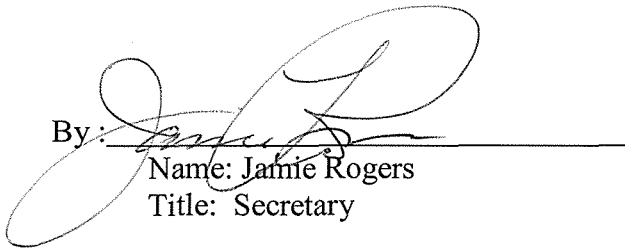
13. No litigation is pending, or, to the best of our knowledge, threatened to restrain or enjoin the delivery and execution of the Issuer Documents or in any way to affect the existence or power of the Issuer or the right of the Issuer to expend the proceeds of the Bonds to finance the costs of the Project.

IN WITNESS WHEREOF we have set forth our official signatures and the seal of the Issuer
on this 16th day of May, 2017.

ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

(SEAL)

By: 
Name: Darren Darrah
Title: Chairman

By: 
Name: Jamie Rogers
Title: Secretary

[General Certificate of the Issuer]

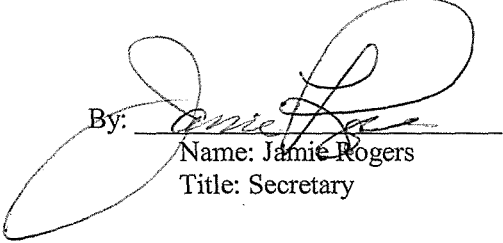
EXHIBIT A

Certificate of Establishment of the Issuer

**CERTIFICATE AS TO ESTABLISHMENT OF ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

I, **JAMIE ROGERS**, Secretary of the Essex County Industrial Development Agency (the "Issuer"), **HEREBY CERTIFY** that pursuant to Sections 856 and 914-a of Title I of Article 18-A of the General Municipal Law, the Issuer is and has been established and is in existence from June 11, 1973 continuously to and including the date hereof. Certificates required to be filed with the office of the Secretary of State of New York pursuant to Section 856 of said Law stating the names of the members of the Issuer and their offices and other matters have been duly filed and such filings remain in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Issuer this 16th day of May 2017.

By: 
Name: Jamie Rogers
Title: Secretary

(SEAL)

EXHIBIT B

By-Laws

**CERTIFICATE AS TO BY-LAWS OF THE ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

I, **JAMIE ROGERS**, Secretary of the Essex County Industrial Development Agency (the "Issuer"), a governmental agency and instrumentality constituting a body corporate and politic and a public benefit corporation of the State of New York (the "State"), duly organized and existing under the laws of the State **HEREBY CERTIFY** that I am the Secretary of the Issuer and custodian of the records of the Issuer.

I **FURTHER CERTIFY** that a true and correct copy of the By-Laws of the Issuer which have been in effect from August 18, 1998, including any amendments, through the date of this certificate, is attached hereto.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Issuer this 16th day of May 2017.

By: _____

Name: Jamie Rogers
Title: Secretary

(SEAL)

By-Laws Of The Essex County Industrial Development Agency

Pursuant to the authority contained in 858, subdivision 5 and 914-a of the General Municipal Law, the Essex County Industrial Development Agency hereby makes and adopts the following by-laws for the management and regulation of its affairs.

Article One: Name & Official Seal

The name of the Agency shall be the Essex County Industrial Development Agency.

The official seal of the Agency shall be in a design circular in form bearing the words and date as follows: Essex County Industrial Development Agency, New York, Corporate Deal, 1973.

Article Two: Agency Members & Term

Member & Term – The members of the Agency shall be appointed by the Essex County Board of Supervisors, shall serve at the pleasure of said Board, and shall continue to hold office until his/her successor is appointed and has qualified.

Number of Members – The Agency shall consist of not less than three nor more than seven members, as determined by the Essex County Board of Supervisors.

Persons Eligible For Membership – Members of the Essex County Board of Supervisors, representatives of local government, school boards, organized labor and business may be appointed to serve as members of the Agency.

Failure To Attend Meetings – The Essex County Board of Supervisors shall be notified in writing by the Secretary of the Agency of any member who shall miss three (3) consecutive regular meetings or four (4) non-consecutive regular meetings in a single calendar year. A copy of such notice shall be mailed to any such member by certified mail, return receipt requested.

No Compensation – All members of the Agency shall serve without compensation for their services, but shall be entitled to the necessary expenses, including travel expenses incurred in the discharge of their duties to the extent that funds are appropriated in the Agency's budget therefore.

Article Three: Officers

Term & Number – The officers of the Agency shall be a Chairman, Vice-Chairman, Secretary and Treasurer, who shall have such duties, powers and functions as hereinafter provided, all of whom shall be elected by the members of the Agency, except the original Chairman who shall be appointed by the Essex County Board of Supervisors. Such officers shall be elected at the annual meeting of the Agency in each fiscal year.

Term of Office – Each officer of the Agency shall hold office for one year and shall continue to hold office until his/her successor is elected and qualifies. If the term of an Agency

member should terminate, his/her term of office as an officer shall also terminate, and at the regular meeting next succeeding such termination the members of the Agency shall elect from among their number a successor who shall serve until the next annual meeting of the Agency.

Chairman – The Chairman shall: preside at all meetings of the Agency, sign and execute on behalf of the Agency all contracts, notes, bonds, trust indentures, other evidences of indebtedness, and all other official documents of the Agency, when so authorized by the Agency; shall submit to the Agency such recommendations and information as she/he may consider proper concerning the business, affairs, and policies of the Agency.

Vice-Chairman – The Vice-Chairman shall: during the absence or disability of the Chairman, have all the powers and perform all the duties of the Chairman; perform such other duties as the Agency shall prescribe or designate; in case of the resignation or the death of the Chairman perform such duties as are imposed on the Chairman until such time as the Agency shall elect a new Chairman.

Secretary – The Secretary shall: witness the recording of all the notes and minutes of the Agency in a journal to be kept for that purpose; assist in serving of notices of all meetings when required; oversee the safe custody the seal of the Agency and have power to affix such seal to all papers or other documents as may be required; attend to such correspondence as may assigned; perform all other duties as the Agency may designate.

Treasurer – The Treasurer shall: oversee the care and custody of all funds and securities of the Agency; oversee deposit of all funds and monies of the Agency forthwith shall designate; oversee the treasury and the receipts, deposits and disbursements of all Agency monies; witness full, accurate and separate accounts of the various funds and monies of the Agency; at a reasonable time exhibit the books and accounts to any member of the Agency upon request at the office of the Agency during business hours; assist staff/CPA with rendering a full financial report at the annual meeting of the Agency, and at any regular meeting if so requested; have such other powers and duties as are conferred by the Agency or by any special or general law.

Removal, Resignation & Death – Any officer of the Agency may be removed by the Agency with or without cause. In the event of death, resignation or removal of an officer, the Agency in its discretion may elect a successor to fill the unexpired term at the next regular or special meeting of the Agency

Article Four: Administrative Staff

Executive Director – The Agency may retain the services of an Executive Director or Directors, either by employing a person or contracting with an independent contractor qualified to perform the duties of Executive Director, who or which shall be appointed by the Agency and shall be responsible for the administration of its affairs. The Executive Director shall, subject to the Agency's supervision, direction and control, perform such duties as the Agency shall determine either by resolution or by contract, which duties may include the following: serve as the general manager of the Agency; exercise supervision and control of

all administrative functions of the Agency; be responsible for the implementation of all resolutions, orders, programs or projects of the Agency; attend all meetings of the Agency with the right to take part in the discussion and to recommend such measures as he/she may deem necessary or expedient; and perform such other duties and have such other powers as may prescribed for him/her by law or by the Agency, and have all the necessary incidental powers to perform and exercise any of the duties and functions specified above or lawfully delegated to him/her.

Personnel – The Agency may appoint and employ such employees as the Agency may require for the performance of its duties, and fix and determine their qualifications, duties and compensation. The Agency may also appoint counsel, who may be Counsel of the County, fix his/her compensation for services, which, if permitted by law, shall be payable to him/her in addition to his/her official compensation, and may retain and employ private consultants for professional and technical assistance and advice.

Article Five: Fiscal Year & Insurance

Fiscal Year – The fiscal year of the Agency shall begin on the 1st day of January.

Bonding of Officers – The Chairman, Treasurer and such other officers and employees of the Agency as the Agency may require, shall execute bonds conditioned upon the faithful performance of their official Agency duties, with the amount of the premiums thereof to be paid by the Agency.

Insurance – The Agency shall procure and maintain such insurance coverage as the Agency shall determine are necessary and appropriate to the proper functioning and protection of the Agency, and all premiums therefore shall be paid by the Agency.

Article Six: Meetings & Committees

Annual Meeting – The annual meeting of the Agency shall be held on the third Tuesday of March at 9:00AM at the regular meeting place of the Agency.

Regular Meetings – Regular meetings of the Agency may be held at such times and places as from time to time may be determined by resolution of the Agency. Regular meetings may be adjourned to any other place at the will of a majority of the members of the Agency.

Special Meetings – The Chairman of the Agency may, when he/she deems it desirable, and shall upon written request of two members of the Agency, call a special meeting of the Agency for the purpose of transacting any business designated in the notice of such meeting. No business shall be considered at any special meeting other than as designated in the notice thereof, except that if all members of the Agency are present at such special meeting then any and all business may be transacted at such special meeting upon unanimous consent of and execution of written waivers of notice by such members.

Notice of Meetings – Notice of any regular or special meeting of the Agency shall be served on each member of the Agency by personal delivery, facsimile transmission, first class mail, or if authorized in writing by a member by electronic mail to such member, received by each such member at least seven (7) days prior to the date of a regular meeting and twenty-four

(24) hours prior to the time of a special meeting. Any member of the Agency may waive notice of any regular or special meeting by executing a written waiver of such notice prior to such meeting.

Quorum & Majority – At all meetings of the Agency or any committee thereof, a majority of the total membership of the Agency or committee shall constitute a quorum. No official action of the Agency or of any committee thereof shall be taken or authorized except upon the affirmative vote of a majority of the total membership of the Agency or committee even though one or more members of the Agency or of such committee may not be present and voting thereat. The abstention by a member from voting on any matter shall not reduce the number of affirmative votes necessary or required for a majority.

Order of Business – The order of business at regular meetings shall be: roll call, reading of minutes of preceding meetings, approval of minutes of preceding meeting, reports of committees, report of Executive Director, communications, unfinished business, new business and adjournment.

Director & Committee Action by Conference Telephone – Any one or more members of the board of directors, or of any committee thereof, may participate in a meeting of such board or committee by means of a conference telephone or similar equipment which allows all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at such meeting.

Committees – The Agency shall have two (2) required committees: Audit Committee and Governance Committee as determined by the Public Accountability Reform Act of 2005 and other committees the Agency deems necessary. Agency members who serve on these committees will be independent board members as described by the Public Accountability Reform Act of 2005.

Article Seven: Amendments

Amendments to By-Laws – The By-Laws of the Agency shall be amended only with the approval of at least a majority of all of the members of the Agency at a regular or a special meeting, but no such amendment shall be adopted unless at least seven (7) days written notice thereof has been previously given to all members of the Agency.

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Re-Adopted by IDA Board of Directors: February 26, 2008

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Re-Adopted by IDA Board of Directors March 25, 2015

Re-Adopted by IDA Board of Directors March 23, 2016
Re-Adopted by IDA Board of Directors March 23, 2017

EXHIBIT C

Inducement Resolution, dated April 19, 2016

INDUCEMENT RESOLUTION

A regular meeting of the Essex County Industrial Development Agency, Essex County, New York, was convened in public session on April 19, 2016, at 1 p.m. at 7566 Court Street, Elizabethtown, New York.

The meeting was called to order by the Chairman, with the following members being:

Present: Darren Darrah (via conference call)
John Boyea (via conference call)
Jamie Rogers (via conference call)
Gerald Morrow (via conference call)
Joseph Kusalonis (via conference call)
James Bowen (via conference call)

Also Present: Jody Olcott
Carol Calabrese
Jen Briggs (via conference call)
Sam Sherman, Champlain Valley Milling (via conference call)

Absent: Matthew Courtright

Upon motion duly made and seconded, the following resolution was unanimously adopted by the members of the Essex County Industrial Development Agency:

RESOLUTION TAKING OFFICIAL ACTION TOWARD THE ISSUANCE BY THE AGENCY OF UP TO FIVE MILLION DOLLARS (\$5,000,000) TAX EXEMPT INDUSTRIAL DEVELOPMENT REVENUE BONDS TO FINANCE THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, EQUIPPING AND INSTALLATION OF BUILDINGS AND BUILDING IMPROVEMENTS AND EQUIPMENT, INCLUDING FIXTURES, FOR CHAMPLAIN VALLEY MILLING, INC., A NEW YORK CORPORATION, AND ITS SUCCESSORS AND ASSIGNS

WHEREAS, Champlain Valley Milling, Inc., a New York corporation, and its successors and assigns (the "Company"), located in Willsboro, New York, has applied to the Essex County Industrial Development Agency (the "Agency") to issue tax-exempt industrial development revenue bonds ("small issue" manufacturing exemption for private activity bonds) in an aggregate principal amount not to exceed \$5,000,000 (the "Bonds") for the purpose of financing (i) the acquisition, construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including fixtures, to manufacture grain into flour, all within the Town of Willsboro, New York 12996 (the "Facility"), and (ii) certain costs of issuing the Bonds (hereinafter collectively referred to as the "Project").

WHEREAS, the Company is, or shall be prior to the providing of financial assistance, if any, by the Agency, a corporation, duly organized in the State of New York or other state, and authorized to do business in the State of New York, and

WHEREAS pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 563 of the Laws of 1973 of the State of New York, as amended (collectively, the "Act"), the Agency is authorized and empowered to finance the acquisition, construction, reconstruction, equipping and installation of such facility within Essex County, New York through the issuance of its tax-exempt industrial development revenue bonds, and

WHEREAS, the members of the Agency have approved the application of the Company and have agreed to issue Bonds for the purpose of financing the acquisition, construction, reconstruction, equipping and installation of the Project for the Company.

NOW, THEREFORE, BE IT RESOLVED by the Essex County Industrial Development Agency as follows:

Section 1. The Agency has found and determined that the Company's project constitutes a "project" within the meaning of the Act and shall accomplish the public purpose of the Agency as presented in the Act; and will promote the job opportunities, health, general prosperity and the economic welfare of the inhabitants of Essex County and the State of New York and improve their standard of living and will thereby serve the public purposes of the Act; and that it is desirable and in the public interest to issue up to FIVE MILLION DOLLARS (\$5,000,000) principal amount of Bonds for the purpose of financing the acquisition, construction, reconstruction, equipping and installation of the Project, together with necessary incidental expenses in connection therewith.

Section 2. The Agency will (i) issue the Bonds in the principal amount of not more than FIVE MILLION DOLLARS (\$5,000,000) the particular maturity, interest rate, redemption term and other terms and provisions to be determined by a further resolution of the Agency, (ii) acquire, construct, reconstruct, equip and install the Project, or cause the Project to be acquired, constructed, reconstructed, equipped or installed, (iii) lease with option to purchase, or sell the Project to the Company pursuant to a lease or an installment sale agreement by and between the Agency and the Company, whereby the Company will be obligated, among other things, to make payments to the Agency in amounts and at times so that such payments will be adequate to pay the principal of and premium, if any, and interest on the Bonds and (iv) secure the Bonds in such manner as the Agency, the purchaser of the Bonds and the Company mutually deem appropriate. If the proceeds from the sale of such Bonds are insufficient to finance the entire cost of acquisition, construction, reconstruction, equipping and installation of the Project, the Company shall complete and pay for the Project. Alternatively, the Agency may enter into a "straight-lease" transaction with the Company and grant a mortgage on the Project to secure conventional financing therefore.

- Section 3. The Company is hereby appointed the true and lawful agent of the Agency (i) to acquire, construct, reconstruct, equip and install the Project, and (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency and 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 as the Agency could do if acting on its own behalf. In addition, the Company is hereby authorized to advance such funds as may be necessary to accomplish such purposes and, to the extent permitted by law, the Agency agrees to reimburse the Company therefor out of the proceeds of the Bonds.
- Section 4. The Agency in reviewing the Company's application has preliminarily determined that the Company meets the provisions of Section 862 (2) of the General Municipal Law or that such provisions are not applicable. Any financial assistance which the Agency may provide to the Company shall be subject to the "clawback" provisions of Section 875 of the General Municipal Law, and the Company shall at all times cooperate with and indemnify and hold harmless the Agency in the Agency's colorable and good faith compliance with said Section 875.
- Section 5. Squire Patton Boggs (US) LLP is hereby appointed Bond Counsel in relation to the issuance of the Bonds.
- Section 6. Jennifer Briggs, Esq. is hereby appointed as general counsel to the Agency in relation to the issuance of the Bonds.
- Section 7. Bond Counsel is hereby authorized to work with the Company and others to prepare, for submission to the Agency, all documents necessary to effect the authorization, issuance and sale of the Bonds.
- Section 8. The Chairman of the Agency is hereby authorized and directed to distribute copies of this resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.
- Section 9. This resolution is hereby adopted subject to the requirements of the State Environmental Quality Review Act (SEQRA), as amended, Article 8 of the Environmental Conservation Law of the State of New York, and all regulations thereunder, and applicable regulations, if any, of the Adirondack Park Agency ("APA").
- Section 10. The Agency understands initially that the Company's Project will constitute a qualified manufacturing facility and that the Bonds will constitute "qualified small issue bonds" pursuant to Section 144(a) of the Internal Revenue Code of 1986, as amended (the "Code). Accordingly, the Agency shall prepare and publish a notice of public hearing in compliance with Section 147(f) of the Code and shall hold such public

hearing prior to the issuance of the Bonds, the Agency must have approved the issuance of the Bonds after such public hearing on the issuance of the Bonds and the nature and location of the Project has been held by the Agency at a regularly scheduled meeting of the Agency.

Section 11. The Agency intends this Resolution to be a Declaration of Official Intent of the Agency with respect to the Bonds under U.S. Treasury Regulations Section 1.150-2 (successor to Section 1.103-18) for purposes of Sections 103 and 141 to 150 of the Code. The Agency is the “actual issuer” of the Bonds within the meaning of Section 1.150-2 of the U.S. Treasury Regulations. A general functional description of the property, project or program for which the Company reasonably expects to reimburse all or a portion of the capital expenditures paid within 60 days prior to the date hereof or to be paid on or after the date hereof (the “Expenditures”) is: the acquisition, construction, reconstruction, equipping and installation of the Project. The maximum principal amount of debt expected to be issued for the purposes of reimbursement of the Expenditures is \$5,000,000. The Agency reasonably expects the Company to reimburse the Expenditures with proceeds of debt consisting of the Bonds to be issued by the Agency. This Declaration of Official Intent shall be reasonably available for inspection by the general public, commencing no later than 30 days after the date hereof, until the date of issue of the last Bonds issued to finance the Expenditures, during normal business hours on business days at the office of the Agency, County Government Center, Elizabethtown, New York 12932.

Section 12. The Project qualifies for a payment in lieu of taxes agreement to be negotiated, if at all, at the option of the Agency under its uniform tax-exemption policy.

Section 13. The resolution incorporates by reference the information, statements, exhibits, terms and covenants contained in the Company's Application for Financial Assistance, dated and filed with the Agency on March 8, 2016, which is deemed to be a part of this resolution.

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

Darren Darrah	Voting YES	John Boyea	Voting YES
James Bowen	Voting YES	Gerald Morrow	Voting YES
Jamie Rogers	Voting YES	Joe Kusalonis	Voting YES

The resolution was thereupon declared duly adopted.

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

I, **JAMIE ROGERS**, Secretary of the Essex County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY as follows:

1. A special meeting of the Agency was duly held on April 19, 2016 and minutes of such meeting have been duly recorded in the book kept by me in accordance with law for the purpose of recording the minutes of meetings of the Agency.

2. At such meeting more than a quorum of the members of the Agency were present after all had been duly notified of the meeting and the purposes of the meeting in the manner and within the time prescribed by the By-Laws of the Agency.

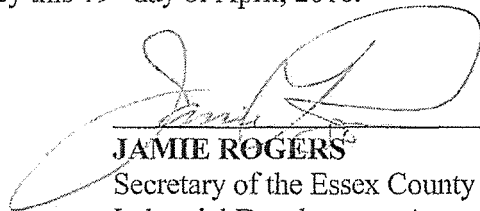
3. I have compared the attached extract with such minutes so recorded and such extract is a true and correct copy of such minutes and of the whole thereof insofar as such minutes relate to matters referred to in such extract.

4. Notice of such meeting was given as prescribed by law and such meeting was open to all persons who were entitled by law to attend such meeting.

5. The resolution referred to in such extract was introduced in typewritten form.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Essex County Industrial Development Agency this 19th day of April, 2016.

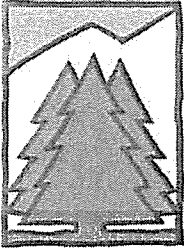
(SEAL)



JAMIE ROGERS
Secretary of the Essex County
Industrial Development Agency, New York

EXHIBIT D

TEFRA Proceedings of the Issuer



ESSEX COUNTY IN THE PARK
INDUSTRIAL DEVELOPMENT AGENCY

7566 Court Street . P.O. Box 217 . Elizabethtown, NY 12932
(518) 873-9114 . Fax (518) 873-2011 . E-mail: info@essexcountyida.com
Web Site: www.essexcountyida.com

Pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and Section 859-a of the General Municipal Law a public hearing was held by the Essex County Industrial Development Agency (the "Agency") on May 23, 2016, 2016 at 9 a.m., local time, at the offices of the Agency located at 7566 Court Street, Elizabethtown, New York, in connection with the following matters:

The agency has authorized up to \$5,000,000 of tax-exempt industrial development revenue bonds, the interest on which will be excluded from gross income for federal income tax purposes for the project described below.

Champlain Valley Milling, Inc., a New York corporation, and its successors and assigns (the "Company"), located in Westport, New York, has applied to the Essex County Industrial Development Agency (the "Agency") to issue tax-exempt industrial development revenue bonds in one or more series as part of a plan of finance in an aggregate principal amount not to exceed \$5,000,000 (the "Bonds"). The Agency plans to issue the Bonds for the purpose of (A) financing (i) the construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including fixtures, as part of the Company's flour product manufacturing business, to be located at 19 Myers Way in the Town of Willsboro, New York 12996 (the "Facility"), which Facility will include an approximately 29,000 ft building and a 70-ft silo, and (ii) certain costs of issuing the Bonds (together with the Facility, hereinafter collectively referred to as the "Project"); (B) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law of the State) with respect to the foregoing, including exemption from certain deed transfer taxes, transfer gains tax, sales and use taxes, and mortgage recording taxes (together with the Bonds, the "Financial Assistance"); and (C) the lease and sale of the Project to the Company. During the lease term, the Facility will be owned by the Agency and leased to the Company, and operated by the Company.

The Project will be subject to a financing agreement (the "Agreement") requiring that the Company make payments equal to the debt service on the Bonds and make certain other payments. Pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations"), the Agency has determined that the Project does not have a "significant effect on the environment" (as set forth in the SEQR Act and the Regulations) and therefore require the preparation of an environmental assessment form. Such determinations shall be and shall be deemed to be in conformity with similar determinations issued by the Adirondack Park Agency.

At public hearing the Agency discussed and determined (i) the applicability of Section 862(2) of the General Municipal Law relating to Project eligibility for financial assistance, and (ii) compliance with Section 875 of the General Municipal Law relating to the "clawback" of financial assistance and the Agency's requirement of cooperation, indemnify and hold harmless from the Company in the Agency's colorable and good faith compliance with said Section 875 and (iii) the issuance of the Bonds to finance the Project.

The Bonds will be a special obligation of the Agency payable solely from revenue derived from the Company or the Facility under the Agreement. THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING, WITHOUT LIMITATION, ESSEX COUNTY, AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING, WITHOUT LIMITATION, ESSEX COUNTY, SHALL BE LIABLE THEREON.

The following person(s) were present at the public hearing: Chairman Darren Darrah and IDA staff Jody Olcott. With no public attendance or written comments received the hearing closed at 9:15AM.

EXHIBIT E

Proof of Publication of TEFRA

AFFIDAVIT OF PUBLICATION
State of New York
County of Essex }SS.:

Shannon Christian being duly sworn that she resides in the Town of Westport, County of Essex, New York and that she is the Agent of the VALLEY NEWS a weekly newspaper published at Elizabethtown in the County of Essex, and that the notice, a printed copy of which is hereto attached, was printed in said VALLEY NEWS on the following dates:

05/14/2016

Signed this 16th day of May, 2016

Shannon Christian
Agent

Sworn to before me this 16th day of May, 2016

Gayle M. Alexander
Notary Public

Gayle M. Alexander
Notary Public, State of New York
No. 01AL4977709
Qualified in Essex County

Commission Expires 02/11/2019
117156

Essex County, through the Agency, is necessary in order for the interest on a portion of the Bonds to be excludable from gross income for federal income tax purposes. This notice will be published in a newspaper in general circulation in Essex County at least fifteen (15) days prior to the date set for the hearing.
Dated: May 2, 2016
ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Darren Darrah, Chairman
VM-05/14/2016-ITC-117156

Principal Law relating to Project eligibility for financial assistance, and (ii) compliance with Section 875 of the General Municipal Law relating to the "glawback" of financial assistance and the Agency's requirement of cooperation, indemnity and hold harmless from the Company in the Agency's set-orable and good faith compliance with said Section 875 and (iii) the issuance of the Bonds to finance the Project. The Bonds will be a special obligation of the Agency payable solely from revenue derived from the Company or the Facility under the Agreement. THE BONDS

and mortgage recording taxes (together with the Bonds, the "Financial Assistance"); and (C) the lease and sale of the Project to the Company. During the lease term, the Facility will be owned by the Agency and leased to the Company, and operated by the Company. The Project will be subject to a financing agreement (the "Agreement") requiring that the Company make payments equal to the debt service on the Bonds and make certain other payments. Pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as

Champlain Valley Milling, Inc., a New York corporation, and its successors and assigns (the "Company"), located in Elizabethtown, New York, has applied to the Essex County Industrial Development Agency (the "Agency") to issue tax-exempt industrial development revenue bonds in one or more series as part of a plan of finance in an aggregate principal amount not to exceed \$5,000,000 (the "Bonds"). The Agency

State of New York
Clinton County, ss.:

ESSEX CO INDUSTRIAL DEV
7566 COURT ST
P O BOX 217
ELIZABETHTOWN NY 12932

Legal Advertising

NOTICE OF PUBLIC HEARING ON PROPOSED ISSUANCE OF BONDS AND FINANCIAL ASSISTANCE

NOTICE IS HEREBY GIVEN to all interested parties that a public hearing, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and Section 859-a of the General Municipal Law will be held by the Essex County Industrial Development Agency (the "Agency") on May 23, 2016, 2016 at 9 a.m., local time, at the offices of the Agency located at 7566 Court Street, Elizabethtown, New York, in connection with the following matters:

This is a notice for a public hearing to authorize up to \$5,000,000 of tax-exempt industrial development revenue bonds of the Agency, the interest on which will be excluded from gross income for federal income tax purposes for the project described below.

Champlain Valley Milling, Inc., a New York corporation, and its successors and assigns (the "Company"), located in Elizabethtown, New York, has applied to the Essex

Barbara A. Harris of the City of Plattsburgh, in said county, being duly sworn, doth depose and say that she is the clerk of The Plattsburgh Publishing Co., publishers and printers of the newspaper entitled The Press Republican, printed and published daily and Sunday in the City of Plattsburgh, in said county, and that the advertisements covered on the attached copy have appeared in said newspaper on the dates indicated.

Barbara A. Harris

Lamiaa H. Aly
Notary Public

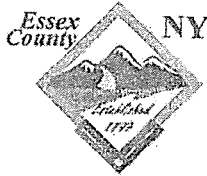
Lamiaa H. Aly
Notary Public State of New York
No. 01AL6236322
Qualified in Clinton County
Commission Expires
February 28, 2019

PUBLICATION	EXPIRE DATE	AD CAPTION	# TIMES	AMOUNT
PRESS REPUBLICAN	05/13/2016	NOTICE OF PUBLIC HEARING	1	123.24

START DATE: 05/13/2016 END DATE: 05/13/2016

EXHIBIT F

Approval of the Board of Supervisors of Essex County



Essex County Board of Supervisors

Resolution No. 183

July 5, 2016
Regular Board Meeting

RESOLUTION APPROVING THE ISSUANCE BY THE ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY OF CERTAIN TAX-EXEMPT INDUSTRIAL DEVELOPMENT REVENUE BONDS TO FINANCE AND REFINANCE A PROJECT FOR THE CHAMPLAIN VALLEY MILLING INC.

The following resolution was offered by Supervisor Gilliland, who moved its adoption.

Upon the recommendation of the Economic Development Committee, with the approval of the Ways and Means Committee of this Body, and the same appearing proper and necessary.

WHEREAS, pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 563 of the Laws of 1973 of the State of New York, as amended (herein collectively called the "Act"), the Board of Supervisors of County of Essex, New York (the "Board of Supervisors") has heretofore appointed the Chairperson and members of the Essex County Industrial Development Agency (the "Agency") and has duly caused to be filed in the office of the Secretary of the State of New York the certificate required by Section 856 of the General Municipal Law of the State of New York; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to issue its industrial development revenue bonds to finance the costs of the acquisition, construction, reconstruction and equipping of one or more "projects" (as defined in the Act), to acquire, construct, reconstruct and equip said projects or to cause said projects to be acquired, constructed, reconstructed and equipped, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Champlain Valley Milling Inc., a New York corporation organized and existing under the laws of the State of New York (the "Company"), has presented an application to the Agency, a copy which is on file at the office of the Agency, requesting that the Agency consider undertaking: (i) to issue its tax-exempt industrial development revenue bonds in the principal amount not to exceed \$5,000,000 (the "Bonds") in order to

provide a permanent financing facility for the payment of all or a portion of the costs of the acquisition, construction, reconstruction, equipping and installation of the project described in the following paragraph (the "Project"); (ii) to acquire, construct, reconstruct and equip the Project, or to cause the Project to be acquired, constructed, reconstructed, equipped and installed; and (iii) to sell the Project to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Project consists of the following: (A) the provision for a permanent financing facility to the Company for (i) the construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including fixtures, as part of the Company's flour product manufacturing business, to be located at 19 Myers Way in the Town of Willsboro, New York 12996 (the "Facility"), which Facility will include an approximately 29,000 ft² building and a 70-ft silo (ii) the payment of certain costs of issuance to finance the Project; (B) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law of the State) with respect to the foregoing, including exemption from certain deed transfer taxes, transfer gains tax, sales and use taxes, and mortgage recording taxes (together with the Bonds, the "Financial Assistance"); and (C) the lease and sale of the Project to the Company. During the lease term, the Facility will be owned by the Agency and leased to the Company, and operated by the Company; and

WHEREAS, the Board of Supervisors has been advised by the Agency that the Agency proposes to issue, subsequent to the adoption of this resolution, its tax-exempt industrial development revenue bonds, from time to time, in principal amounts sufficient to fund all or a portion of the costs of (i) the acquisition, constructing, reconstructing, equipping and installation of the Project, together with incidental costs in connection therewith and (ii) the payment of certain costs of issuance to finance the Project; and

WHEREAS, the Project will constitute a qualified manufacturing facility and the Bonds will constitute "qualified small issue bonds" pursuant to Section 144(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, the Agency has prepared and published a notice of public hearing in compliance with Section 147(f) of the Code.

WHEREAS, the Agency conducted said public hearing on May 23, 2016 and, upon the receipt of terms of financing from the underwriter or purchaser of the Bonds, will adopt a bond resolution authorizing the Bonds; and

WHEREAS, the Board of Supervisors has received notice from the Agency that it is the preliminary determination of the Agency that the Project will not have a "significant impact on the environment" within the meaning of Article 8 of the Environmental Conservation Law of the State of New York; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Essex, New York as follows:

Section 1. For the sole purpose of qualifying the interest payable on the Bonds for exclusion from gross income pursuant to the applicable provisions of the Code, the Board of Supervisors, as the elected legislative body of Essex County, New York, for purposes of Section 147(f) of the Code, hereby approves the issuance by the Agency of the Bonds, provided that the Bonds, and the premium, if any, and interest thereon, shall be special obligations of the Agency and shall never be a debt of the State of New York, the County of Essex nor any political subdivisions thereof (other than the Agency), and neither the State of New York, the County of Essex nor any political subdivisions thereof (other than the Agency) shall be liable thereon.

Section 2. The Board of Supervisors reserves the right to approve any payment in lieu of taxes agreement with respect to real property taxes, if applicable, and hereby approves the abatement of the New York State mortgage recording tax and New York State sales and use tax, so long as the Project is acquired by the Agency or under its jurisdiction or control or supervision, upon its activities

Section 3. This resolution shall take effect immediately.

This resolution was duly seconded by Supervisor Tyler, and adopted upon a roll-call vote as follows:

AYES:	2788	votes	
NOES:	0	votes	
ABSENT:	133	votes	(Marnell)

STATE OF NEW YORK, COUNTY OF ESSEX)ss:

I, JUDITH A. GARRISON, Clerk of the Essex County Board of Supervisors, do hereby certify that I have compared the foregoing copy with the original resolution filed in this office on the 5th day of July, 2016, and that it is a correct and true copy thereof.

IN TESTIMONY THEREOF, I have hereunto set my hand and affixed my official seal this 5th day of July, 2016.



Judith A. Garrison
Judith A. Garrison
Clerk of the Essex County Board of Supervisors

EXTRACTS FROM MINUTES OF A MEETING OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF ESSEX, NEW YORK

(Champlain Valley Milling Inc. Project)

A meeting of the Board of Supervisors of the County of Essex, New York (the "County"), was held in Elizabethtown, New York on July 5, 2016, at 10:00 o'clock, A.M., at which meeting a quorum was at all times present and acting. There were:

PRESENT: Morrow, Harrington, Merrihew, Gardner, Depo, Ferebee, Monty, McNally, Scozzafava, Miga, Politi, Moore, Whitson, Giordano, Tyler, Gilliland, Preston.

ABSENT: Marnell

ALSO PRESENT:

* * * * *

Supervisor Gilliland submitted the following resolution and moved for its adoption. Supervisor Tyler seconded the motion. The Board of Supervisors of the County was polled. The motion was adopted by a vote of 2788 affirmative votes (being at least a majority of the voting strength of the Board of Supervisors of the County) with 0 negative votes and 133 votes absent.

I, Judith A. Garrison, Clerk of the Essex County Board of Supervisors of the County of Essex, New York ("County"), HEREBY CERTIFY as follows:

1. A regular meeting of the Board of Supervisors of the County of Essex was duly held on July 5, 2016, and minutes of such meeting have been duly recorded in the Minute Book kept by me in accordance with the law for the purpose of recording the minutes of meetings of the Board of Supervisors of the County.
2. I have compared the attached extract with such minutes so recorded and such extract is a true and correct copy of such minutes and of the whole thereof insofar as such minutes relate to matters referred to in such extract.
3. Such minutes correctly state the time when such meeting was convened and the place where such meeting was held and the members of the Board of Supervisors of the County who attended such meeting.
4. Notice of such meeting was given as prescribed by law and such meeting was open to all persons who were entitled by law to attend such meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and impressed the seal of the Board of Supervisors of the County of Essex, this 5th day of July, 2016.

(SEAL)

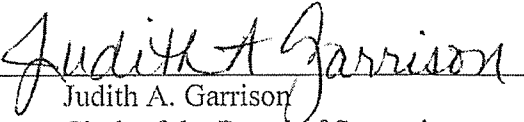

Judith A. Garrison
Clerk of the Board of Supervisors
Of the County of Essex, New York

EXHIBIT G
Bond Resolution and SEQRA, dated April 6, 2017

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, NEW YORK
(Champlain Valley Milling, Inc. Project)

At a special meeting of the Essex County Industrial Development Agency held on April 6, 2017, at 8:00 A.M. at 7566 Church Street, Elizabethtown, New York.

PRESENT: Darren Darrah, Chairman
James Bowen, Vice-Chairman
Gerald Morrow,
Jamie Rogers,

ALSO PRESENT: Jody Olcott

ABSENT: Matt Courtright
John Boyea
Joe Kusalonis

The meeting was opened at 8:05AM by Chairman Darren Darrah who presided thereat. On motion of Gerald Morrow, seconded by Jamie Rogers, the following resolution was introduced. Such resolution was adopted by a vote of 4 in the affirmative and 0 in the negative with 0 votes absent and thus declared adopted.

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY'S TAX-EXEMPT INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 2017A (CHAMPLAIN VALLEY MILLING, INC. PROJECT) IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000; THE EXECUTION AND DELIVERY OF THE BONDS; THE PROVISION OF CERTAIN "FINANCIAL ASSISTANCE"; AND THE APPROVAL OF THE FORMS, EXECUTION AND DELIVERY OF THE BONDS AND CERTAIN RELATED DOCUMENTS.

WHEREAS, on April 19, 2016, the Essex County Industrial Development Agency (the "Issuer"), a body corporate and politic and a public benefit corporation of the State of New York (the "State"), adopted a preliminary resolution based upon the application of the Champlain Valley Milling, Inc., a New York corporation (the "Company"), requesting that the Issuer undertake a project (the "Project") consisting of (A)(1) the acquisition, construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including land and fixtures, to manufacture grain into flour, to be located at 19 Myers Way all within the Town of Willsboro, New York (the "Facility"), which facility will include an approximately 29,000 square foot building and a 70-foot silo, and (2) certain fixtures and other personal property related thereto (the "Equipment") (the Facility and the Equipment being collectively referred to as the "Project Facility"), (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt revenue bonds of the Issuer in one or more series in an aggregate principal amount not to exceed \$5,000,000; and (C) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the New York State General Municipal Law) with respect to the foregoing, including an exemption from certain sales and use taxes, real property taxes, deed transfer taxes, and mortgage recording taxes (together with the Project Facility, the "Project"); and

WHEREAS, the Company has in its application requested the Issuer (i) to authorize the issuance and sale of its Tax-Exempt Revenue Bonds, Series 2017A (Champlain Valley Milling, Inc., Project) in an aggregate principal amount not to exceed \$5,000,000 (the "Bonds") for the purpose of financing the costs of the Project; and

WHEREAS, it is proposed, subject to the provisions of this Resolution, that the Project Facility will be leased (with the obligation to purchase) or sold by the Issuer to the Company or such other person as may be designated by the Company and agreed upon by the Issuer, pursuant to Article 18-A, Title 1 of the New York State General Municipal Law and Chapter 563 of the Laws of 1973 of the State, as may be amended from time to time, (collectively, the "Act"); and

WHEREAS, the Act authorizes and empowers the Issuer to issue its tax-exempt revenue bonds for the purpose of financing the acquisition, construction, reconstruction, equipping and installation of the Project Facility for the Company; and

WHEREAS, in addition to the issuance of the Bonds, the Issuer contemplates that it will provide financial assistance to the Company in connection with the Project in the form of exemptions from mortgage recording taxes, if a mortgage is required, and exemptions from sales and use taxes, and abatement of real property taxes, with the approval of the local municipality

on the increased assessment resulting from improvement to the Project Facility, consistent with the policies of the Issuer; and

WHEREAS, pursuant to the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 142(a) of the Code; and

WHEREAS, the Issuer held a public hearing on the issuance of the Bonds, following the proper public notice thereof, with respect to the Project and the financial assistance being contemplated by the Issuer in accordance with the provisions of Section 859-a of the General Municipal Law of the State and in compliance with Section 147(f) of the Code on May 23, 2016; and

WHEREAS, by the resolution of the Board of Supervisors of Essex County adopted on July 5, 2016 with respect to the Bonds, the "applicable elected representative" as required under Section 147(f) of the Code has approved the issuance of the Bonds; and

WHEREAS, by resolution adopted by the Issuer on April 6, 2017, the Issuer determined that the Project will have no adverse environmental impact and will have no adverse impact on climate change, and the Issuer authorized a negative declaration with respect to the Project; and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture, dated as of April 1, 2017 (the "Indenture"), between the Issuer and a bank or financial institution with requisite trust powers authorized to do business and located in the State (the "Trustee"); and

WHEREAS, the Company has proposed that the Issuer sell the Project Facility to the Company pursuant to an Installment Sale Agreement, dated as of April 1, 2017 (the "Installment Sale Agreement"); and

WHEREAS, the Issuer will pledge and assign certain rights and remedies under the Installment Sale Agreement, including the right to collect and receive certain moneys due and to become due thereunder (except for Unassigned Rights as defined in the Indenture) to the Trustee pursuant to a Pledge and Assignment Agreement with Acknowledgement by the Company between the Issuer and the Trustee, dated as of April 1, 2017 (the "Pledge and Assignment"); and

WHEREAS, the payment of the principal of, premium, if any, and interest on the Bonds will be secured by a first lien mortgage and security agreement on the Project Facility from the Issuer and the Company, as their respective interests may appear, to the Trustee, dated as of April 1, 2017 (the "Mortgage"); and

WHEREAS, the majority owners of the Company will guaranty the timely payment in full of the principal of, premium, if any, and interest on the Bonds pursuant to a guaranty agreement from the majority owners of the Company to the Issuer and the Trustee, dated as of April 1, 2017 (the "Guaranty"); and

WHEREAS, the Company has agreed to indemnify the Issuer against certain losses, claims, expenses, damages and liabilities which may arise in connection with the transactions contemplated by the sale of the Project Facility and the issuance and purchase of the Bonds; and

WHEREAS, the Company has received a commitment from Oppenheimer Funds, as purchaser (the "Purchaser"), to purchase the Bonds in an aggregate principal amount not to exceed \$5,000,000; and

WHEREAS, the Bonds will be sold in a private placement by Janney Montgomery Scott, LLC (the "Placement Agent") to the Purchaser and pursuant to a bond purchase agreement (the "Bond Purchase Agreement") to be dated a date to be determined by and among the Issuer, the Company, the Purchaser, and the Placement Agent, for the purpose of financing the costs of constructing, reconstructing and equipping the Project Facility, together with necessary and incidental expenses in connection therewith, and in accordance with the terms of this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Essex County Industrial Development Agency, Essex County, New York, as follows:

Section 1. The Issuer hereby finds and determines that:

(a) By virtue of the Act, the Issuer 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 Project constitutes a "project" as such term is defined in the Act; and

(c) The financing of the Project for the benefit of the Company will serve the public purposes of the Act and promote and maintain job opportunities, health, general prosperity, and economic welfare of the citizens of Essex County, New York (the "County") and the State and improve their standard of living and will increase the overall number of permanent private sector jobs in the State; and

(d) The financing of the Project Facility and the operations conducted therein will not cause or result in the violation of the health, labor or other laws of the United States of America, the State or the County; and

(e) No pecuniary liability has resulted or will result to the County nor will there be any charge against the County's general credit or taxing powers by reason of the issuance of the Bonds; and

(f) The Project Facility and the operations conducted therein will not have a significant effect on the environment or climate change, as determined in accordance with Article 8 of the Environmental Conservation Law of the State and the regulations promulgated thereunder; and

(g) It is desirable and in the public interest for the Issuer to issue and sell its Bonds in an aggregate principal amount not to exceed \$5,000,000, upon the terms and conditions set forth in the Indenture and the Bond Purchase Agreement; and

(h) The Indenture will be an effective instrument which, among other things, secures payment of the principal, premium, if any, and interest on the Bonds, assigns to the Trustee certain rights and remedies of the Issuer under the Installment Sale Agreement and authorizes the Trustee to accept and execute trusts of the character set forth in the Indenture; and

(i) The Installment Sale Agreement will be an effective instrument whereby the Issuer will sell the Project Facility to the Company; and

(j) The Pledge and Assignment will be an effective instrument under which the Issuer assigns to the Trustee certain of its rights and remedies under the Installment Sale Agreement, including the right to collect and receive certain moneys due and to become due thereunder (except for Unassigned Rights as defined in the Indenture); and

(k) The Mortgage will be an effective instrument whereby the Issuer assigns to the Trustee present and continuing mortgage liens and security interests in all property and rights described in the granting clauses thereunder, to better secure payment of certain project costs due in connection with the issuance of the Bonds; and

(l) The Guaranty from majority owners of the Company to the Issuer and the Trustee, will be an effective instrument whereby the majority owners of the Company guaranty to the Issuer and the Trustee the full and timely payment when due of the principal of, premium, if any, and interest on the Bonds and the payment and performance of the Company's obligations under the Company Documents (as defined in Schedule A to the Indenture); and

(m) The Tax Compliance Certificate (the "Tax Compliance Certificate"), dated as of the Closing Date (as defined in Schedule A to the Indenture), executed and delivered by the Issuer, will be an effective instrument whereby the Company and the Issuer set forth certain representations, expectations, conditions and covenants establishing compliance with the restrictions imposed by the Code relating to hearings and approval by the Issuer, activities of the Company, the Bonds, the Project Facility and the application of the proceeds of the Bonds; and

(n) The proposed form of the Private Placement Memorandum (the "Memorandum") to be distributed by the Issuer and the Company in connection with the issuance of the Bonds, contains or will contain true and accurate information regarding the ability of the Issuer to issue the Bonds, and the information contained therein regarding the Issuer, the Bonds, the Bond Purchase Agreement, the Indenture, the Installment Sale Agreement, the Pledge and Assignment, the Mortgage and the Guaranty, is hereby authorized subject to the approval of the officers of the Issuer identified in Section 6 hereof.

Section 2. In consequence of the foregoing, the Issuer hereby determines to: (a) issue and sell the Bonds pursuant to, and in accordance, with the Bond Purchase Agreement and the Indenture; (b) use the proceeds of the Bonds to finance the Project; (c) sell the Project Facility to

the Company pursuant to the Installment Sale Agreement; (d) secure the Bonds by vesting certain powers and duties in the Trustee pursuant to the Indenture, and by assigning to the Trustee certain of the Issuer's rights and remedies under the Installment Sale Agreement, including the right to collect and receive payments thereunder (except for Unassigned Rights as defined in Schedule A to the Indenture), pursuant to the Pledge and Assignment; (e) secure the payment of the principal of, premium if any, and interest on the Bonds by granting, with the Company, as their respective interests may appear, a first lien mortgage and security interest in the Project Facility to the Trustee pursuant to the Mortgage; and (f) file the Information Return for Private Activity Bond Issues, Form 8038 (the "Information Return") in the manner and at the place provided in the Code.

Section 3. The Issuer is hereby authorized to sell the real and personal property described in Exhibits A and B, respectively, to the Installment Sale Agreement to the Company pursuant to the terms of the Installment Sale Agreement, the Issuer Deed and the Issuer Bill of Sale (as those terms are defined in the Installment Sale Agreement) and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Issuer with respect to such acquisition are hereby approved, ratified and confirmed.

Section 4. The form and substance of the Indenture, the Installment Sale Agreement, the Bonds, the Mortgage, the Pledge and Assignment, the Guaranty, the Issuer Deed, the Issuer Bill of Sale, the Bond Purchase Agreement, the Memorandum, the Tax Compliance Certificate, and the Information Return, and all other agreements, certificates, and documents as may be requested by the Company or the Underwriter in connection with the issuance of the Bonds (collectively, the "Financing Documents") are hereby authorized subject to the approval of the officers of the Issuer identified in Section 6 hereof.

Section 5. The Issuer is hereby authorized to issue, execute, sell and deliver to the Trustee for authentication of the Bonds in an aggregate principal amount not to exceed \$5,000,000, in the form approved by an authorized officer of the Issuer identified in Section 6 hereof, and upon authentication thereof, the Trustee is hereby authorized to deliver the Bonds to the Purchaser thereof against receipt of the purchase price, all pursuant to the Act and in accordance with the provisions of the Indenture, the Installment Sale Agreement and the Bond Purchase Agreement, provided that:

(a) The Bonds authorized to be issued, executed, sold, and delivered pursuant to this Section 5, shall bear interest at the rate or rates, be issued in such form and amount, be subject to redemption prior to maturity, and have such other terms and provisions and be issued in such manner and on such other conditions as are set forth in the Bonds, the Bond Purchase Agreement and the Indenture approved by an authorized officer of the Issuer identified in Section 6, which terms are specifically incorporated herein with the same force and effect as if fully set forth herein.

(b) The Bonds shall be issued solely for the purpose of providing funds to finance the costs of the Project, and to pay a portion of the administrative, legal, financial, and other expenses of the Issuer in connection with the Project and incidental to the issuance of the Bonds.

(c) Neither the members, directors, officers, agents, employees, or representatives of the Issuer, nor any person executing the Bonds or any of the Financing Documents on behalf of the Issuer, shall be liable thereon or subject to any personal liability or accountability by reason of the execution, issuance, or delivery thereof. The Bonds and the interest thereon are not and shall never be a debt of the State or the County or any political subdivision thereof and neither the State, the County, or any political subdivision thereof (other than the Issuer) shall be liable thereon.

(d) The Bonds, together with interest and premium, if any, payable thereon, shall be special obligations of the Issuer payable solely from certain of the revenues and receipts derived from the operation or sale or other disposition of the Project Facility or from the enforcement of the Mortgage, the Installment Sale Agreement, the Pledge and Assignment, the Guaranty and any other security pledged to the payment thereof.

(e) Notwithstanding any other provision of this Resolution, the Issuer covenants that it will make no use of the proceeds of the Bonds or of any other funds, which, if such use were reasonably expected on the date of issue of the Bonds, would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 6. (a) The Chairman, Vice Chairman, Secretary and Treasurer of the Issuer, each of them without the other, are hereby authorized, on behalf of the Issuer, to negotiate, approve, execute (by manual or facsimile signature), and deliver the Financing Documents and all other agreements, documents, certificates, and instruments with respect to the issuance of the Bonds, and the Secretary and Assistant Secretary of the Issuer are each hereby authorized to impress the seal (or a facsimile thereof) of the Issuer to them and to attest to all of them, with such terms, covenants, and provisions as the Chairman, Vice Chairman, Treasurer or Secretary shall approve. The execution of the Financing Documents by the Chairman, Vice Chairman, Treasurer or Secretary shall constitute conclusive evidence of that approval.

(b) The Financing Documents are approved with changes which are not inconsistent with this Resolution, which are not substantially adverse to the Issuer, which are permitted by the Act, and which are approved by the officer or officers executing the respective Financing Documents. The approval of those changes by the officer or officers and the character of those changes, as not being substantially adverse to the Issuer, shall be evidenced conclusively by the execution of the respective Financing Documents by the officer or officers.

(c) The Chairman and Vice Chairman are each further authorized hereby, on behalf of the Issuer, to designate any additional Authorized Representative of the Issuer as defined in and pursuant to the Indenture.

Section 7. The officers, directors, members, employees, and agents of the Issuer are hereby authorized and directed for, and in the name and on behalf of, the Issuer to do all acts and things required or provided for by any of the provisions of the Financing Documents, and to execute and deliver all additional agreements, certificates, instruments, and documents with respect to the issuance of the Bonds, and to pay all fees, charges, and expenses and to do all other acts as may be necessary, or in the opinion of the officer, director, member, employee, or agent,

desirable or proper to effectuate the purposes of this Resolution and to cause compliance by the Issuer with all of the terms, covenants, and provisions of the Financing Documents binding upon the Issuer. None of the officers, members, directors, employees, representatives, or agents of the Issuer, however, shall have any personal liability under the Bonds or the Financing Documents.

Section 8. A copy of this Resolution, together with its attachments, shall be placed on file in the office of the Issuer where the same shall be available for public inspection during business hours.

Section 9. All acts and things of the officers of the Issuer which are in conformity with the purposes and intents of this Resolution and in furtherance of the issuance of the Bonds and the execution, delivery, approval and performance of the Financing Documents shall be, and the same hereby are, in all respects ratified, approved and confirmed.

Section 10. All ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 11. This Resolution shall take effect immediately.

STATE OF NEW YORK)
)SS.:
COUNTY OF ESSEX)

I, Jamie Rogers, Secretary of Essex County Industrial Development Agency (the "Agency"), County of Essex, State of New York, Do HEREBY CERTIFY as follows:

1. A special meeting of the Agency was duly held on April 6, 2017 and minutes of such meeting have been duly recorded in the book kept by me in accordance with the law for the purpose of recording the minutes of meetings of the Agency.

2. At such meeting more than a quorum of the Members of the Agency were present after all had been duly notified of the meeting and the purposes of the meeting in the manner and within the time prescribed by the By-Laws of the Agency.

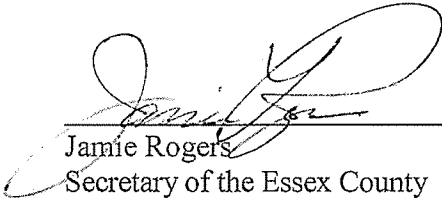
3. I have compared the attached extract with such minutes so recorded and such extract is a true and correct copy of such minutes and of the whole thereof insofar as such minutes relate to matters referred to in such extract.

4. Notice of such meeting was given as prescribed by law and such meeting was open to all persons who were entitled by law to attend such meeting.

5. The resolution referred to in such extract was introduced in typewritten form.

IN WITNESS WHEREOF, I have hereunto set my hand and impressed the seal of the Essex County Industrial Development Agency, this 6th day of April, 2017.

(SEAL)



Jamie Rogers
Secretary of the Essex County
Industrial Development Agency, New York

A special meeting of the Essex County Industrial Development Agency, Essex County, New York, was convened in public session on April 6, 2017 at 8:00 a.m., at 7566 Court Street, Elizabethtown, New York 12932.

The meeting was called to order by Chairman Darren Darrah, with the following members being:

PRESENT: Darren Darrah Jamie Rogers

 Gerald Morrow James Bowen

ABSENT: Matt Courtright John Boyea

 Joe Kusalonis

ALSO PRESENT: Jody Olcott

Upon motion duly made and seconded, the following resolution was unanimously adopted by the members of the Essex County Industrial Development Agency:

RESOLUTION FINDING AND DECLARING THE PROPOSED ACTION BY CHAMPLAIN VALLEY MILLING, INC. TO FINANCE THE ACQUISITION, CONSTRUCTION, INSTALLATION AND EQUIPPING OF CERTAIN FACILITIES AT ITS WILLSBORO SITE TO HAVE NO ADVERSE ENVIRONMENTAL IMPACT AND ORDERING THE OFFICERS AND DIRECTORS OF THE AGENCY TO NOTIFY SUCH AGENCIES AS TO SUCH FINDING AS PRESCRIBED BY LAW.

WHEREAS, Champlain Valley Milling, Inc., a New York corporation (the "Company"), has applied to the Essex County Industrial Development Agency (the "Issuer") requesting that the Issuer issue from time to time or at one time in one or more issues or series its tax-exempt revenue bonds in an aggregate principal amount not to exceed \$5,000,000 (the "Bonds") for the purpose of financing the costs of the acquisition, construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including fixtures, to manufacture grain into flour, all within the Town of Willsboro, New York (the "Project"); and

WHEREAS, the Issuer has undertaken by Resolution dated the date hereof to issue the Bonds and to provide funds to finance the Project; and

WHEREAS, the Issuer has received a short environmental assessment form (the "EAF") prepared by the Company and has received and analyzed the responses prepared by the Company to aid the Issuer in determining whether the Project will adversely affect the environment; and

WHEREAS, the Issuer now finds and states its determination that the Project will not have an adverse environmental impact but in fact will be environmentally beneficial to Essex County and the State of New York; and

WHEREAS, the Project will have no adverse environmental impact, and the filing of an Environmental Impact Statement (“EIS”) is not required under the Environmental Quality Review Act, as amended (Article 8, Environmental Conservation Law of the State of New York, and regulations thereunder) (the “Act”); and

WHEREAS, the Issuer was requested by the Company to issue the Bonds and, thus, become the lead agency.

NOW, THEREFORE, the Issuer does and it hereby finds, determines and resolves as follows:

SECTION 1. The Project as aforesaid, is a “Type II” or “unlisted” action, as those terms are defined in 6 NYCRR §617.2.

SECTION 2. The Issuer declares itself to be acting as lead agency with respect to the Project. This resolution constitutes a negative declaration with respect to the environmental impacts of the Project.

SECTION 3. The Issuer hereby determines that the Project proposed to be financed with the proceeds of the Bonds (i) will have no adverse environmental impact, (ii) will have no adverse impact on climate change, and further determines that (iii) coordinated review with any involved agency or other entity is not required in making these determinations and (iv) no EIS is required under the Act, based upon the findings and responses contained in the EAF.

SECTION 4. The officers of the Issuer shall maintain on file as prescribed by law the Issuer’s findings that the Project will have no adverse environmental impact and requires no EIS under the Act, and such officers shall make all filings of this Resolution as shall be required under the Act or other applicable law.

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

<u>Darren Darrah</u>	voting	<u>YES</u>
<u>Gerald Morrow</u>	voting	<u>YES</u>
<u>Jamie Rogers</u>	voting	<u>YES</u>
<u>James Bowen</u>	voting	<u>YES</u>
_____	voting	_____
_____	voting	_____
_____	voting	_____

The resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
)
COUNTY OF ESSEX) ss:

I, Jamie Rogers, Secretary of the Essex County Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY as follows:

1. A special meeting of the Agency was duly held on April 6, 2017 and minutes of such meeting have been duly recorded in the book kept by me in accordance with law for the purpose of recording the minutes of meetings of the Agency.

2. At such meeting more than a quorum of the members of the Agency were present after all had been duly notified of the meeting and the purposes of the meeting in the manner and within the time prescribed by the By-Laws of the Agency.

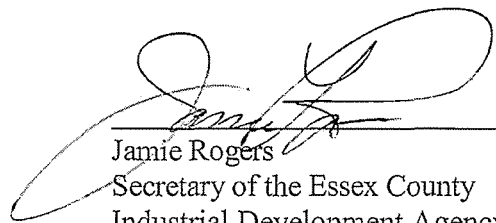
3. I have compared the attached extract with such minutes so recorded and such extract is a true and correct copy of such minutes and of the whole thereof insofar as such minutes relate to matters referred to in such extract.

4. Notice of such meeting was given as prescribed by law and such meeting was open to all persons who were entitled by law to attend such meeting.

5. The resolution referred to in such extract was introduced in typewritten form.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Essex County Industrial Development Agency this 6th day of April 2017.

(SEAL)



Jamie Rogers
Secretary of the Essex County
Industrial Development Agency, New York

**CERTIFICATE AS TO REPRESENTATIONS AND WARRANTIES OF ESSEX
COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

I, Darren Darrah, Chairman of the Essex County Industrial Development Agency (the “Issuer”), DO HEREBY CERTIFY as follows:

1. Each of the representations and warranties of the Issuer contained in Section 2.1 of the Installment Sale Agreement, dated as of May 1, 2017 (the “Installment Sale Agreement”), by and between the Issuer and Champlain Valley Milling Corp., Inc. (the “Company”) and Section 6 of the Bond Purchase Agreement, dated May 10, 2017, (the “Bond Purchase Agreement”), by and between the Issuer, the Company, and Janney Montgomery Scott LLC, as Underwriter, are true and correct in all material respects as of the date hereof as though made on and as of the date hereof. All capitalized terms used in this Certificate and not otherwise defined herein shall have the same meanings assigned to them as in the Trust Indenture, dated as of May 1, 2017, between the Issuer and ZB, National Association (the “Indenture”).

2. No event has occurred and is continuing or would result from the authorization, execution and delivery of the Indenture, the Bonds, and each of the Financing Documents to which the Issuer is a party, which would constitute an “Event of Default” under Article VI of the Indenture and Section 10.1 of the Installment Sale Agreement but for the requirement that notice be given or time elapse or both.

3. The proceeds of the Bonds shall be expended only for the costs relating to the Project (as defined in the Indenture).

4. No event has occurred since the date of the Limited Offering Memorandum which either makes untrue or incorrect in any material respect, as of the date hereof, any representation or warranty made in the Bond Purchase Agreement or any statement or information under the heading “Essex County Industrial Development Agency” in the Limited Offering Memorandum which make the statements or information therein not misleading.

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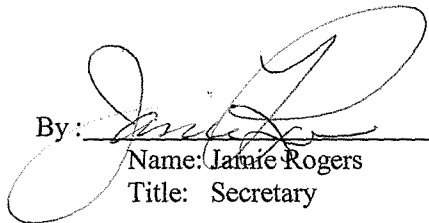
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this

16th day of May, 2017.

ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

(SEAL)

By: 
Name: Darren Darrah
Title: Chairman

By: 
Name: Jamie Rogers
Title: Secretary

[Certificate of Representations and Warranties of the Issuer]

**CERTIFICATE AS TO RECORDATION OF THE MORTGAGE,
INSTALLMENT SALE AGREEMENT, PLEDGE AND ASSIGNMENT AND RELATED
UCC-1 FINANCING STATEMENTS**

I, **JAMIE ROGERS**, Secretary of the Essex County Industrial Development Agency (the “Issuer”) a governmental body and instrumentality constituting a body corporate and politic and a public benefit corporation of the State of New York, **DO HEREBY CERTIFY** as follows:

1. I am the Secretary of the Issuer and custodian of records of the Issuer.
2. The Issuer has duly authorized the recordation of the Mortgage, the Installment Sale Agreement, the Deed from the Company to the Issuer and the Pledge and Assignment (as those terms are defined in the Indenture, dated as of May 1, 2017, between the Issuer and ZB, National Association, as trustee), and the related UCC-1 financing statements.
3. True and correct certificates and documents evidencing the recordation of said Mortgage, Installment Sale Agreement, Pledge and Assignment and the related UCC-1 financing statements are attached hereto.

IN WITNESS WHEREOF, I have executed this certificate and impressed the seal of the Issuer hereon, this May ¹⁶ 2017.

ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Name: Jamie Rogers

Title: Secretary

(SEAL)

[Certificate as to Recordation of Mortgage]



ESSEX COUNTY – STATE OF NEW YORK
JOSEPH A. PROVONCHA, COUNTY CLERK
7559 COURT ST, PO BOX 247, ELIZABETHTOWN, NY 12932

COUNTY CLERK'S RECORDING PAGE
*****THIS PAGE IS PART OF THE DOCUMENT – DO NOT DETACH*****



Recording:

Cover Page	0.00
Recording Fee	0.00
Affidavit	0.00
Cultural Ed	0.00
Records Management - Coun	0.00
Records Management - Stat	0.00

Sub Total: 0.00

Mortgage Tax	
Basic	0.00
Special	0.00
Additional	0.00
Local	0.00

Sub Total: 0.00

Total: 0.00

**** NOTICE: THIS IS NOT A BILL ****

***** Mortgage Tax *****

Serial #: DI-0141
 Exempt
 Mtg Amt: 5000000.00

Total: 0.00

BOOK/PAGE: 2452 / 48
 INSTRUMENT #: 2017-2101

Receipt#: 2017172416
 Clerk: SN
 Rec Date: 05/16/2017 03:04:00 PM
 Doc Grp: M
 Descrip: MORTGAGE
 Num Pgs: 34
 Rec'd Frm: G & G ABSTRACT

Party1: CHAMPLAIN VALLEY MILLING CORP
 INC
 Party2: Z B N A TR
 Town: WILLSBORO

I hereby certify that the within and foregoing was recorded in the Essex County Clerk's Office.

Joseph A. Provoncha
 Essex County Clerk

Record and Return To:

KENNETH W BOND
 SQUIRE PATTON BOGGS (US) LLP
 30 ROCKEFELLER PLAZA
 NEW YORK NEW YORK 10112

Notice Information may change during the verification process and may not be reflected on this page

MORTGAGE AND SECURITY AGREEMENT

from

CHAMPLAIN VALLEY MILLING CORP., INC.

and

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY,

to

ZB, NATIONAL ASSOCIATION
as Trustee

Dated as of May 1, 2017

RECORD AND RETURN TO:
Kenneth W. Bond
Squire Patton Boggs (US) LLP
30 Rockefeller Plaza
New York, New York 10112

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MORTGAGE AND SECURITY AGREEMENT

This **MORTGAGE AND SECURITY AGREEMENT**, made and entered into as of the date set forth on the cover page hereof (the "Mortgage") from CHAMPLAIN VALLEY MILLING CORP., INC., a corporation organized and existing under the laws of the State of New York (the "Company"), having its office at 6679 Main Street, PO Box 454, Westport, New York 12993-0454 and the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York (the "Issuer"), having its office at 7566 Court Street, Elizabethtown, New York 12932 to ZB, NATIONAL ASSOCIATION, a national banking association duly organized, existing and authorized to accept and execute trusts under the laws of the United States of America, having a corporate trust office at 401 Liberty Avenue, Suite 1729, Pittsburgh, PA 15222, as trustee under the Indenture referred to below, together with any successor trustee under the Indenture referred to below (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

WITNESSETH:

WHEREAS, the Issuer intends to issue the Bonds pursuant to the Act, the Bond Resolution and the Indenture; and

WHEREAS, the proceeds derived from the issuance of the Bonds are to be used to finance a project (the "Project") consisting of (A)(1) the acquisition, construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including land and fixtures, to manufacture grain into flour, to be located at 19 Myers Way all within the Town of Willsboro, New York (the "Facility"), which facility will include an approximately 29,000 square foot building, and (2) certain fixtures and other personal property related thereto (the "Equipment") (the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt revenue bonds of the Issuer in one or more series in an aggregate principal amount not to exceed \$5,000,000; (C) the funding of a debt service reserve fund for the bonds for the Project; (D) the payment of the costs of issuing such bonds; and (E) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the New York State (the "State") General Municipal Law) with respect to the foregoing, including an exemption from certain sales and use taxes, real property taxes, deed transfer taxes, and mortgage recording taxes (together with the Project Facility, the "Project"), which is to be sold by the Issuer to the Company pursuant to an Installment Sale Agreement, dated as of May 1, 2017 (the "Installment Sale Agreement"), between the Issuer and the Company; and

WHEREAS, in order to induce the Issuer to issue the Bonds and to induce the Purchaser to purchase the Bonds, the Company and the Issuer are entering into this Mortgage.

NOW, THEREFORE, in consideration of the premises and of the purchase and acceptance of the Bonds by the initial owners thereof and for other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure

(i) the payment of the principal of the Bonds and the indebtedness represented thereby and the redemption premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied in the Bonds, and

(ii) the payment, performance and observance of all obligations of the Company under the Financing Documents including this Mortgage,

whether now arising or hereafter arising, direct or indirect, absolute or contingent, joint or several, due or to become due, liquidated or unliquidated, secured or unsecured, original, renewed or extended, whether arising directly or acquired from others (all such indebtedness and obligations described in clauses (i) and (ii) above being collectively referred to herein as the "Obligations"), the Issuer and the Company do hereby grant, bargain, sell, convey, transfer, mortgage, grant a security interest in, pledge and assign to the Trustee, and its successors and assigns, subject to the terms and conditions set forth herein, the following property (the "Mortgaged Property"):

GRANTING CLAUSES

I

The Land described in Appendix A attached hereto, together with the appurtenances thereto and the title in and to an portion of the Land lying in the streets and roads in front of and adjoining said Land;

II

All buildings, improvements and other structures erected or to be erected on the Land or any part thereof, including right, title and interest of the Issuer and the Company in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or hereafter standing on the Land or any part thereof, including, without limitation, the Project together with all construction contracts, subcontracts, licenses, permits and approvals for the Project;

III

The Equipment, as more particularly described in Exhibit B attached hereto, together with any and all repairs, replacements, improvements, attachments, accessions, repairs and substitutions thereof and therefore and all parts, accessories and additions incorporated therein or affixed thereon;

IV

All easements, royalties, mineral, oil and gas rights and profits, water, water rights and water stock relating to the Land necessary for the acquisition, ownership, construction, operation, use and maintenance of the Project Facility;

V

Any and all moneys and securities from time to time held by the Trustee under the terms of this Mortgage and the Indenture (other than moneys and securities held in the Rebate Fund), and any and all other Property of every name and nature, from time to time hereinafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder by the Issuer or by anyone on its behalf or with its written consent in favor of the Trustee;

VI

All rights and interest of the Issuer in any moneys due or to become due to the Issuer and any and all other rights and remedies of the Issuer under or arising out of the Installment Sale Agreement (except the Unassigned Rights and moneys payable pursuant to the Unassigned Rights); provided, that the assignment made by this clause shall not impair or diminish any obligation of the Issuer under the Installment Sale Agreement; provided, further, however, that the assignment made by this clause shall not give to the Trustee the right to amend the Installment Sale Agreement without the prior written consent of the Issuer;

VII

All leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the acquisition, construction, use, operation or occupancy of all or any portion of the Mortgaged Property or the other real property described above or hereafter entered into, including, but not limited to, any and all rights under and pursuant to the Installment Sale Agreement (except the Unassigned Rights) and the right to receive and apply the Pledged Revenues to the payment of the Mortgage Indebtedness;

VIII

All proceeds of and unearned premiums on any insurance policies covering the Project Facility and all other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Company's right to use such insurance proceeds or condemnation award for restoration of the Project Facility as provided in the Installment Sale Agreement;

IX

All other proceeds of the conversion, whether voluntary or involuntary, of the Project Facility or any other Property or rights encumbered or conveyed hereby into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, Condemnation and other awards; and

X.

All extensions, additions, substitutions and accessions with respect to any of the foregoing, and all proceeds and products of any of the foregoing.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned or agreed or intended so to be, to the Trustee and its successors and assigns;

SUBJECT, HOWEVER, to the Permitted Encumbrances and the Indenture;

EXCERPTING, THEREFROM, the Unassigned Rights;

PROVIDED, HOWEVER, that if (A) there shall be no Event of Default under the Indenture, (B) the Issuer and the Company shall perform and observe all the covenants to be performed and observed hereunder and perform all obligations under the Indenture, the Installment Sale Agreement and the other Financing Documents to which they are parties, and (C) the Company has paid or caused to be paid to the Trustee all sums of money due to become due to it in accordance with the terms and provisions hereof and of the other Financing Documents to which it is a party, including, without limitation all amounts owed under all indemnification provisions, then upon such final payments and such performance and observance, this Mortgage and the rights hereby granted shall cease, terminate and be void; otherwise this Mortgage to be and remain in full force and effect.

THIS MORTGAGE secures the payment, performance and observance of the Obligations and shall continue in full force and effect until the Obligations shall be paid and satisfied in full or otherwise provided for in accordance with their respective terms.

ISSUER AND COMPANY HEREBY represent, warrant, covenant and agree with the Trustee as set forth below (provided that the Issuer and the Company represent, warrant, covenant and agree, as between the Issuer and the Company, only with respect to the representations, warranties, covenants and agreements of each and not of the other):

Section 1. Security Agreement.

This Mortgage is and shall be deemed to be both a real property mortgage and a “security agreement” under the State Uniform Commercial Code with respect to the Mortgaged Property and the Trustee shall have all the rights of a secured party thereunder with respect to that part of the Mortgaged Property that constitutes personal property subject thereto (sometimes referred to herein as the “Secured Property”). Upon request by the Trustee, the Issuer, at the sole cost and expense of the Company, and the Company, shall execute and deliver to the Trustee, as the case may be, any security agreement, financing or continuation statement or other document the Trustee reasonably deems necessary to protect or perfect its liens hereunder on the Mortgaged Property. The Issuer and the Company authorize the Trustee, to the extent permitted by law, to sign and file any financing or continuation statement at any time with respect to the Mortgaged Property in the absence of any signature by or on behalf of the Issuer and the Company.

Section 2. Performance of the Covenants.

(A) The Issuer and the Company hereby covenant that they will faithfully observe and perform, or cause to be observed and performed, at all times any and all covenants, undertakings, stipulations and provisions on their respective parts to be observed or performed contained in this Mortgage and the other Financing Documents to be executed by them.

(B) The Issuer and the Company hereby covenant that they will promptly pay, or cause to be paid, the Debt Service Payments on the Bonds at the place, on the dates and in the manner provided therein. All Debt Service Payments on the Bonds paid by the Issuer shall be payable solely from installment purchase payments and other revenues and receipts received pursuant to the Installment Sale Agreement (but not including any amounts received in connection with the Unassigned Rights). Nothing in the Bonds, the Indenture or this Mortgage shall be construed as pledging or mortgaging any funds or assets of the Issuer other than those pledged or mortgaged hereby or thereby. Neither the State nor any political subdivision thereof (other than the Issuer and the Company) shall in any event be liable for the payment of any Debt Service Payment on the Bonds or for the performance of any pledge, mortgage, obligation or agreement undertaken by the Issuer and the Company.

Section 3. Priority of Lien of Mortgage; Discharge of Liens and Encumbrances.

(A) The Company represents and warrants that (i) the Company and the Issuer are lawfully seized of the estate conveyed hereby subject only to Permitted Encumbrances, (ii) the Company has full right and authority to sell and convey the Mortgaged Property and (iii) the Company will warrant and defend such title to the Mortgaged Property against all claims and demands except the Permitted Encumbrances.

(B) The Issuer and the Company shall not permit or create or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Mortgaged Property or any part thereof, without the prior written consent of the Trustee.

(C) Notwithstanding the provisions of subsection (B) of this Section 3, the Company may in good faith any such Lien, provided that the Company (1) first shall have notified the Trustee of such contest, (2) is not in default under any of the Financing Documents, (3) shall have set aside adequate reserves for the discharge of any such Lien and furnished evidence thereof satisfactory to the Trustee, and (4) demonstrates to the reasonable satisfaction of the Trustee that the failure to discharge any such Lien will not subject the Mortgaged Property or any part thereof or any funds of the Issuer applicable to the acquisition, construction or installation of the Mortgaged Property to loss or forfeiture.

Section 4. Representations and Warranties of Company.

(A) The Company represents and warrants that it is a corporation duly formed, validly existing and in good standing under the laws of the State. The Company represents and warrants that it has power to enter into and perform this Mortgage and the other Financing Documents and to own its property and assets, has duly authorized the execution and delivery of this Mortgage by proper corporate action and neither this Mortgage, nor the authorization, execution, delivery and performance hereof, nor the performance of the agreements herein contained nor the consummation of the transactions herein contemplated will violate any provision of law to which the Company is subject, any order of any court or agency of government applicable to the Company or any agreement, indenture or other instrument to which the Company is a party or by which it or any of its property is subject to or bound, or any provision of its certificate of incorporation.

(B) The Company represents and warrants that this Mortgage constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting the enforceability of creditors' rights generally and except as such enforceability is subject to the application of general principles of equity.

(C) The Company represents and warrants that the Issuer is vested with good and marketable title to the Mortgaged Property, subject to no mortgage, lien, charge, pledge, assignment, security interest, conditional sale agreement or encumbrance of any kind whatsoever, other than Permitted Encumbrances.

(D) No obligations of the Company are secured by any interest in the Project or the Project Facility.

Section 5. Representations and Warranties of the Issuer.

The Issuer represents and warrants that it has power to enter into and perform this Mortgage, to create, pledge and grant the mortgage, pledge, assignment and security interest in the Mortgaged Property as provided in this Mortgage and to own the Mortgaged Property, has duly authorized the execution and delivery of this Mortgage by proper corporate action and neither this Mortgage, the authorization, execution, delivery and performance hereof, the performance of the agreements herein contained nor the consummation of the transactions herein contemplated will violate any provision of law to which the Issuer is subject, any order of any court or agency of government applicable to the Issuer or any agreement, indenture or other instrument to which the Issuer is a party or by which it or any of its property is subject to or bound, or any provision of its by-laws. This Mortgage constitutes the legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.

Section 6. Payment, Performance, Observance and Compliance.

The Company agrees to pay or cause to be paid, the Debt Service Payments on the Bonds at the place, on the dates and in the manner provided therein. All Debt Service Payments on the Bonds paid by the Issuer shall be solely from installment purchase payments and other revenues and receipts received pursuant to the Installment Sale Agreement (but not including any amounts received in connection with the Unassigned Rights). Nothing in the Bonds, the Indenture or in this Mortgage shall be construed as pledging or mortgaging any funds or assets of the Issuer other than those pledged or mortgaged hereby or thereby. Neither the State nor any political subdivision thereof (other than the Issuer and the Company) shall in any event be liable for the payment of any Debt Service Payment on the Bonds or for the performance of any pledge, mortgage, obligations or agreement undertaken by the Issuer or the Company.

Section 7. Priority of Lien of Mortgage.

The Issuer and the Company covenant that they shall not create or suffer to be created any Lien, except Permitted Encumbrances, upon the Mortgaged Property or any part thereof.

Section 8. Maintenance and Use of Mortgaged Property.

The Company, at its expense, will keep or cause to be kept the Mortgaged Property in good order and condition (ordinary wear and tear excepted) and will make all necessary or appropriate repairs, replacements and renewals thereof, interior, exterior, structural and non-structural, ordinary and extraordinary, foreseen and unforeseen. The Company will not do, or permit to be done, any act or thing which might materially impair the value or usefulness of the Mortgaged Property or any part thereof, will not commit or permit any material waste of the Mortgaged Property or any part thereof, and will not permit any unlawful occupation, business or trade to be conducted on the Mortgaged Property or any part thereof. The Company shall also, at its expense, promptly comply with all rights of way or use, privileges, franchises, servitudes, licenses, easements, tenements, hereditaments and appurtenances forming a part of the Mortgaged Property and all instruments creating or evidencing the same, in each case, to the extent compliance therewith is required of the Company under the terms thereof.

Section 9. Insurance Required.

At all times throughout the term of this Mortgage, the Company shall maintain the insurance described in Article VI of the Installment Sale Agreement, regardless of whether the Installment Sale Agreement shall be terminated or shall be for any reason not in full force and effect, and shall, within ten (10) days of request therefor by the Trustee deliver proof to the Trustee that such insurance has been and is being maintained.

Section 10. Taxes, Assessments and Utility Charges.

(A) The Company shall pay, promptly when due and before penalty or interest accrue thereon, all taxes, assessments, whether general or special, and other governmental charges of any kind whatsoever, foreseen or unforeseen, ordinary or extraordinary, that now or may at any time hereafter be assessed or levied against or with respect to the Mortgaged Property or any part thereof (including, without limitation, any taxes levied upon or with respect to the revenues, income or profits of the Company from the Mortgaged Property) which, if not paid, may become or be made a lien on the Mortgaged Property, or any part thereof, or a charge on such revenues, income or profits.

(B) Notwithstanding the preceding paragraph, the Company may, at its expense and after prior notice to the Trustee, by appropriate proceedings diligently prosecuted, contest in good faith the validity or amount of any such taxes, assessments or other charges and during the period of contest, need not pay the items so contested. However, if at any time the Trustee shall deliver to the Company an opinion of Independent Counsel to the effect that by nonpayment of any such items, the lien or security interest created by this Mortgage as to any part of the Mortgaged Property will be materially affected or the Mortgaged Property or any part thereof will be subject to imminent loss or forfeiture, the Company shall promptly pay such taxes, assessments or charges. During the period when the taxes, assessments or other charges so contested remain unpaid, the Company shall set aside on its books adequate reserves with respect thereto.

Section 11. Payments in Lieu of Taxes.

The Company shall pay all payments in lieu of taxes due pursuant to Section 6.2 of the Installment Sale Agreement.

Section 12. Right to Access.

The Issuer and the Company agree that the Trustee and its duly authorized agents will have the right upon all reasonable times to enter upon and into the Mortgaged Property for the purposes of examination and inspection.

Section 13. Inspection.

The Trustee and its representatives are hereby authorized to enter upon and inspect the Mortgaged Property at any time during normal business hours during the term of this Mortgage.

Section 14. Books, Records and Accounts.

The Company will keep and maintain or will cause to be kept and maintained proper and accurate books, records and accounts reflecting all items of income and expense in connection with the operation of the Mortgaged Property or in connection with any services, equipment or furnishings provided in connection with the operation of the Mortgaged Property, whether such income or expenses be realized by the Company or by any other person or entity whatsoever excepting sublessors unrelated to and unaffiliated with the Company and who leased from the Company portions of the Mortgaged Property for the purposes of occupying same. The Trustee and its designee shall have the right from time to time at all times during normal business hours to examine such books, records and accounts at the office of the Company or other person or entity maintaining such books, records and accounts and to make copies or extracts thereof as the Trustee shall desire.

Section 15. Compliance with Applicable Law.

(A) The Company agrees that it will, at all times prior to the termination of this Mortgage, promptly and fully comply with all (1) Applicable Laws, (2) covenants, conditions and restrictions of record relating to the ownership, use, operation or leasing of the Mortgaged Property, (3) covenants, conditions and restrictions set forth in any document or instrument creating a lien or charge upon all or any portion of the Mortgaged Property, and (4) policies of insurance at any time in force with respect to the Mortgaged Property.

(B) Notwithstanding the preceding paragraph, the Company may, at its expense and after prior notice to the Trustee, by appropriate proceedings diligently prosecuted, contest in good faith the validity or applicability of such requirements. This Section 15(B) shall not be deemed to apply to the payment of taxes or assessments (which is covered by Section 10).

Section 16. Recording and Filing.

(A) The Issuer hereby covenants that it will, at the sole cost and expense of the Company, cause this Mortgage, the Pledge and Assignment, the Installment Sale Agreement (or

a memorandum thereof), and all supplements hereto and thereto, together with all other security instruments and financing statements, to be recorded and filed, as the case may be, in such manner and in such places as may be requested by the Trustee in order to perfect the Liens created by the Financing Documents. The Company covenants that it will, upon request of the Trustee, cause to be filed all documents requested by the Trustee including, without limitation, continuation statements under the Uniform Commercial Code of the State, in such manner and in such places as may be required by the law in order to protect and maintain in force the Liens of the Financing Documents.

(B) Without limiting the foregoing, the Issuer and the Company hereby irrevocably appoint the Trustee as attorney-in-fact for the Issuer and the Company to execute, deliver, and file such instruments for and on behalf of the Issuer and the Company without the necessity of the signature of the Issuer and the Company or anyone claiming under or through the Issuer or the Company, including, but not limited to, the Company. Notwithstanding the foregoing, it is understood that the Trustee shall not make the initial UCC-1 filings.

Section 17. Enforcement of Duties and Obligations of the Company.

The Issuer and the Company hereby covenant that they will take all legally available action to cause the Company to fully comply with the covenants of the Company contained in the Installment Sale Agreement in the manner and at the times provided in the Installment Sale Agreement.

Section 18. Enforcement of Rights Under the Assigned Contract Rights.

The Company agrees to perform all obligations, conditions and agreements to be performed by the Company with respect to all permits, licenses and approvals for the Mortgaged Property and to enforce the performance of all obligations, conditions and agreements to be performed by each third party with respect to contracts, subcontracts, and other agreements for the acquisition, construction, use or occupancy of the Mortgaged Property.

Section 19. Events of Default.

Any one or more of the following events shall constitute an "Event of Default":

(A) Failure of the Company to pay any amount that has become due and payable hereunder and continuance of such failure for a period of thirty (30) days after receipt by the Company of written notice specifying the nature of such default from the Trustee;

(B) Failure of the Company or the Issuer to observe and perform any covenant, condition or agreement hereunder on their respective part to be performed (except as set forth in Section 19(A) above) and (1) continuance of such failure for a period of thirty (30) days after receipt by the Company and the Issuer of written notice specifying the nature of such default from the Trustee, or (2) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, the Company and the Issuer fail to proceed with reasonable diligence after receipt of said notice to cure the same or fail to continue with reasonable diligence their efforts to cure the same; or

(C) An “Event of Default” as defined in the Indenture or any other Financing Document shall occur and be continuing.

The Issuer hereby grants to the Company full authority for the account of the Issuer to perform any covenant or obligation the non-performance of which is alleged in any notice received by the Company to constitute a default hereunder, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts with power of substitution. The Trustee agrees to accept such performance by the Company as performance by the Issuer.

Section 20. Remedies.

Upon the occurrence of an Event of Default hereunder, the Trustee may, to the maximum extent permitted by law, in addition to any other rights or remedies available to it hereunder or elsewhere, take such action, without notice or demand, as they deem advisable to protect and enforce their rights against the Issuer, the Company and in and to the Mortgaged Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as the Trustee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of the Trustee:

(A) enter into or upon the Mortgaged Property, either personally or by their agents, nominees or attorneys, and dispossess the Issuer and the Company and their respective agents and servants therefrom, and thereupon the Trustee may:

(i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Mortgaged Property and conduct business thereat and therewith;

(ii) complete any construction, renovation, rebuilding or repairing of the Mortgaged Property in such manner and form as the Trustee deems advisable;

(iii) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property; and

(iv) exercise all rights and powers of the Issuer with respect to the Mortgaged Property (subject to the terms and conditions of the Indenture relating to the Unassigned Rights), whether in the name of the Issuer or otherwise, including, without limitation, the right to make, cancel, enforce or modify leases (except upon the prior written consent of the Issuer and the Company), obtain and evict tenants, and demand, sue for, collect and receive all earnings, revenues, rents, issues, profits and other income of the Mortgaged Property and every part thereof;

(B) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of the Mortgaged Property for the portion of the Obligations then due and payable, subject to the continuing security and lien of this Mortgage for the balance of the Obligations not then due;

(C) institute proceedings to foreclose one or more of the liens of this Mortgage against all or, from time to time, against any part of the Mortgaged Property and to have the same sold under the judgment or decree of a court of competent jurisdiction to the highest bidder, at public or private sale, subject to statutory and other legal requirements, if any, including all right, title and interest, claim and demand therein and thereto and all right of redemption thereof;

(D) sell, assign or transfer the Mortgaged Property or any part thereof and all estate, claim, demand, right, title and interest of the Issuer and the Company therein and right of redemption thereof, pursuant to power of sale or otherwise, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law (provided that twenty (20) days' notice of sale of the Mortgaged Property shall be deemed reasonable notice) for such price and form of consideration as the Trustee may determine or as may be required by law;

(E) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein;

(F) apply for the appointment of or appoint a trustee, receiver, liquidator or conservator of the Mortgaged Property, without regard for the adequacy of the security for the Obligations and without regard for the solvency of any Person liable for the payment of the Obligations whether or not in connection with an action to foreclose this Mortgage;

(G) take possession of the Mortgaged Property and otherwise exercise any and all of the rights of secured parties under the State Uniform Commercial Code-Secured Transactions (provided that, notwithstanding the provisions of the State Uniform Commercial Code-Secured Transactions and to the fullest extent permitted by applicable law, ten (10) days' notice of sale of the Mortgaged Property shall be deemed reasonable notice); or

(H) pursue such other remedies as the Trustee may have under applicable law.

Further, if there shall occur an Event of Default, then the Trustee may, in its discretion, remedy the default and for such purpose shall have the right to enter upon the Mortgaged Property or any portion thereof without thereby becoming liable to the Issuer or the Company or any Person in possession thereof other than for liability resulting from the negligence or willful misconduct of the Trustee.

The Trustee shall have the right to appear in and defend any action or other proceeding brought with respect to the Mortgaged Property and to bring any action or other proceeding, in the name and on behalf of the Issuer if and to the extent the Trustee so elects, that the Trustee, in its discretion, determines should be brought to protect the interest of the Trustee in the Mortgaged Property.

If the Trustee shall remedy any such default or appear in, defend, or bring any action or proceeding to protect its interest in the Mortgaged Property or to foreclose upon the Mortgaged Property under this Mortgage, in whole or in part, or collect the Obligations, all reasonable costs and expenses thereof (including reasonable attorneys' fees to the extent permitted by law), shall be paid by the Company to the Trustee upon demand.

To the extent any such costs, expenses, or other amounts paid by the Trustee after an Event of Default shall constitute payment of (1) taxes or payments in lieu of taxes, (2) premiums on insurance policies covering all or part of the Mortgaged Property, (3) expenses incurred in upholding the liens of this Mortgage, including the costs and expenses of any litigation to collect the indebtedness secured by this Mortgage or to prosecute, defend, protect, or preserve the rights and the lien created by this Mortgage, or (4) any amount, cost, or other charge to which the Trustee becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority; then, and in each such event, those reasonable costs, expenses, and other amounts, shall be added to the indebtedness secured by this Mortgage and shall be an Obligation secured by this Mortgage.

Section 21. Appointment of a Receiver.

Upon the occurrence of an Event of Default, the Trustee shall be entitled to the appointment of a receiver. The right to have a receiver appointed shall be a matter of strict right and without regard to the value or occupancy of the security and such receiver may enter upon and take possession of the Mortgaged Property, collect the rents, issues and profits therefrom and apply the same as the court may direct, such receiver to have all of the rights and powers as a receiver may have under the laws of the State. The expenses, including, without limitation, reasonable receiver's fees, reasonable counsel fees, costs and agent's reasonable commissions and compensation incurred pursuant to the powers herein granted shall be added to the principal portion of the Obligations and secured hereby.

Section 22. Application of Proceeds.

All proceeds received by the Trustee pursuant to any right given or action taken under the provisions of this Mortgage shall, during the continuance of an Event of Default hereunder, be applied in the following order of priority: (i) first, to the payment of the fees, costs and expenses of the Trustee, including reasonable attorneys' fees; (ii) second, to the payment of all installments of interest then due and payable on the Bonds; (iii) third, to the payment of any premium due and payable on the Bonds; (iv) fourth, to the payment of unpaid principal of the Bonds, whether or not then due and payable; (v) fifth, to the payment of any sum or charge (other than principal, premium, if any, or interest) evidenced or secured by this Mortgage and all interest payable thereon; (vi) sixth, to the payment of interest or principal amounts then due and payable under any other Financing Document; and (vii) seventh, the balance thereof to be applied in reduction of any other amounts then due and payable under any other Financing Document.

Section 23. No Remedy Exclusive.

No remedy conferred upon or reserved to the Trustee hereunder is or shall be deemed to be exclusive of any other available remedy or remedies. Each such remedy shall be distinct, separate and cumulative, shall not be deemed to be inconsistent with or in exclusion of any other available remedy, may be exercised in the reasonable discretion of the Trustee at any time, in any manner, and in any order, and shall be in addition to and separate and distinct from every other remedy given the Trustee under this Mortgage or any other Financing Document or now or hereafter existing in favor of the Trustee at law or in equity. Without limiting the generality of

the foregoing, the Trustee shall have the right to exercise any available remedy to recover any amount due and payable hereunder without regard to whether any other amount is due and payable, and without prejudice to the Trustee to exercise any available remedy for other Events of Default existing at the time the earlier action was commenced.

Section 24. Termination of Proceedings.

In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then the Issuer, the Trustee and the Company shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no proceeding had been taken.

Section 25. Delay To Not Constitute Waiver.

Any delay, omission or failure by the Trustee to insist upon the strict performance by the Issuer and the Company of any of the covenants, conditions and agreements herein set forth to be exercised by them or to exercise any right or remedy available to it upon the occurrence of an Event of Default shall not impair any such right or remedy or be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce, by injunction or other appropriate legal or equitable remedy, strict compliance by the Issuer and the Company with all of the covenants, conditions and agreements herein to be exercised by them, or of the right to exercise any such rights or remedies if such default by the Issuer or the Company be continued or repeated. Any failure of the Trustee to exercise the option to accelerate the maturity of Obligations secured hereby, or any forbearance by the Trustee before or after any exercise of any such option, or any forbearance to exercise any other remedy of the Trustee, or any withdrawal or abandonment of the Trustee of any of its rights in any one circumstance shall not be construed as a waiver of any option, power, remedy or right of the Trustee hereunder. The rights and remedies of the Trustee expressed and contained in this Mortgage are cumulative and none of them shall be deemed to be exclusive of any other or of any right or remedy the Trustee may now or hereafter have at law or in equity. The election of any one or more remedies shall not be deemed to be an election of remedies under any statute, rule, regulation or case law. The covenants of this Mortgage shall run with the Mortgaged Property and other properties and the estates hereby mortgaged and bind the Issuer and the Company and their respective assigns, legal representatives and successors and shall inure to the benefit of the Trustee and its successors and assigns.

Section 26. Costs of Suit.

If any action, suit or proceeding is commenced by or against the Trustee, including a foreclosure action, affecting the Mortgaged Property or any part thereof or the Lien of this Mortgage, the Trustee may appear, defend, prosecute, retain counsel and take such other action as the Trustee shall deem advisable, and the costs thereof (including reasonable legal fees and all applicable statutory costs, allowances and disbursements), together with interest thereon, but in no event in excess of the maximum interest rate permitted by law, shall be paid by the Company to the Trustee on demand. Until so paid, all such costs, together with interest thereon, shall be

secured by this Mortgage and, if not paid, may be added to the judgment in any foreclosure action

Section 27. Notices.

Any notice required to be sent to the Issuer or the Company, or any notice including process, pleadings or other papers served upon them shall be in writing and shall at the same time, be sent by telegram or telex and by registered or certified mail, postage prepaid, to the Issuer at 7566 Court Street, Elizabethtown, New York 12932, Attention: Director, and to the Company at 6679 Main Street, P.O. Box 454 Westport, New York 12993, or to such other alternate address as may be furnished by the Issuer or the Company to the Trustee in writing. Any notice, certificate or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given as of the date it shall have been received or three (3) Business Days after mailing, whichever is earlier. Any notice required to be sent to the Trustee shall be sent in the manner and at the address set forth in the Indenture.

Section 28. Entire Agreement; Counterparts.

This Mortgage constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof (other than any other Financing Document) and may be executed simultaneously in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Section 29. Severability:

If any provisions of this Mortgage shall, for any reason, be held or shall, in fact, be inoperative or unenforceable in any particular case, such circumstance shall not render the provision in question inoperative or unenforceable in any other case or circumstance or render any other provision herein contained inoperative or unenforceable.

The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections in this Mortgage shall not affect the remaining portions of this Mortgage or any part hereof.

Section 30. Amendments and Modifications.

With the written consent of the Company, the Issuer and the Trustee may amend, change, modify, consolidate, release, assign, satisfy or terminate this Mortgage with respect to all or any part of the Mortgaged Property, except with respect to material compliance with State and Environmental Laws.

Section 31. Lien Law.

The Issuer and the Company shall receive the proceeds of the Bonds subject to the trust fund provisions of Section 13 of the Lien Law.

Section 32. No Recourse Against Issuer.

The Trustee will not look to the Issuer or any principal, member, director, officer or employee of the Issuer with respect to the indebtedness evidenced by this Mortgage or any covenant, stipulation, promise, agreement or obligation contained herein. In enforcing its rights and remedies under this Mortgage the Trustee will look solely to the mortgaged premises for the payment of the indebtedness secured by this Mortgage and for the performance of the provisions hereof. The Trustee will not seek a deficiency or other money judgment against Issuer or any principal, member, director, officer or employee of the Issuer and will not institute any separate action against the Issuer by reason of any default which may occur in the performance of any of the terms and conditions of this Mortgage or the Bonds. This agreement on the part of the Trustee shall not be construed in any way so as to effect or impair the lien of this Mortgage or the Trustee's right to foreclose hereunder as provided by law or construed in any way so as to limit or restrict any of the rights or remedies of the Trustee in any foreclosure proceedings or other enforcement of payment of the indebtedness secured hereby out of and from the security given therefor.

Section 33. Special Obligation.

This Mortgage is made pursuant to the Indenture and is subject to all the provisions thereof as if they were fully set forth in and made part of this Mortgage. Without intending to modify the foregoing sentence, the obligations of the Issuer in this Mortgage contained shall be subject to the limitations set forth in the Indenture, and all of the provisions of this Mortgage shall be read and construed subject to such limitations.

Section 34. Assignment of Pledged Revenues

(A) The Issuer hereby (i) assigns and transfers to the Trustee all of the Pledged Revenues, now or hereafter existing, with respect to the Project, (ii) gives to and confers upon the Trustee the right, power and authority to collect such Pledged Revenues, and (iii) irrevocably appoints the Trustee its true and lawful attorney-in-fact, at the option of the Trustee, at any time and from time to time to demand, receive and enforce payment, to give receipts, releases and satisfactions and to sue, in the name of the Issuer or the Trustee, for all such Pledged Revenues, and to apply such Pledged Revenues to the indebtedness secured hereby in such order and manner as the Trustee may designate. Subject to the terms of this Section 34, the Trustee waives the right to enter the Project for the purpose of collecting the Pledged Revenues and grants to the Issuer the right to collect the Pledged Revenues. The right of the Issuer to collect the Pledged Revenues may be revoked by the Trustee upon the occurrence and continuance of any Event of Default under the terms of this Mortgage by giving notice of such revocation to the Issuer. Following such notice, the Trustee may retain and apply the Pledged Revenues toward payment of the indebtedness secured hereby in such order and manner as the Trustee shall designate, or to the operation, maintenance and repair of the Project Facility, and irrespective of whether the Trustee shall have commenced a foreclosure of this Mortgage or shall have applied or arranged for the appointment of a receiver. The Issuer hereby irrevocably directs each tenant of the Project Facility to pay to the Trustee, upon receipt of notice from the Trustee that an Event of Default shall have occurred under this Mortgage, all Pledged Revenues and other sums assigned to the Purchaser pursuant to this Section 34.


(B) The Issuer shall not accept prepayments of installment payments pursuant to the Installment Sale Agreement for a period of more than one (1) month in advance, except in connection with a redemption of the Bonds, or further assign the whole or any part of the Pledged Revenues. The Trustee shall have all of the rights against tenants of the Project Facility as set forth in Section 291-f of the New York Real Property Law. The Issuer shall (i) fulfill or perform each and every provision of the Installment Sale Agreement on the part of the Issuer to be fulfilled or performed and (ii) enforce, short of termination of the Installment Sale Agreement, the performance or observance of the provisions thereof by the owners thereunder.

(C) In addition to the rights which the Trustee may have herein, in the event of any Event of Default under this Mortgage, the Trustee, at its option, may require the Issuer to pay monthly in advance to the Trustee, or any receiver appointed to collect the Pledged Revenues, the fair and reasonable value for the use and occupation of such part of the Project Facility as the Issuer shall be physically occupying. Upon default in any payment, the Issuer will vacate and surrender possession of the Project Facility to the Trustee, or to such receiver and, in default thereof, the Issuer may be evicted by summary proceedings or otherwise.

(D) The Company hereby (i) assigns and transfers to the Trustee all of the Pledged Revenues, now or hereafter existing, with respect to the Project, (ii) gives to and confers upon the Trustee the right, power and authority to collect such Pledged Revenues, and (iii) irrevocably appoints the Trustee its true and lawful attorney-in-fact, at the option of the Trustee, at any time and from time to time to demand, receive and enforce payment, to give receipts, releases and satisfactions and to sue, in the name of the Company or the Trustee, for all such Pledged Revenues, and to apply same to the indebtedness secured hereby in such order and manner as the Trustee may designate. Subject to the terms of this Section 34, the Trustee waives the right to enter the Project for the purpose of collecting the Pledged and grants to the Company the right to collect the Pledged Revenues. The right of the Company to collect the Pledged Revenues may be revoked by the Trustee upon the occurrence and continuance of any Event of Default under the terms of this Mortgage by giving notice of such revocation to the Company. Following such notice, the Trustee may retain and apply the Pledged Revenues toward payment of the indebtedness secured hereby in such order and manner as the Trustee shall designate, or to the operation, maintenance and repair of the Project Facility, and irrespective of whether the Trustee shall have commenced a foreclosure of this Mortgage or shall have applied or arranged for the appointment of a receiver. The Company hereby irrevocably directs each tenant of the Project to pay to the Trustee, upon receipt of notice from the Trustee that an Event of Default shall have occurred under this Mortgage, all Pledged Revenues and other sums assigned to the Trustee pursuant to this Section 34.

IN WITNESS WHEREOF, the Issuer and the Company have duly executed this Mortgage and Security Agreement as of the date first above written.

ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Darren Darrah
Chairman

CHAMPLAIN VALLEY MILLING CORP., INC.

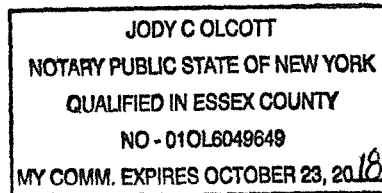
By: _____
Samuel Sherman
President

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the 9 day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, personally known to me 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.



Notary Public



STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, the President of CHAMPLAIN VALLEY MILLING, INC., personally known to me 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.

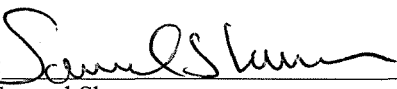
Notary Public

IN WITNESS WHEREOF, the Issuer and the Company have duly executed this Mortgage and Security Agreement as of the date first above written.

ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Darren Darrah
Chairman

CHAMPLAIN VALLEY MILLING CORP., INC.

By: 
Samuel Sherman
President

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the 10th day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, the President of CHAMPLAIN VALLEY MILLING CORP., INC., personally known to me 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.

Barbara A Breyette

Notary Public

BARBARA A BREYETTE
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BR4987221
Qualified in Essex County
Commission Expires October 7, 2017

SCHEDULE A

DESCRIPTION OF LAND

See real estate description attached.

SCHEDULE "A"

LEGAL DESCRIPTION

All that certain parcel of land being located in the northwesterly part of the Hamlet of Willsboro and in the Town of Willsboro, County of Essex and State of New York, said parcel being located on the westerly bounds of the New York State Highway known as Route 22, and being part of the property described in a deed from Tambrands, Inc., to Old Adirondack, Inc. dated May 25, 1994 recorded May 26, 1994 in the Essex County Clerk's Office in deed book 1062 at page 166 and being shown as Lot 1 on a Map of Survey prepared for Willsboro Development Corporation, dated June 27, 1994, revised July 11, 1994, by Kevin A. Hall, Land Surveyor and filed in the Essex County Clerk's Office as Map Number 4554, formerly being part of "Parcel No. 10" as described in a deed dated June 8, 1962, from the New York & Pennsylvania Co. Inc. to the Champlain Mills Properties, Inc. and recorded in the Essex County Clerk's Office in deed book 400 at page 240, being bounded and described as follows:

Beginning at a 3 foot long 1/2" iron pipe set to grade located at the northeast corner of the herein described parcel and the southeast corner of Anjou Development Corp. as described in deed book 1066 at page 40, being Lot 2 as shown on said map, said iron pipe being in the assumed westerly road bounds of said Route 22, a distance of 25 feet from the centerline thereof and running the following two courses along said road bounds;

1. Southerly on a curve concave to the east an arc distance of 161.85 feet to a found 3/4" iron pipe 0.1' below grade at the point of tangency, said curve having a radius of 434.26 feet and a delta angle of 21°-21'-16";
2. S 04°-32'-20" E as referenced to north by deed book 1062 at page 166 a distance of 26.19 feet to a 4 foot long 3/4" iron pipe set to 0.1' below grade located at the northeast corner of Samuel J. and Ann E. Marcotte as described in a deed from Tampax, Inc., dated November 8, 1974, recorded in deed book 598 at page 180 and running the following course along said Marcotte as described in said deed book 598 at page 180 and in a deed from Tambrands, Inc. dated August 27, 1986, recorded in deed book 876 at page 281;
3. N 82°-52'-20" W 214.11 feet to a found 3/4" iron pipe at grade at the northwest corner of said Marcotte and running the following course along said Marcotte as described in said deed book 876 at page 281 and Glen and Elizabeth Flora as described in a deed from Tambrands, Inc. dated August 27, 1986 recorded in deed book 876 at page 68;
4. S 03°-57'-00" E 193.26 feet to a found 1' high 1/2" iron pipe;
5. S 83°-45'-12" E 100.00 feet to a found 3/4" iron pipe 0.5' below grade, set in June 1994, located at the northwest corner of Stafford as described in deed book 596 at page 122;
6. S 17°-51'-00" W 109.00 feet to a found 0.3' high 1/2" iron pipe, set in June 1994, said iron pipe being located at the southwest corner of said Stafford;
7. N 55°-32'-40" W 120.41 feet along land of an unknown owner to a 0.5' high 5/8" iron rod with cap set in September 1999, and continuing on the same course of N 55°-32'-40" W an additional distance of 1,113.37 feet along the north bounds of Essex County Industrial Development Agency as described in deed book 1299 at page 20, for a total distance of 1,233.78 feet to a found 1/2" iron pipe plug in a drill hole in a 2' X 2' X 1' high rock, said iron pipe plug set in June of 1994 and running the following two courses along Lot 2;
8. N 25°-31'-29" E 293.75 feet to a found 0.2' high 1/2" iron pipe set in June of 1994;
9. S 64°-28'-31" E 1,151.42 feet to the point and place of beginning, containing 10.00 acres, within the above described bounds and shown on the herein above referenced map.

Subject to all rights, title and interest of the public in and to that portion of land lying westerly of the first two courses and the true legal road bounds of New York State Rt. 22.

Together with all rights, title and interest of the grantor in and to that portion of land lying easterly of the first two courses and the true legal centerline of New York State Rt. 22.

LEGAL DESCRIPTION - CONTINUED

Together with an easement labeled with the letter "A" as shown on the herein above referenced map.

Subject to an easement to Willsboro Sewer District #1 as described in a deed dated and recorded June 29, 1994 in the Essex County Clerk's Office in deed book 1064 at page 280.

Subject to all easements and restrictions of record.

The lands conveyed are subject to Adirondack Park Agency Permit 2001-182 issued October 12, 2001, the terms and conditions of which are binding upon the heirs, successors and assigns of the grantors and all subsequent grantees, filed in the Essex County Clerk's Office in APA Book 54 at page 126.

Further granting and conveying an easement and right of way for ingress and egress at a width of 50 feet commencing at Route 22 and running in a westerly direction along the northerly boundary of the parcel herein described then turning and running the entire length of the westerly boundary of the parcel herein described. This easement is to be used in common with others more specifically being Anjou Development Corporation being the fee title owner and also Willsboro Development Corporation which reserves said easement rights in order to gain access to its other lands located to the south of the subject property.

Subject to a certain easement reserved by Willsboro Development Corporation in a deed from Willsboro Development Corporation dated March 12, 2002 and recorded in the Essex County Clerk's Office at Book 1314 of Deeds at page 266 thereof.

19 Myers Way, Willsboro, Essex County, New York 12996, Tax Map #31.9-1-42.100

SCHEDULE B

DESCRIPTION OF EQUIPMENT

See real estate description attached.

Equipment	Amount	Model Number	Serial Number
Present in Willsboro			
Yale Forklift	1		
JEM Sewing Head	1		
Pallet Racks			
27' by 11 ring Grain Bin	2		
Temper Bin	1		
Ford Tractor	1	5640	P.O./004576
48' Van Trailer	1		
Fortress Metal Detector	1	Phantom	21340
Moving to Willsboro from Westport			
15' by 8 ring hopper bottom grain bin	4		
12' by 8 ring hopper bottom grain bin	2		
9' by 5 ring hopper bottom grain bin	5		
Codema Air Lock	11		
Flour Tanks	4		
13' flour bin	1		
Walinga Agri Vac	1	4510	MT4510WLX-40E-050810183
All Fill system	1	14-9000	20010101373
Perten Laboratory Mill	1	3100	050210
Perten Falling Number Machine	1	FN1500	057107
Perten Inframatic Flour Analyzer	1	IM 9140	4111
Brabender Farinograph	1	5300	184502
Fischbein Sewing Machine	5		
Helms Whole Mill	1	25-S	340
Fortress Metal Detector	1	Phantom	F5247
Flour Bagger Tank with Airlock	1		
Chantland bagger with scales	1	4198 Weighmaster II	39402
Stone Mill			
Airlock bench	1		
Airlocks	10		

Cyclones	10		
Allis Chalmers Sifter	1		1155
Sieves	68		
Codema Filter Tank with Airlock	1		
Roll Stand	4		
IR Piston type air compressor	1	7100	8056694
Whole Mill Filter Tank	1	16005.6	16005.0202
Whole Mill Vacuum Pump	1	GAELDPA	S159590
Kaeser Blower 1	1	MDB 130	1495 135 2005
Kaeser Blower 2	1	MDB 130	1414 135 2005
Kaeser Blower 3	1	MDB 130	1493 135 2005
Kaeser Blower 4	1	MDB 130	1496 135 2005
JEM Bagger	1	GWD-21-GG	061451
JEM Conveyor	1	Con 508 w/PED	31422
Portable Air Lock	1		
Mixing Tank	1		
Blue Master Bucket Elevator	1	500S	688112536
Triner Scale	1	TS-700 MS	AE120319080
Alapala Scour/Aspirator	1	KKSI 3010	796
Temper Augur	1		
Toyota Electric Pallet Jack	1	8HBW23	8HBW23-28589
Toyota Electric Pallet Jack	1	7HBW23	7HBW23-28589
Toyota Forklift	1	42-6FGCU15	60961
Incoming Equipment			
IR Rotary screw compressor	1	IRN30H Nirvana	
Ocrim Separator Sifter	1		
Codema Destoner	1		
Clean Grain Bin	1		
Magnet	1		
Scales	1		
Bliss Whole Mill	1		

Witt Rollstand	1		
Whole Mill Filter Tank	1		
White Flour Filter Tank	1		
Satake Color Sorter	1		

AFFIDAVIT

STATE OF NEW YORK)

)**SS:**

COUNTY OF ESSEX)

Darren Darrah, being duly sworn, deposes and says:

I am the Chairman of the Essex County Industrial Development Agency (the “Issuer”).

1. That the Issuer is a governmental agency and instrumentality constituting a body corporate and politic and a public benefit corporation of the State of New York.

2. Pursuant to the resolutions adopted by the Issuer and that certain Indenture of Trust, dated as of May 1, 2017 between the Issuer and the ZB, National Association, as trustee (“Trustee”) (as amended, supplemented and/or otherwise modified from time to time, the “Indenture”), has authorized the issuance of its \$4,245,000 principal amount Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 (the “Bonds”).

3. The Bonds are being sold by the Issuer in accordance with a Bond Purchase Agreement, dated as of May 10, 2017 by and among the Issuer, Champlain Valley Milling Corp., Inc. (the “Company”), and Janney Montgomery Scott LLC (the “Underwriter”) for the purpose of providing funds to finance a Project (as defined in the hereinafter Indenture) for the benefit of the Company.

4. The proceeds of the Bonds will be loaned by the Issuer to the Company pursuant to an Installment Sale Agreement, dated as of May 1, 2017 (the “Installment Sale Agreement”) pursuant to which the Company will covenant, among other things, to make installment payments sufficient to pay all principal of, redemption premium, if any, and interest on the Bonds.

5. To secure their obligations under the Installment Sale Agreement, the Company together with the Issuer will grant a Mortgage and Security Agreement, dated as of May 1, 2017 (the “Mortgage”) to the Trustee. Following recordation of the Mortgage, the Issuer will execute and deliver for recording the Pledge and Assignment Agreement, dated as of May 1, 2017, pursuant to which the Issuer assigns all of its right, title and interest in and to the Installment Sale Agreement (other than Unassigned Rights) to the Trustee.

6. To further secure the payment obligations of the Company and the amounts due under the Bonds, the Company will execute and deliver a Guaranty Agreement, (the "Guaranty") dated as of May 1, 2017, from both the Company and the majority owners thereof to the Issuer and the Trustee.

7. Pursuant to Article 18-A of the General Municipal Law, the Issuer, and the Company as the agent of the Issuer, are regarded as performing a governmental function and the Issuer is generally not required to pay taxes or assessments upon any property acquired by it or under its jurisdiction or control or supervision or upon its activities, and the Issuer through the Installment Sale Agreement is regarded as owner of fee title to the Project, to hold the Project under its jurisdiction, control and supervision pursuant to the provisions of §874(1) of the General Municipal Law and Opns.St.Compt. 82-188 (June 2, 1982) and decided law interpreting such advisory opinion.

8. The documents are being executed and delivered by the Issuer, and/or the Company, as agent for the Issuer, which was created by the State of New York and the use by the Issuer of its powers is deemed by Article 18-A of the General Municipal Law as a public purpose essential to the public interest; and

9. This affidavit is submitted by the Issuer in connection with the recordation of the Mortgage, as tendered by the Issuer to the County Clerk of the County of Essex, State of New York, for recording in the real property records in Essex County, New York.

WHEREFORE it is respectfully requested that the Mortgage be recorded without demand for payment or payment of the mortgage recording tax or any other transfer or recording taxes for the filing or recording of the documents on the ground that each such document is exempt from the mortgage recording tax imposed pursuant to the provisions of Section 253 and 253-a of the Tax Law of State of New York.

ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: *Darren Darrah*

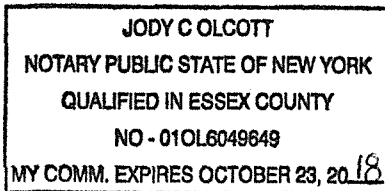
Name: Darren Darrah

Title: Chairman

Sworn to before me this

9th day of May, 2017

Jody C. Olcott
Notary Public



[Signature Page to Affidavit relating to Mortgage Recording Tax Exemption]



ESSEX COUNTY – STATE OF NEW YORK
JOSEPH A. PROVONCHA, COUNTY CLERK
7559 COURT ST, PO BOX 247, ELIZABETHTOWN, NY 12932

COUNTY CLERK'S RECORDING PAGE
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Recording Fee	0.00
Cultural Ed	0.00
Records Management - Coun	0.00
Records Management - Stat	0.00

BOOK/PAGE: 2452 / 82
INSTRUMENT #: 2017-2102

Total: 0.00
**** NOTICE: THIS IS NOT A BILL ****

Receipt#: 2017172416
Clerk: SN
Rec Date: 05/16/2017 03:04:00 PM
Doc Grp: M
Descrip: AGREEMENT
Num Pgs: 62
Rec'd Frm: G & G ABSTRACT

Party1: ESSEX COUNTY INDUSTRIAL DEV
AGENCY
Party2: CHAMPLAIN VALLEY MILLING CORP
INC
Town: WILLSBORO

I hereby certify that the within and foregoing
was recorded in the Essex County Clerk's
Office.

Handwritten signature of Joseph A. Provoncha in cursive.

Joseph A. Provoncha
Essex County Clerk

Record and Return To:

KENNETH W BOND
SQUIRE PATTON BOGGS (US) LLP
30 ROCKEFELLER PLAZA
NEW YORK NEW YORK 10112

Notice Information may change during the verification
process and may not be reflected on this page

R/R: Kenneth W Bond
Squire Patton Boggs (US) LLP
30 Rockefeller Plaza
New York New York
10113

ESSEX COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

AND

CHAMPLAIN VALLEY MILLING CORP., INC.

INSTALLMENT SALE AGREEMENT

DATED AS OF MAY 1, 2017

CERTAIN RIGHTS OF ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "ISSUER") UNDER THIS INSTALLMENT SALE AGREEMENT, AND CERTAIN MONEYS DUE AND TO BECOME DUE TO THE ISSUER HEREUNDER, HAVE BEEN ASSIGNED TO ZB, NATIONAL ASSOCIATION, AS TRUSTEE (THE "TRUSTEE"), PURSUANT TO A PLEDGE AND ASSIGNMENT DATED AS OF MAY 1, 2017, FROM THE ISSUER TO THE TRUSTEE.

THIS INSTALLMENT SALE AGREEMENT IS INTENDED TO CONSTITUTE A SECURITY AGREEMENT UNDER THE UNIFORM COMMERCIAL CODE OF THE STATE OF NEW YORK.

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INSTALLMENT SALE AGREEMENT

THIS INSTALLMENT SALE AGREEMENT dated as of May 1, 2017 (the “Installment Sale Agreement”) by and between **ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York having an office for the transaction of business located at 7566 Court Street, Elizabethtown, New York 12932 (the “Issuer”), and **CHAMPLAIN VALLEY MILLING CORP., INC.**, a corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 6679 Main Street, PO Box 454, Westport, New York 12993-0454 (the “Company”);

WITNESSETH:

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

WHEREAS, the Enabling Act authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State of New York (the “State”) and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and dispose of 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, civic, commercial or industrial purposes, in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease or sell any or all of its facilities, 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 and pledge any or all of its facilities, whether then owned or thereafter acquired, and to pledge the revenues and receipts from the lease or sale thereof to secure the payment of such bonds and interest thereon; and

WHEREAS, the Issuer was created, pursuant to and in accordance with the provisions of the Enabling Act, by Chapter 563 of the Laws of 1973 of the State (Section 914-a, Title 2 of Article 18-A of the General Municipal Law of the State), as amended from time to time (including without limitation Chapter 444 of the Laws of 1999 of the State) (collectively, with the Enabling Act, the “Act”) and is empowered under the Act to undertake the Project (as hereinafter defined) in order to so advance the job opportunities, health, general prosperity and economic welfare of the people of the State and improve their standard of living; and

WHEREAS, the Issuer, by resolution adopted on April 19, 2016 (the “Inducement Resolution”), determined to issue its tax-exempt revenue bonds for the purpose of assisting in providing financing of a project (the “Project”) consisting of (A)(1) the acquisition, construction,

reconstruction, equipping and installation of buildings and building improvements and equipment, including land and fixtures, to manufacture grain into flour, to be located at 19 Myers Way all within the Town of Willsboro, New York (the "Facility"), which facility will include an approximately 29,000 square foot building, and (2) certain fixtures and other personal property related thereto (the "Equipment") (the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt revenue bonds of the Issuer in one or more series in an aggregate principal amount not to exceed \$5,000,000; (C) the funding of a debt service reserve fund for the bonds for the Project; (D) the payment of the costs of issuing such bonds; and (E) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the State General Municipal Law) with respect to the foregoing, including an exemption from certain sales and use taxes, real property taxes, deed transfer taxes, and mortgage recording taxes (together with the Project Facility, the "Project"); and

WHEREAS, the Issuer, by resolution adopted on April 6, 2017 (the "Bond Resolution"), authorized the issuance of its Tax-Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 in the aggregate principal amount of \$4,245,000 (the "Bonds") for the purpose of financing the costs of undertaking the Project; and

WHEREAS, contemporaneously with the execution of this Installment Sale Agreement, the Issuer and ZB, National Association, as trustee (the "Trustee") have entered into a trust indenture dated as of May 1, 2017 (the "Indenture") specifying the terms and conditions upon which the Bonds are to be issued and secured; and

WHEREAS, the Issuer, by the terms of the Indenture and as security for the Bonds, will grant the Trustee a first lien on and a security interest in the Trust Revenues (as defined in the Indenture); and

WHEREAS, the Issuer proposes to undertake the Project, appoint the Company as agent of the Issuer to undertake the acquisition, construction, reconstruction and equipping of the Project Facility and transfer its interest in the Project Facility to the Company, and the Company desires to act as agent of the Issuer to undertake the acquisition, construction, reconstruction and equipping of the Project Facility and accept the transfer of such interest in the Project Facility from the Issuer, all pursuant to the terms and conditions hereinafter set forth in this Installment Sale Agreement; and

WHEREAS, the providing of the Project Facility by the Issuer and the transfer of its interest in the Project Facility to the Company pursuant to this Installment Sale Agreement is for a proper purpose, to wit, to advance the job opportunities, health, general prosperity and economic welfare of the inhabitants of the State, pursuant to the provisions of the Act; and

WHEREAS, all things necessary to constitute this Installment Sale Agreement a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this Installment Sale Agreement have in all respects been duly authorized by the Issuer and the Company;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PREMISES AND THE MUTUAL COVENANTS HEREINAFTER CONTAINED, THE PARTIES HERETO HEREBY FORMALLY COVENANT, AGREE AND BIND THEMSELVES AS FOLLOWS, TO WIT:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions.

Terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture, as amended from time to time.

Section 1.2. Interpretation.

In this Installment Sale Agreement, unless the context otherwise requires:

(A) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Installment Sale Agreement, refer to this Installment Sale Agreement, and the term “heretofore” shall mean before, and the term “hereafter” shall mean after, the date of this Installment Sale Agreement;

(B) Words of masculine gender shall mean and include correlative words of the feminine and neuter genders;

(C) Words importing the singular number shall mean and include the plural number, and vice versa; and

(D) Any certificates, letters or opinions required to be given pursuant to this Installment Sale Agreement shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Installment Sale Agreement.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.1. Representations, Warranties And Covenants Of Issuer.

The Issuer makes the following representations, warranties and covenants as the basis for the undertakings on its part herein contained:

(A) The Issuer is duly established under the provisions of the Act and has the power to enter into this Installment Sale Agreement and to carry out its obligations hereunder. Based upon the representations of the Company as to the utilization of the Project Facility, the Project Facility will constitute a “project,” as such quoted term is defined in the Act. By proper official action, the Issuer has been duly authorized to execute, deliver and perform this

Installment Sale Agreement and the other Financing Documents to which the Issuer is a party (the "Issuer Documents").

(B) Neither the execution and delivery of this Installment Sale Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the provisions of the other Issuer Documents will conflict with or result in a breach or constitute a default by the Issuer of any of the terms, conditions or provisions of the Act, the by-laws of the Issuer or any order, judgment, restriction, agreement or instrument to which the Issuer is a party or by which the Issuer is bound, or will constitute a default by the Issuer under any of the foregoing.

(C) The Issuer will cause the Project Facility to be acquired, constructed, reconstructed and equipped and will sell the Project Facility to the Company pursuant to this Installment Sale Agreement, all for the purpose of advancing the job opportunities, health, general prosperity and economic welfare of the people of the State and improving their standard of living.

(D) The Issuer, to the extent of its interest therein, shall not sell, assign, transfer, encumber or pledge as security the Project Facility or any part thereof and shall maintain the Project Facility free and clear of all Liens or encumbrances, except for Permitted Encumbrances and as allowed by the terms of this Installment Sale Agreement and the other Financing Documents.

(E) To finance certain of the Costs of the Project Facility, the Issuer will issue and sell the Bonds in the aggregate principal amount of \$4,245,000. The Bonds will be issued, mature, bear interest, be redeemable and have other terms and provisions as provided for in the Indenture.

(F) In no event will the Issuer issue and sell additional obligations to pay the Cost of the Project Facility if the issuance and sale of such further obligations would cause interest on the Bonds to be or become included in gross income for federal income tax purposes under the Code. The Issuer shall cooperate with the Company in the filing by the Company, as agent of the Issuer, of such returns and other information with the Internal Revenue Service as the Trustee or the Company requests in writing and which Bond Counsel advises the Issuer in writing is necessary to preserve the tax-exempt status of the interest payable on the Bonds, provided the Company shall bear all costs of preparing, gathering and/or filing such returns and other information. In addition, the Issuer, at the request of the Company, shall cooperate with the Company in the filing by the Company, as agent of the Issuer, of such returns and other information with the State and Essex County, New York.

(G) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service that the Issuer is a bond issuer whose arbitrage certifications may not be relied upon.

(H) The Issuer Documents constitute, or upon their execution and delivery in accordance with the terms thereof will constitute valid and legally binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except as such

enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting the enforceability of creditors' rights generally and except as such enforceability is subject to the application of the principles of equity (regardless of whether the issue of enforceability is considered in a proceeding in equity or law) including, without limitation (i) the possible unavailability of specific performance, injunctive relief or any other equitable remedy, and (ii) concepts of materiality, reasonableness, good faith and fair dealing.

(I) So long as any Bond shall be Outstanding, the Issuer will not take any action (or omit to take any action required by any of the Financing Documents, or which the Trustee or the Company, together with Bond Counsel, advise the Issuer in writing should be taken) or, to the extent within its control, allow any action to be taken, which action (or omission) would in any way (1) cause the proceeds from the sale of the Bonds to be applied in a manner contrary to that provided in the Financing Documents, or (2) adversely affect the exclusion of the interest payable on any Bond from gross income for federal income tax purposes. Notwithstanding the foregoing, there shall be no such obligation upon the Issuer with respect to the use or investment of its administrative fee, provided, however, that if the Company is required to rebate any amount with respect to such administrative fee, the Issuer shall provide, upon the reasonable request of the Company, such information concerning the investment of such administrative fee as shall be requested by the Company and as shall be reasonably available to the Issuer.

(J) The Issuer will comply with all of the terms, conditions and provisions of the Tax Compliance Certificate. All of the representations, certifications, statements of reasonable expectation and covenants made by the Issuer in the Tax Compliance Certificate are hereby incorporated by this reference as though set forth in full herein.

Section 2.2. Representations, Warranties and Covenants of Company.

The Company makes the following representations, warranties and covenants as the basis for the undertakings on its part herein contained:

(A) The Company is a corporation organized and existing under the laws of the State, is duly authorized to do business in the State, has the power to enter into this Installment Sale Agreement and the other Financing Documents to which the Company is a party (the "Company Documents") and to carry out its obligations hereunder and thereunder, has been duly authorized to execute this Installment Sale Agreement and the other Company Documents and is qualified to do business in all jurisdictions in which its operations or ownership of Properties so require. This Installment Sale Agreement and the other Company Documents and the transactions contemplated hereby and thereby, have been duly authorized by all necessary action on the part of the Company's board of trustees.

(B) Neither the execution and delivery of this Installment Sale Agreement or any of the other Company Documents, the consummation of the transactions contemplated hereby and thereby nor the fulfillment of or compliance with the provisions hereof or thereof will (1) conflict with or result in a breach of or default under any of the terms, conditions or provisions of the Certificate of Incorporation or bylaws of the Company or any other corporate

restriction, order, judgment, agreement or instrument to which the Company is a party or by which the Company or any of its Property is bound, or constitute a default under any of the foregoing, or result in the creation or imposition of any Lien of any nature upon the Project Facility under the terms of any such instrument or agreement, other than the Mortgage and other Permitted Encumbrances, or (2) require consent under (which has not been heretofore received) any corporate restriction, agreement or instrument to which the Company is a party or by which the Company or any of its Property may be bound or affected, or (3) require consent under (which has not been heretofore received or if not received is not yet required to be obtained), conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any government, governmental instrumentality or court (domestic or foreign) having jurisdiction over the Company or any of the Property of the Company.

(C) The completion of the Project Facility by the Issuer and the transfer of its interest therein by the Issuer to the Company will not result in the removal of a commercial, manufacturing or industrial plant of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State.

(D) The Company Documents constitute, or upon their execution and delivery in accordance with the terms thereof will constitute, valid and legally binding obligations of the Company, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights and by restrictions on the availability of equitable remedies.

(E) The Project Facility is, and so long as any Bond shall be Outstanding, the Project Facility will continue to be a "project", as such quoted term is defined in the Act, and the Company will not take any action (or omit to take any action required by the Financing Documents or which the Trustee or the Issuer, together with Bond Counsel, advise the Company in writing should be taken), or allow any action to be taken, which action (or omission) would in any way (1) cause the Project Facility not to constitute a "project", as such quoted term is defined in the Act, (2) adversely affect the exclusion of the interest paid or payable on any Bond from gross income for federal income tax purposes, or (3) cause the proceeds of the Bonds to be applied in a manner contrary to that provided in the Financing Documents.

(F) The Project Facility and the operation thereof will comply in all material respects with all Applicable Laws, and the Company will defend and save the Issuer and its officers, members, agents and employees harmless from all fines and penalties due to failure to comply therewith. The Company shall cause all notices required by all Applicable Laws to be given, and shall comply or cause compliance with all Applicable Laws, and the Company will defend and save the Issuer and its officers, members, agents, directors and employees harmless from all fines and penalties due to the failure to comply therewith.

(G) The Project will not have a “significant impact on the environment”: (within the meaning of such term as used in the New York State Environmental Quality Review Act (“SEQRA”)), and the Company hereby covenants to comply with all mitigation measures, requirements and conditions, if any, enumerated in the negative declaration issued by the Issuer on April 6, 2017 under SEQRA applicable to the construction, reconstruction, equipping and operation of the Project Facility and in any other approvals issued by any other Governmental Authority with respect to the Project Facility. No material changes with respect to any aspect of the Project Facility have arisen from the date of the issuance of such determination which would cause the determinations contained therein to be untrue.

(H) The Project Facility and the use, occupancy and operation thereof in the manner presently contemplated by the Financing Documents will comply in all material respects with all Applicable Laws.

(I) The Company will comply with all of the terms, conditions and provisions of the Tax Certificate. All of the representations, certifications, statements of reasonable expectation and covenants made by the Company in the Tax Certificate are hereby declared to be for the benefit of, among others, the Issuer and, by this reference, are incorporated by this reference as though set forth in full herein.

(J) All proceeds of the Bonds shall be used to pay the Cost of the Project, and such total Cost of the Project, including all costs related to the issuance of the Bonds, shall not be less than the total Bond Proceeds advanced by the Trustee under the Indenture. In no event will “costs of issuance” (within the meaning of Section 147(g) of the Code) paid from the proceeds of the Bonds exceed two percent (2%) of the proceeds of the Bonds.

(K) There are no actions, suits or proceedings pending, or to the knowledge of the Company, threatened against or affecting it or the Project Facility or involving the validity or enforceability of this Installment Sale Agreement or any of the other Financing Documents, at law or in equity or before or by any governmental authority, except actions, suits and proceedings fully covered by insurance or which, if adversely determined, would not materially impair the ability of the Company to pay when due any amounts which may become payable in respect of this Installment Sale Agreement; and to the Company’s knowledge it is not in default with respect to any order, writ, injunction, decree or demand of any court or any governmental authority.

(L) No assessments of any nature will remain unpaid after the final construction disbursement, including but not limited to assessments relating to streets, roads, entrances, waterlines, sanitary and storm sewers, gas lines and all other utilities including acreage fees and trunk sewers.

(M) The Company agrees to give promptly notice in writing to the Trustee of the occurrence or existence of any material litigation, labor dispute or governmental proceeding or investigation affecting the Company which could reasonably be expected to interfere substantially with its normal operations or materially and adversely affect its financial conditions.

(N) The Company agrees to pay or to reimburse the Trustee for any Rebate Fee and related expenses incurred in connection with calculations of any required Rebate Amount.

(O) The Project is located within Essex County, New York.

(P) Except for the interim loan from Champlain National Bank (the “Interim Loan”) to pay a portion of the costs of the Project, which will be partially paid with proceeds of the Bonds, the Company has no material liabilities, direct or contingent, except those disclosed to the Issuer and the Trustee or in the Company’s financial statements and there is no fact presently known to the Company which materially adversely affects or in the future may materially adversely affect the business, operations, properties or assets of the Company, which have not been set forth herein or in a document, certificate or other writing delivered to the Issuer and the Trustee prior to the Closing Date.

(Q) No Collateral for the Bonds shall be applied to secure the Interim Loan or any outstanding or future loan secured from any source in which the Company or any Guarantor is an obligor or guarantor.

(R) Except in the normal course of its business, the Company has not made any investments in, advances to, or guarantees of the obligations of any company, individual or other entity outstanding other than those disclosed to the Issuer and the Trustee.

(S) The Company has filed all required federal, State and local tax returns as they have become due and no claims have been assessed by any federal, State or local authorities with respect to such taxes.

(T) The Company will comply with all requirements imposed upon it by any Rating Agency providing a rating on the Bonds in order to maintain a rating on the Bonds.

(U) The statements made in the final Limited Offering Memorandum relating to the Bonds that are descriptive of the Company or the Project Facility have been prepared or reviewed by the Company and did not on the date of the Limited Offering Memorandum, do not on the date of the Indenture and will not on the date of initial delivery of the Bonds contain any untrue statement of a material fact or omit to state any material fact necessary in order to make such statements, in light of the circumstances under which they were made, not misleading.

(V) The Company will prepare or cause to be prepared an annual audit of the Company and of the Project Facility to be provided to the purchaser of the Bonds within 120 days of the end of each fiscal year of the Company during the period which the Bonds are Outstanding.

(W) The Company will prepare or cause to be prepared unaudited financial statements, including (internal) income statement & balance sheets, of the Company to be provided to the purchaser of the Bonds within forty-five (45) days of the end of each quarterly period during the first three years the Bonds are Outstanding.

(X) Not later than thirty days after closing, the Company shall maintain keyman life insurance on the majority shareholders of the Company in the amount of \$500,000 per majority shareholder during the period which the Bonds are Outstanding and shall assign the policy to the Trustee for the benefit of the Bondholders and until such policy has been assigned to the Trustee, will not, after the submission of the initial requisition at closing, submit any requisition for disbursement of proceeds hereunder to the Trustee, provided that no keyman life insurance will be required if after five consecutive years, no Event of Default has occurred or is continuing.

(Y) The Company and the majority shareholders of the Company (together the “Guarantors”) will guaranty to the Issuer and the Trustee the full and timely payment, when due of the principal of, premium, if any, and interest on the Bonds and the payment and performance of the Company’s obligations under this Installment Sale Agreement and the other Financing Documents pursuant to the Guaranty.

Section 2.3. Covenant with Trustee and Bondholders.

The Issuer and the Company agree that this Installment Sale Agreement and the Tax Compliance Certificate are executed in part to induce the Bondholders to purchase the Bonds by the Holders and Beneficial Owners from time to time of the Bonds. Accordingly, all representations, covenants and agreements on the part of the Issuer and the Company set forth in this Installment Sale Agreement and the Tax Compliance Certificate, other than the Unassigned Rights, are hereby declared to be for the benefit of the Issuer, the Trustee and the Holders and Beneficial Owners from time to time of the Bonds.

ARTICLE III

TRANSFER AND USE OF PROJECT FACILITY

Section 3.1. Transfer to Issuer.

(A) The Company has or will transfer, or will cause to be transferred, to the Issuer the Company’s interest in the Project Facility pursuant to the Deed to Issuer and the Bill of Sale to the Issuer. The Company represents and warrants that it has and will convey to the Issuer good and marketable title to the portions of the Project Facility that exist on the Closing Date, free and clear of all Liens except for Permitted Encumbrances, and agrees that it will defend, indemnify and hold the Issuer and the Trustee harmless from any expense or liability due to any defect in title thereto.

Section 3.2. Title Insurance.

The Company has obtained or will obtain title insurance for the benefit of, and in form reasonably satisfactory to, the Issuer in an amount equal to the principal amount of the Bonds insuring title to the Project Facility. To the extent not used to clear title to the Project Facility, the Net Proceeds of such insurance shall be applied to redeem the Bonds pursuant to the Indenture.

Section 3.3. Use of Project Facility.

Subsequent to the Closing Date, (A) unless an Event of Default has occurred and is continuing, the Company shall have sole and exclusive (as between the Company and the Issuer) possession and use of the Project Facility and (B) the Company shall not use the Project Facility, or permit the Project Facility to be used, by any Nonexempt Person or in any “unrelated trade or business”, within the meaning of Section 513(a) of the Code, in such manner or to such extent as would cause the interest paid or payable on the Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes.

Section 3.4. Hazardous Wastes.

(A) The Company represents, warrants and covenants that the Company has not used Hazardous Materials on, from, or affecting the Project Facility in any manner which violates federal, state or local laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, and that, to the best of the Company’s knowledge, no prior owner of the Project Facility or any tenant, subtenant, prior tenant or prior subtenant has used Hazardous Materials on, from or affecting the Project Facility in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials.

(B) The Company shall not cause or permit the Project Facility to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in compliance with all applicable federal, state and local laws or regulations.

(C) The Company shall comply in all respects with, and ensure compliance by all tenants and subtenants with, all applicable federal, state and local laws, ordinances, rules and regulations regarding Hazardous Materials whenever and by whomever triggered, and shall obtain and comply in all respects with, and ensure that all tenants and subtenants obtain and comply in all respects with, any and all approvals, registrations or permits required thereunder.

(D) The Company shall (1) prior to the Completion Date conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials, on, from, or affecting the Project Facility (a) in accordance with all applicable federal, state and local laws, ordinances, rules, regulations and policies, (b) to the satisfaction of the Issuer, and (c) in accordance with the orders and directives of all federal, state and local Governmental Authorities and (2) defend, indemnify, and hold harmless the Issuer, its employees, agents, officers and members from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (a) the disposal, release or threatened release of any Hazardous Materials relating to the Project Facility which are on, from, or affecting soil, water, vegetation, buildings, personal property, persons, animals or otherwise; (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (c) any

lawsuit brought or threatened, settlement reached, or any government order relating to Hazardous Materials relating to the Project Facility, and/or (d) any violations of laws, orders, regulations, requirements or demands of Government Authorities which are based upon or in any way related to Hazardous Materials relating to the Project Facility, including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses.

ARTICLE IV

ACQUISITION, CONSTRUCTION, RECONSTRUCTION AND EQUIPPING OF PROJECT FACILITY; ISSUANCE OF BONDS; USE OF PROCEEDS

Section 4.1. Acquisition, Construction, Reconstruction and Equipping of Project Facility.

(A) The Company shall, on behalf of the Issuer, promptly acquire, construct, reconstruct and equip the Project Facility, or cause the acquisition, construction, reconstruction and equipping of the Project Facility, all in accordance with the Plans and Specifications.

(B) No material change in the Plans and Specifications shall be made unless the Company shall furnish the Issuer and the Trustee with an unqualified opinion of Bond Counsel that the construction of and reconstruction of the Facility and the acquisition and equipping of the Equipment in accordance with the revised Plans and Specifications will not adversely affect the tax-exempt status of the interest paid or payable on the Bonds.

(C) Title to all materials, equipment, machinery and other items of Property intended to be incorporated or installed in and to become part of the Project Facility shall vest in the Issuer immediately upon the execution of the Bill of Sale to the Issuer. Title to all materials, equipment, machinery and other items of Property acquired by the Company subsequent to the Closing Date and intended to be incorporated or installed in and to become part of the Project Facility shall vest in the Issuer immediately upon incorporation or installation of the Project Facility. The Company shall execute, deliver and record or file all instruments necessary or appropriate to vest title to the above in the Issuer and shall take all action necessary or appropriate to protect such title against claims of any third Persons.

(D) The Issuer shall enter into, and accept the assignment of, such contracts as the Company may request in order to effectuate the purposes of this Section 4.1; provided, however, that the liability of the Issuer thereunder shall be limited to moneys disbursed under the Indenture.

(E) The Issuer hereby appoints the Company as its true and lawful agent to perform the following in compliance with the terms, purposes and intent of the Financing Documents, and the Company hereby accepts such agency to: (1) acquire, construct, reconstruct and install the Project Facility, (2) make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other Persons, and in general to do all things which may be requisite or proper, all for the acquisition, construction, reconstruction and equipping of the Project Facility, with the same powers and with the same validity as the Issuer could do if acting in its own behalf, provided that the liability of the Issuer thereunder shall be limited to moneys advanced under the Indenture, (3) pay all fees, costs and expenses incurred in the

acquisition, construction, reconstruction, equipping and installation of the Project Facility from funds made available therefore in accordance with this Installment Sale Agreement and the other Financing Documents, (4) request on behalf of the Issuer, and receive for the purpose of paying the Cost of the Project, disbursements of the proceeds of the Bonds pursuant to the Financing Documents, and (5) ask, demand, sue for, levy, recover and receive all such sums of money, debts, dues and other demands whatsoever which may be due, owing and payable to the Issuer under the terms of any contract, order, receipt or writing in connection with the acquisition, construction, reconstruction and equipping of the Project Facility and to enforce the provisions of any contract, agreement, obligation, bond or other performance security in connection with the same.

(F) The Company has given or will give or cause to be given all notices and has complied or will comply or cause compliance in all material respects with all Applicable Laws and the Company will defend, indemnify and save the Issuer and the Trustee and their respective officers, members, directors, agents, servants and employees harmless from all fines and penalties due to failure to comply therewith. All permits and licenses necessary for the prosecution of work on the Project Facility shall be procured promptly by the Company.

(G) To the extent required by applicable law, the Company will cause (1) compliance with the requirements of Article 8 of the New York Labor Law, and (2) any contractors, subcontractors and other persons involved in the acquisition, construction, reconstruction and equipping of the Project Facility to comply with Article 8 of the New York Labor Law. The covenant in this subsection is not intended as a representation that Article 8 of the New York Labor Law applies.

(H) In compliance with Section 13 of the New York Lien Law to the extent to which that Section may be found to apply by its terms, the Company covenants that it (1) will hold the right to receive the proceeds of the Bonds, which have been deposited by the Issuer in a trust fund for the purpose of paying the Cost of the Project, as a trust fund to be applied first for the purpose of paying the “cost of improvement” (as said term is defined in Section 2(5) of the New York Lien Law), and (2) will apply the same first to the payment of the “cost of improvement” before using any part of the total of the same for any other purpose. The covenants in this subsection is not intended as a representation that this Installment Sale Agreement or the Indenture is a “building loan contract,” as defined in Section 2(13) of the New York Lien Law.

Section 4.2. Issuance of Bonds.

In order to finance the Costs of the Project, together with other payments and incidental expenses in connection therewith, the Issuer agrees that it will issue, sell and cause to be delivered to the purchaser thereof the Bonds, as provided in the Indenture. THE ISSUER MAKES NO REPRESENTATION, EXPRESS OR IMPLIED, THAT THE NET PROCEEDS OF THE BONDS WILL BE SUFFICIENT TO COMPLETE THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION EQUIPPING AND INSTALLATION OF THE PROJECT FACILITY.

Section 4.3. Application of Proceeds of Bonds.

(A) The Bond Proceeds shall be deposited by the Issuer with the Trustee as provided in the Indenture and, upon submission to the Trustee of a Request for Disbursement certified by an Authorized Representative of the Company complying with the requirements of Section 404 of the Indenture, shall be applied to pay the following items of cost and expense incurred in connection with the Project Facility subsequent to the Inducement Date (except to the extent that the Company receives an opinion of Bond Counsel that payment of amounts incurred prior to such date will not adversely affect the tax-exempt status of the interest paid or payable on the Bonds), and for no other purpose:

(1) the cost of preparing the Plans and Specifications as they relate to the Project Facility (including any preliminary study or planning for the Project Facility or any aspect thereof);

(2) all costs incurred in connection with the acquisition, construction, reconstruction, equipping and installation of the Project Facility (including architectural, engineering and supervisory services with respect thereto);

(3) all fees, taxes, charges and other expenses for recording or filing, as the case may be, the Financing Documents, any other agreement contemplated thereby, any financing or continuation statements and any title curative documents that the Issuer or the Trustee may deem desirable in order to perfect or protect the Issuer's, the Trustee's or the Company's respective interests in the Project Facility, and any security interests contemplated by the Financing Documents;

(4) all fees and expenses in connection with any actions or proceedings in order to perfect or protect the Issuer's, the Trustee's or the Company's respective interests in the Project Facility, except for removing Permitted Encumbrances;

(5) any expenses of the Company in enforcing any remedy against any contractor, subcontractor or materialman in accordance with Section 4.6 hereof;

(6) the cost of all insurance maintained with respect to the Project Facility pursuant to Section 6.3 hereof during the Construction Period and the cost of maintaining any payment and performance bond or letter of credit in substitution therefor), if any, with respect to the Project Facility;

(7) all interest payable on the Bonds during the Construction Period;

(8) all interest payable on any interim financing the Company may have secured with respect to the Project Facility in anticipation of the issuance of the Bonds;

(9) all legal, accounting, financial advisory, investment banking, underwriting, rating agency, blue sky, legal investment and any other fees, discounts, costs and expenses incurred by the Issuer, the Company or the Trustee in connection with the preparation, reproduction, authorization, issuance, execution, delivery and sale of the

Bonds and the other Financing Documents and all other documents in connection therewith, with the acquisition, construction, reconstruction, equipping and installation of the Project Facility, and with any other transaction contemplated by the Bonds, the Indenture and this Installment Agreement;

(10) the administration and acceptance fees, costs and expenses (including, but not limited to, reasonable attorneys' fees) of the Issuer and the Trustee;

(11) all title insurance, appraisal and surveying costs;

(12) payment of taxes and assessments relating to the Project Facility payable during or allocable to the Construction Period; and

(13) reimbursement to the Company for any of the above enumerated costs and expenses paid and incurred by the Company subsequent to the Inducement Date.

Section 4.4. Completion of Project Facility.

The Company will proceed with due diligence to complete the acquisition, construction, reconstruction, equipping and installation of the Project Facility. Completion shall be evidenced by a certificate signed by an Authorized Representative of the Company to the Issuer and Trustee stating (A) the date of such completion, (B) that all labor, services, materials and supplies used for the acquisition, construction, reconstruction, equipping and installation of the Project Facility and all costs and expenses in connection therewith have been paid, (C) that the acquisition, construction, reconstruction, equipping and installation of the Project Facility have been completed, with the exception of ordinary punchlist items and work awaiting seasonal opportunity, (D) that the Company or the Issuer has good and valid title to all Property constituting the Project Facility, free and clear of all Liens and encumbrances except Permitted Encumbrances, and that the Project Facility is subject to this Installment Sale Agreement, (E) the applicable Rebate Amount with respect to the Net Proceeds of the Project Fund and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Trustee relating to any required transfer to the Rebate Fund), and (F) that the Project Facility is ready for occupancy, use and operation for its intended purposes. Notwithstanding the foregoing, such certificate may state (1) that it is given without prejudice to any rights of the Company against third parties which exist at the date of such certificate or which may subsequently come into being, (2) that it is given only for the purposes of this Section 4.4, and (3) that no Person other than the Issuer and the Trustee may benefit therefrom. Such certificate shall be accompanied by a certificate of occupancy, or a letter from the local Governmental Authority stating no certificate of occupancy is required, and any and all permissions, licenses or consents required of Governmental Authorities for the occupancy, operation and use of the Project Facility for its intended purposes.

Section 4.5. Completion by Company.

(A) In the event that the Bond Proceeds are not sufficient to pay in full all costs of acquiring, constructing, reconstructing and installing the Project Facility, in accordance with the Plans and Specifications, the Company agrees, for the benefit of the Issuer, to complete

such acquisition, construction, reconstruction, equipping and installation and to pay all such sums as may be in excess of the available Bond Proceeds. Title to portions of the Project Facility acquired, constructed, reconstructed and installed at the Company's cost shall immediately upon such acquisition, construction, reconstruction or installing vest in the Issuer. The Company shall execute, deliver and record or file such instruments as the Issuer or the Trustee may request in order to perfect or protect the Issuer's title to such portions of the Project Facility and to all equipment purchased with the Bond Proceeds.

(B) No payment by the Company pursuant to this Section 4.5 shall entitle the Company to any reimbursement for any such expenditure from the Issuer or the Trustee or to any diminution or abatement of any amounts payable by the Company under this Installment Sale Agreement or under any other Financing Document.

Section 4.6. Remedies to Be Pursued Against Contractors, Subcontractors, Materialmen and Their Sureties.

In the event of a default by any contractor, subcontractor, materialman or other Person under any contract made by it in connection with the acquisition, construction, reconstruction, equipping and installation of the Project Facility or in the event of a breach of warranty or other liability with respect to any materials, workmanship or performance guaranty, the Company at its expense, shall proceed, either separately or in conjunction with others, to exhaust the remedies of the Company and the Issuer against the contractor, subcontractor or materialman so in default and against each surety for the performance of such contract. The Company may, in its own name or, with the prior written consent of the Issuer, in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor, materialman or surety which the Company deems reasonably necessary, and in such event the Issuer hereby agrees, at the Company's sole expense, to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Issuer in such action or proceeding. The Company shall advise the Issuer and the Trustee of any actions or proceedings taken hereunder. The Net Proceeds of any recovery secured by the Company as a result of any action pursued against a contractor, subcontractor, materialman or their sureties pursuant to this Section 4.6 shall be deposited with the Trustee and applied as provided in Section 7.1 hereof and the Indenture.

ARTICLE V

**AGREEMENT TO TRANSFER PROJECT FACILITY;
INSTALLMENT PURCHASE PAYMENTS AND OTHER AMOUNTS PAYABLE**

Section 5.1. Installment Sale.

In consideration of the Company's covenant herein to make installment purchase payments, and in consideration of the other covenants of the Company contained herein, including the covenant to make additional and other payments required hereby, the Issuer hereby agrees to transfer the Project Facility, and the Company agrees to purchase and acquire the Project Facility from the Issuer, subject only to Permitted Encumbrances and the terms of the Financing Documents.

Section 5.2. Transfer of Interest; Instrument Survival.

(A) The Issuer's interest in the Project Facility shall be conveyed (subject to Permitted Encumbrances and the terms of the Financing Documents) from the Issuer to the Company on or after the date on which the Bonds are no longer Outstanding.

(B) The transfer of the Issuer's right, title and interest in and to the Facility shall be affected by the delivery of the Deed to Company (in substantially the form attached hereto as Exhibit "C"). The sale and conveyance of the Issuer's right, title and interest in and to the Equipment shall be effected by the delivery to the Company of the Bill of Sale to Company (in substantially the form attached hereto as Exhibit "D" and by this reference made a part hereof).

(C) The Company agrees to prepare the Deed to Company and/or the Bill of Sale to Company and all schedules thereto, together with all the necessary documentation, and to forward same to the Issuer at least thirty (30) days prior to the date that the Issuer's interest in the Project Facility or any portion thereof is to be conveyed to the Company.

(D) The Company hereby agrees to pay all expenses and taxes, if any, applicable to or arising from the transfers contemplated by this Section 5.2.

(E) This Installment Sale Agreement shall survive the transfer of the Issuer's interest in the Project Facility to the Company pursuant to this Section 5.2 and shall remain in full force and effect until all of the Indebtedness shall have been paid in full, and thereafter the obligations of the Company shall survive as set forth in Section 12.8 hereof.

(F) Upon the payment in full of all the Indebtedness, and notwithstanding the survival of certain obligations of the Company as described in Section 12.8 hereof, the Issuer and the Trustee shall upon the request of the Company execute and deliver to the Company such documents as the Company may reasonably request, in recordable form if so requested, to evidence the termination and release of all Liens granted to the Issuer and the Trustee hereunder.

Section 5.3. Installment Purchase Payments and Other Amounts Payable.

(A) The Company shall pay installment purchase payments for the Project Facility as follows.

(1) on or before the Business Day immediately preceding each Bond Payment Date, the Company shall make available moneys to the Trustee for deposit into the Bond Fund, in an amount which, when added to any amounts then held in the Bond Fund, shall equal the amount payable as principal, interest and premium, if any, on the Bonds on such Bond Payment Date; and

The Company shall pay as additional installment purchase payments hereunder any premium due on the Bonds and the following:

(1) within thirty (30) days after receipt of a demand therefor from the Trustee, the Company shall pay to the Trustee the following amounts: (a) the reasonable

fees and expenses of the Trustee in connection with the carrying out of the Trustee's duties and obligations under the Indenture or any of the other Financing Documents, (b) the sum of the expenses of the Trustee reasonably incurred in performing the obligations of (i) the Company under this Installment Sale Agreement, or (ii) the Issuer under the Bonds, this Installment Sale Agreement, and (c) the Trustee's reasonable attorneys' fees incurred in connection with the foregoing and other moneys due to the Trustee pursuant to the provisions of any of the Financing Documents.

(2) within thirty (30) days after receipt of a demand therefor from the Issuer, the Company shall pay the reasonable fees and expenses of the Issuer at the request of the Issuer in writing related to the issuance of the Bonds and the ownership, financing or sale of the Project Facility or in connection with the carrying out of the Issuer's duties and obligations under this Installment Sale Agreement or any of the other Financing Documents, and any other fee or expense of the Issuer with respect to the Project Facility, the sale of the Project Facility to the Company, the Bonds or any of the other Financing Documents, the payment of which is not otherwise provided for under this Installment Sale Agreement.

(3) upon receipt of notice from the Trustee pursuant to Section 408(D) of the Indenture that a withdrawal has been made from the Reserve Fund, the Company will make available to the Trustee for deposit in the Reserve Fund moneys to replenish such withdrawal from the Reserve Fund in monthly payments commencing immediately succeeding the date of receipt by the Company from the Trustee of notice of such withdrawal, each such monthly payment to be in an amount at least equal to one-twelfth of the withdrawal identified in such notice; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement.

(4) upon receipt of notice from the Trustee pursuant to 408(D) of the Indenture that the periodic valuation of the Reserve Fund has determined that a deficiency exists in the amount required to be on deposit to the credit of the Reserve Fund, the Company will make available to the Trustee for deposit in the Reserve Fund moneys to replenish such deficiency in the Reserve Fund in monthly payments made prior to the next periodic valuation date, each such monthly payment to be in an amount at least equal to one quarter of the deficiency identified in such notice; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement.

(B) The Company, under the provisions of this Section 5.3, agrees to make the above-mentioned payments in immediately available funds and without any further notice in lawful money of the United States of America. In the event the Company shall fail to timely make any payments required in Section 5.2(A) for a period of more than ten (10) days from the date such payment is due, the Company shall pay the same together with interest thereon, at the rates borne by the Bonds. In the event the Company shall fail to timely make any payments required in Section 5.3(B) a period of more than ten (10) days, the Company shall pay the same together with interest on such payments at the Default Rate but in no event at a rate higher than

the maximum lawful prevailing rate, from the date on which such payment was due until the date on which such payment is made.

(C) In the event of an application of moneys in the Project Fund toward prepayment of the principal of the Bonds pursuant to Section 404(E) of the Indenture, there shall be no abatement or reduction in the amounts payable by the Company under this Section 5.3.

(D) The Company shall be entitled to a credit against the installment purchase payments next required to be made under Section 5.3(A) to the extent that the balance of the Bond Fund is then in excess of amounts required (1) for payment of Bonds theretofore matured or theretofore called for redemption, (2) for payment of interest for which checks or drafts have been drawn and mailed by the Trustee, and (3) for deposit in the Bond Fund for use other than for the payment of Debt Service Payments on the Interest Payment Date next following the applicable date such installment purchase payments are due pursuant to Section 5.3(A) hereof. In any event, however, if on any Interest Payment Date, the balance in the Bond Fund is insufficient to make required payments of Debt Service Payments on the Bonds, the Company forthwith will pay to the Trustee, for the account of the Issuer and for deposit in into the Bond Fund.

Section 5.4. Nature of Obligations of Company Hereunder.

(A) The obligations of the Company to make the payments required by this Installment Sale Agreement and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be general obligations of the Company and shall be absolute and unconditional irrespective of any defense or any rights of set-off, recoupment or counterclaim the Company may otherwise have against the Issuer or the Trustee. The Company agrees that it will not suspend, discontinue or abate any payment required by, or fail to observe any of its other covenants or agreements contained in this Installment Sale Agreement, or terminate this Installment Sale Agreement for any cause whatsoever, including, without limiting the generality of the foregoing, failure to complete the acquisition, construction, reconstruction, equipping and installation of the Project Facility, any defect in the title, design, operation, merchantability, fitness or condition of the Project Facility or any part thereof or in the suitability of the Project Facility or any part thereof for the Company's purposes or needs, failure of consideration for, destruction of or damage to, Condemnation of title to or the use of all or any part of the Project Facility, any change in the tax or other laws of the United States of America or of the State or any political subdivision thereof, or any failure of the Issuer to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Installment Sale Agreement.

(B) Nothing contained in this Section 5.4 shall be construed to release the Issuer from the performance of any of the agreements on its part contained in this Installment Sale Agreement, and, in the event the Issuer should fail to perform any such agreement, the Company may institute such action against the Issuer as the Company may deem necessary to compel performance or recover damages for non-performance (subject to the provisions of Section 12.10 hereof); provided, however, that the Company shall look solely to the Issuer's estate and interest in the Project Facility for the satisfaction of any right or remedy of the Company for the collection of a judgment (or other judicial process) requiring the payment of

money by the Issuer in the event of any liability on the part of the Issuer, and no other Property or assets of the Issuer or of the members, officers, agents (other than the Company) or employees of the Issuer shall be subject to levy, execution, attachment or other enforcement procedure for the satisfaction of the Company's remedies under or with respect to this Installment Sale Agreement, the relationship of the Issuer and the Company hereunder or the Company's purchase of and title to the Project Facility, or any other liability of the Issuer to the Company.

Section 5.5. Prepayment of Installment Purchase Payments.

At any time that the Bonds are subject to redemption under Article III of the Indenture, the Company may, at its option, prepay, in whole or in part, the installment purchase payments payable hereunder by: (i) causing there to be moneys in an amount equal to the Redemption Price of the Bonds being redeemed on deposit with the Trustee sixty (60) days prior to the date such moneys are to be applied to the redemption of such Bonds under Section 301 of the Indenture; or (ii) if the notice of redemption given pursuant to Section 303 of the Indenture states that it is conditional upon the receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds to be redeemed, the Company may pay such amount to the Trustee not later than five business days prior to the date fixed for redemption. In no event will prepayment be permitted unless the Company gives to the Trustee the notice required by the Indenture.

Section 5.6. Rights and Obligations of Company Upon Discharge of Lien of Indenture.

(A) Subject to the provisions of Section 5.6(B) hereof, in the event the Bonds and all sums due under the other Financing Documents shall have been paid in full, the Issuer shall request the Trustee to do all acts and execute all documents as may be reasonably necessary to effect the satisfaction and discharge of the Lien of the Indenture.

(B) The conditions that must be satisfied in order to obtain the discharge and satisfaction of the Lien of the Indenture on any interest of the Company or the Issuer in the Project Facility shall be determined in accordance with the provisions of the Indenture. In the event that such conditions are satisfied, the Issuer shall request the Trustee to do all acts and execute all documents as may reasonably be necessary to effect discharge of the Lien of the Indenture on such interest in the Project Facility and at the request of the Company shall do all acts and execute all documents as may reasonably be necessary to discharge the Lien of this Installment Sale Agreement on the Project Facility to the extent the same may be discharged.

Section 5.7. Grant of Security Interest.

The Company hereby grants the Issuer a security interest in all of the right, title and interest of the Company in the Project Facility and in all additions and accessions thereto, all replacements and substitutions therefore and all proceeds thereof, all books, records and accounts of the Company pertaining to the Project Facility and all proceeds thereof as security for payment of the installment purchase payments and all other payments and obligations of the Company hereunder. The Company hereby irrevocably appoints the Issuer as its attorney-in-fact to execute and deliver and file any instruments necessary or convenient to perfect and continue the security interest granted herein.

ARTICLE VI

MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

Section 6.1. Maintenance of and Modifications to Project Facility.

(A) **Maintenance.** So long as any of the Bonds are Outstanding and during the term of this Installment Sale Agreement, the Company shall, (1) keep and maintain the Project Facility, including all appurtenances thereto and any personal property therein or thereon, in good repair and good operating condition and preserve the same against waste, loss, damage and depreciation, ordinary wear and tear excepted, (2) make all necessary repairs and replacements to the Project Facility or any part thereof (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen), and (3) operate the Project Facility in a sound and economic manner.

(B) **Additions, Modifications and Improvements to the Project Facility.** The Company shall have the right from time to time may make any additions, modifications or improvements to the Project Facility which it may deem desirable so long as the Project Facility remains a “project” under the Act and the provisions of SEQRA are complied with and any such addition, modification, or improvement does not reduce the fair market value of the Project Facility. All additions, modifications or improvements shall become a part of the Project Facility.

Section 6.2. Taxes, Assessments and Utility Charges; Liens.

(A) The Company shall pay or cause to be paid, as the same respectively become due, (1) all taxes, payments in lieu of taxes, and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Project Facility, (2) all utility and other charges, including “service charges”, incurred or imposed for the operation, maintenance, use, occupancy, upkeep and improvement of the Project Facility, and (3) all assessments, and charges of any kind whatsoever lawfully made by any Governmental Authority for public improvements; provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated hereunder to pay only such installments as are required to be paid during all periods that any Bond shall be Outstanding and/or during the term of this Installment Sale Agreement or any other Financing Document.

(B) Notwithstanding the provisions of subsection (A) of this Section 6.2, after prior notice to the Trustee, in the case of any material item, the Company, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or the application in whole or in part any such taxes, assessments and other charges, provided that (1) no default shall have occurred and shall be continuing under any of the Financing Documents, (2) the Company is permitted to do so under the provisions of any mortgage or deed of trust superior in lien to the Financing Documents, (3) such proceedings shall suspend the collection of the contested taxes, assessments or charges from the Company and from the Project Facility, (4) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which the Company or

the Project Facility is subject and shall not constitute a default thereunder, (5) neither the Project Facility nor any part thereof nor any interest therein (including, without limitation, the Liens of the Financing Documents) will be in danger of being sold, forfeited, terminated, cancelled or lost, and (6) the Company shall have set aside in an interest-bearing account with the Trustee, and otherwise in a manner satisfactory to the Trustee, adequate cash reserves for the payment of the contested taxes, assessments and charges, together with all interest and penalties thereon, and, provided further, that if at any time the Trustee determines, in its sole and absolute discretion, that payment of any tax, assessment or other charge shall become necessary to prevent the delivery of a tax deed conveying the Project Facility or any portion thereof because of non-payment of non-payment of any such sums, then the Company shall pay or cause to be paid the sums in sufficient time to prevent the delivery of such tax deed.

Section 6.3. Insurance Required.

So long as the Bonds are Outstanding and during the term of this Installment Sale Agreement, the Company shall maintain insurance with respect to the Project Facility against such risks and for such amounts as are customarily insured against by businesses of like size and type, paying, as the same become due and payable, all premiums with respect thereto, including but not necessarily limited to:

(A) “All Risk” Property Insurance against loss or damage by fire, lightning and other casualties customarily insured against, such insurance to be in an amount not less than the full replacement value of the completed Improvements, exclusive of footings and foundations, as determined by the Company.

(B) Insurance protecting the Issuer, the Company, the Trustee and against loss or losses from liability imposed by law or assumed in any written contract and arising from personal injury, including bodily injury or death, or damage to the property of others, caused by an accident or occurrence with a limit of liability of not less than \$1,000,000 per occurrence for Bodily Injury, Personal Injury and Property Damage and with Excess Liability Coverage in an amount not less than \$5,000,000 protecting the Issuer, the Company and the Trustee against any loss or liability or damage for personal injury, bodily injury or death, or property damage.

(C) A policy or policies of flood insurance in an amount not less than the aggregate principal amount of the bonds or the maximum amount of flood insurance available with respect to the Project Facility under the Flood Disaster Protection Act of 1973, as amended, whichever is less. This requirement will be waived upon presentation of evidence that no portion of the Land is located within an area identified by the U.S. Department of Housing and Urban Development as having special flood hazards.

THE ISSUER DOES NOT IN ANY WAY REPRESENT THAT THE INSURANCE SPECIFIED THEREIN, WHETHER IN SCOPE OR IN LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE COMPANY’S BUSINESS OR INTERESTS.

Section 6.4. [Reserved].

ARTICLE VII

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.1. Damage, Destruction or Condemnation.

If, as a result of fire or other casualty, the Project Facility, or any material part thereof, is damaged or destroyed, or the Project Facility, or any material part thereof, shall be condemned or acquired for public use, the Trustee shall within thirty (30) after receiving actual notice of such damage, destruction or Condemnation, and after written notice to the Issuer, shall take the course of action set forth below:

(A) If the Project Facility can be repaired or restored to substantially the same condition as it existed prior to the event causing such damage or destruction, or the effect of the Condemnation can be relieved so that the status of the Project Facility will be restored to substantially the same status as it existed prior to the event causing such Condemnation, without, in either case, jeopardizing repayment of the principal of and interest on the Bonds, all in accordance with the opinion of an expert or experts selected by the Company as referred to below, then, upon receipt by the Trustee of the written consent of the Company, the Company shall so repair and restore the Project Facility and the Company may and/or the Trustee shall apply the Net Proceeds of any insurance relating to such damage, destruction or Condemnation or any Condemnation award to the payment or the reimbursement of the costs of such repair or restoration. Such reimbursement of the costs of repair or restoration shall be paid to the Company by the Trustee periodically as construction progresses pursuant to Section 4.3 hereof and Section 406 of the Indenture. The Trustee may rely on the advice of architects, engineers, accountants, financial consultants, attorneys and other experts reasonably selected by the Company in the foregoing matters.

(B) Notwithstanding anything to the contrary contained in subsection (A) of this Section 7.1, in the event that the Net Proceeds for insurance covering the damage to the Project Facility or the Net Proceeds received from Condemnation exceeds the sum of all Indebtedness then secured by a Lien on the Project Facility or any part thereof, the Company shall not be obligated to replace, repair, rebuild or restore the Project Facility, and the Net Proceeds of any insurance settlement or Condemnation shall not be applied as provided in subsection (A) of this Section 7.1, if the Company shall notify the Issuer and the Trustee that it elects to cause the Bonds to be redeemed, which notice shall state that the Company is entitled hereunder to make such election. In such event, or if an Event of Default shall have occurred and be continuing (or if an event exists which with the passage of time or notice or both would become an Event of Default), the lesser of (1) the total amount of the Net Proceeds collected under any and all policies of insurance covering the damage to or destruction of the Project Facility or the Total Net Proceeds of Condemnation, or (2) the amount necessary to redeem the Bonds in whole and all interest accrued thereon, together with any other sums payable to the Issuer or the Trustee pursuant to this Installment Sale Agreement, shall be transferred by the Trustee from the Insurance and Condemnation Fund to the Bond Fund to be applied to the redemption of the Bonds and payment of all such amounts to the Issuer and the Trustee. If the Net Proceeds collected under any and all policies of insurance or from Condemnation and deposited by the Company with the Trustee are less than the amount necessary to redeem the

Bonds in full and pay any and all amounts payable to the Issuer and the Trustee, the Company shall pay the difference between such amounts and the Net Proceeds of all insurance settlements so deposited by the Company with the Trustee, so that all of the Bonds then Outstanding shall be redeemed and any and all amounts payable under the Financing Documents to the Issuer and the Trustee shall be paid in full.

Section 7.2. Additions to Project Facility.

All replacements, repairs, rebuilding or restoration made pursuant to Section 7.1, whether or not requiring the expenditure of the Company's own moneys, shall automatically become part of the Project Facility as if the same were specifically described herein.

ARTICLE VIII

SPECIAL COVENANTS

Section 8.1. No Warranty of Condition or Suitability By Issuer; Acceptance "As Is".

THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE PROJECT FACILITY OR ANY PART THEREOF OR AS TO THE SUITABILITY OF THE PROJECT FACILITY OR ANY PART THEREOF FOR THE COMPANY'S PURPOSES OR NEEDS. THE COMPANY SHALL ACCEPT TITLE TO THE PROJECT FACILITY "AS IS", WITHOUT RECOURSE OF ANY NATURE AGAINST THE ISSUER FOR ANY CONDITION NOW OR HEREAFTER EXISTING. NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY IS MADE. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE, WHETHER PATENT OR LATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO.

Section 8.2. Hold Harmless Provisions.

(A) The Company hereby releases the Issuer and its members, officers, agents (other than the Company) and employees from, agrees that the Issuer and its members, officers, agents (other than the Company) and employees shall not be liable for and agrees to indemnify, defend and hold the Issuer and its members, officers, agents (other than the Company) and employees harmless from and against any and all claims, causes of action, judgments, liabilities, damages, losses, costs and expenses arising as a result of the Issuer's undertaking the Project, including, but not limited to, (1) liability for loss or damage to Property or bodily injury to or death of any and all Persons that may be occasioned, directly or indirectly, by any cause whatsoever pertaining to the Project 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 Project Facility, (2) liability arising from or expense incurred by the Issuer's financing, acquiring, constructing, reconstructing, equipping, installing, owning or selling the Project Facility, including, without limiting the generality of the foregoing, any sales or use taxes which may be payable with respect to goods supplied or services rendered with respect to the Project Facility, all liabilities or claims arising as a result of the Issuer's obligations under this

Installment Sale Agreement or any of the other Financing Documents or the enforcement of or defense of validity of any provision of any Financing Documents, and all liabilities or claims arising as a result of or in connection with the offering, issuance, sale or resale of the Bonds, (3) all claims arising from the exercise by the Company of the authority conferred on it pursuant to Section 4.1(E) hereof, and (4) all causes of action and attorneys' fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing; provided that any such claims, causes of action, judgments, liabilities, damages, losses, costs or expenses of the Issuer are not incurred or do not result from the intentional wrongdoing of the Issuer or any of its members, officers, agents (other than the Company) or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Issuer or any of its officers, members, agents or employees and notwithstanding the breach of any statutory obligation or any rule of comparative or apportioned liability.

(B) In the event of any claim against the Issuer or its members, officers, agents (other than the Company) or employees by any employee of the Company or any contractor of the 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 the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Company or such contractor under workers' compensation laws, disability benefits laws or other employee benefit laws.

(C) Notwithstanding any other provisions of this Installment Sale Agreement, the obligations of the Company pursuant to this Section 8.2 shall remain in full force and effect after the termination of this Installment Sale 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 and the payment of all expenses, charges and costs incurred by the Issuer, or its officers, members, agents (other than the Company) or employees, relating thereto.

Section 8.3. Right of Access to Project Facility.

The Company agrees that the Issuer and the Trustee and their duly authorized agents shall have the right at all reasonable times and in such manner as shall not disrupt the activities of the residents of the Company to enter upon and to examine and inspect the Project Facility.

Section 8.4. Company Not To Terminate Existence Or Dispose Of Assets; Conditions Under Which Exceptions Permitted.

The Company agrees that, so long as the Bonds are Outstanding, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation, or permit one or more corporations to consolidate with or merge into it; provided, however, that, if no Event of Default specified in Article X hereof shall have occurred and be continuing, the Company may consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided:

(A) that either the surviving, resulting or transferee corporation (the “Survivor”) is a public corporation organized under the laws of the State;

(B) (b) that the Survivor assumes in writing all of the obligations of and restrictions on the Company under this Installment Sale Agreement and the other Financing Documents;

(C) (c) that such transaction will not adversely affect the tax exempt status of the interest paid or payable on the Bonds;

(D) (d) that as of the date of such transaction, the Trustee and the Issuer shall be furnished with (i) an opinion of counsel to the Company as to compliance with items (a), (b) and (e) of this Section 8.4, (ii) an opinion of Bond Counsel as to the compliance with item (c) of this Section 8.4, and (iii) a certificate, dated the effective date of such transaction, signed by an Authorized Representative of the Company and of the Survivor to the effect that immediately after the consummation of the transaction and after giving effect thereto, no Event of Default exists under this Installment Sale Agreement and no event exists which, with notice or lapse of time or both, would become such an Event of Default;

(E) (e) the Survivor has met all licensing requirements to which the Company is subject.

Section 8.5. Agreement to Provide Information.

The Company agrees, whenever requested by the Issuer or the Trustee, to provide and certify or cause to be provided and certified such information concerning the Company, its finances and other topics as the Issuer or the Trustee from time to time reasonably considers necessary or appropriate, including, but not limited to, such information as to enable the Issuer or the Trustee to make any reports required by law or governmental regulation. In no event shall the Company be required to disclose any information which it is required by Applicable Law to maintain confidential.

Section 8.6. Books of Record and Account.

The Company agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles as applicable to a New York corporation, of all transactions and events relating to the business and affairs of the Company.

Section 8.7. Compliance with Applicable Laws.

(A) The Company agrees that it will, during any period in which any Bond is Outstanding and during the term of this Installment Sale Agreement, comply in all material respects with all Applicable Laws.

(B) Notwithstanding the provisions of Section 8.7(A), the Company may in good faith actively contest the validity or the applicability of any Applicable Laws, provided that the Company (1) first shall have notified the Issuer in writing of such contest, (2) is not in default

under any of the Financing Documents and (3) shall have set aside adequate reserves for any such Applicable Laws. Otherwise, the Company shall promptly take such action with respect thereto as shall be satisfactory to the Issuer.

(C) Notwithstanding the provisions of Section 8.7(B), if the Issuer or any of its members, officers, agents, servants or employees may be liable for prosecution for failure to comply therewith, the Company shall promptly take such action with respect thereto as shall be satisfactory to the Issuer.

Section 8.8. Discharge of Liens and Encumbrances.

(A) The Company, throughout the term of this Installment Sale Agreement, shall not permit or create or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Project Facility or any part thereof by reason of any labor, services or materials rendered or supplied or claimed to be rendered or supplied with respect to the Project Facility or any part thereof. The Company will not enter into a “lockbox” or similar arrangement, whereby the revenues of the Company, or any portion thereof, are required to be deposited into an account which is subject to control or restrictions on the priority of payments therefrom by a lender or other third party.

(B) For the purposes hereof, Permitted Encumbrances shall include the following:

(1) any lien or security interest to secure Long-Term Indebtedness permitted by Section 8.14;

(2) any lien or security interest which is existing on the date hereof, provided that (i) no such lien or security interest may attach or extend to the Company’s accounts receivable and (ii) no lien or security interest so described or the indebtedness secured thereby may be extended or renewed (which terms shall not apply to the filing of any continuation statements under the Uniform Commercial Code) or modified to spread to any Property not subject to such lien or security interest on the date of this Indenture, except to the extent that such lien or security interest, as so extended, renewed or modified could have been granted or created under any provision of this Installment Sale Agreement;

(3) any lien or encumbrance granted to the Issuer or the Trustee to secure the Company’s obligations under this Installment Sale Agreement;

(4) any lease which, in the judgment of the Company whose property is subject thereto, is reasonably necessary or appropriate for or incidental to the proper and economical operation of such property, taking into account the nature and terms of the lease and the nature and purposes of the property subject thereto; provided that prior to granting any lease with respect to any portion of the Project Facility, the Company shall deliver to the Trustee an opinion of Bond Counsel that such lease will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes;

(5) utility, access and other easements, rights-of-way, restrictions and other minor defects, encumbrances, and irregularities in the title to any property which do not materially impair the use of such property for its intended purpose or materially and adversely affect the value thereof;

(6) any judgment lien against the Company so long as (i) the finality of such judgment is being contested in good faith and execution thereon is stayed, or (ii) in the absence of such a contest and stay, no other property of the Company will be materially impaired or subject to material loss or forfeiture;

(7) any liens on any property for taxes, assessments, levies, fees, water and sewer rents, and other governmental and similar charges and any liens of mechanics, materialmen and laborers for work or services performed for materials furnished in connection with such property (i) which are not due and payable or are not delinquent, (ii) the amount or validity of which are being contested in good faith and on which execution is stayed, or (iii) the existence of which will not subject any property of the Company to loss or forfeiture;

(8) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law, affecting any property, to (i) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such right would not materially impair the use of such property for its intended purpose or materially and adversely affect the value thereof, or (ii) purchase, condemn, appropriate or recapture, or designate a purchaser of such property;

(9) rights reserved to or vested in any municipality or public authority to control or regulate any property or to use such property in any manner, which rights have not been violated and do not materially impair the use of such property for its intended purposes or materially and adversely affect the value thereof;

(10) liens arising under state or federal laws or regulations governing third-party reimbursement programs, in favor of residents in the Project Facility with respect to moneys deposited with the Company;

(11) any lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license;

(12) any lien arising by reason of deposits with, or the giving of any form of security to enable the Company to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with worker's compensation, unemployment insurance, old age pensions or other social security, or to share in the privileges or benefits required for institutions participating in such arrangements; and

(13) liens arising by reason of good faith deposits by the Company in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Company to secure public or statutory obligations, or to secure or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges.

(C) Notwithstanding the provisions of subsection (A) hereof, the Company may in good faith contest any such Lien. In such event, the Company may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Company certifies to the Issuer and the Trustee that by nonpayment of any such item or items, the Lien on the Project Facility or any part thereof may be subject to loss or forfeiture, in which event the Company shall promptly secure payment of all such unpaid items by filing a bond, in form and substance satisfactory to the Issuer, thereby causing such Lien to be removed or by taking such other actions as may be satisfactory to the Issuer to protect its interests. Notwithstanding the foregoing, mechanics' and public improvement Liens shall be discharged or bonded within thirty (30) days of the filing or perfection thereof.

Section 8.9. Performance by Issuer or Trustee of Company Obligations.

Should the Company fail to make any payment or to do any act as herein provided, the Issuer or the Trustee may, but need not, without notice to or demand on the Company and without releasing the Company from any obligation herein, make or do the same, including, without limitation, appearing in and defending any action purporting to affect the rights or powers of the Company or the Issuer, and paying all expenses, including, without limitation, reasonable attorneys' fees; and the Company shall pay immediately upon demand all sums so incurred or expended by the Issuer or the Trustee under the authority hereof, all fees, costs and expenses, together with interest thereon at the rate of one percent (1%) per month or the maximum rate permitted by law, whichever is less.

Section 8.10. Employment Opportunities; Notice of Jobs.

The Company covenants and agrees that, in consideration of the participation of the Issuer in the transactions contemplated herein, it will, except as otherwise provided by collective bargaining contracts or agreements to which it is a party, cause any new employment opportunities created in connection with the Facility to be listed with the State Department of Labor, Community Services Division and with the administrative entity of the service delivery area created pursuant to the Job Training Partnership Act (PL 97-300) in which the Facility is located (collectively, the "Referral Agencies"). The Company also agrees that except as otherwise provided by collective bargaining contracts or agreements to which it is a party, it will first consider for such new employment opportunities persons eligible to participate in federal job training partnership (PL 97-300) programs that shall be referred by the Referral Agencies.

Section 8.11. Covenant against Arbitrage Bonds.

So long as any Bond shall be Outstanding, neither the Issuer nor the Company shall use, or direct or permit the use of, the proceeds of the Bonds or any other moneys within their respective control (including, without limitation, the proceeds of any insurance settlement or any

Condemnation award with respect to the Project Facility) in any manner that would cause any of the Bonds to be an “arbitrage bond” within the meaning ascribed to such quoted term in Section 148 of the Code. The Company agrees that it will comply with all of its covenants in the Tax Certificate relating to the restrictions contained in Section 148 of the Code. The Issuer authorizes the Company, on the Issuer’s behalf, to calculate and make the rebate payments required by Section 148(f) of the Code. Notwithstanding the foregoing, there shall be no such obligation upon the Issuer with respect to the use or investment of its administrative fee, provided, however, that if the Company is required to rebate any amount with respect to such administrative fee, the Issuer shall provide, upon the reasonable request of the Company, such information concerning the investment of such administrative fee as shall be requested by the Company and as shall be reasonably available to the Issuer.

Section 8.12. Identification of Equipment.

All Equipment which is or may become part of the Project Facility pursuant to the provisions of this Installment Sale Agreement shall be properly identified by the Company by appropriate records, including computerized records.

Section 8.13. Indemnification of Trustee.

(A) The Company hereby releases the Trustee and its directors, officers, agents and employees from, agrees that the Trustee and its directors, officers, agents and employees shall not be liable for and agrees to indemnify, defend and hold the Trustee and its directors, officers, agents and employees harmless from and against any and all claims, causes of action, judgments, liabilities, damages, losses, costs and expenses arising as a result of the Trustee’s involvement in the Project, including, but not limited to, (1) liability for loss or damage to Property or bodily injury to or death of any and all Persons that may be occasioned, directly or indirectly, by any cause whatsoever pertaining to the Project 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 Project Facility, (2) liability arising from or expense incurred by the Trustee’s participation in the financing the Project Facility, including, without limiting the generality of the foregoing, all liabilities or claims arising as a result of the Trustee’s obligations under this Installment Sale Agreement or any of the other Financing Documents or the enforcement of or defense of validity of any provision of any Financing Documents, and all liabilities or claims arising as a result of or in connection with the offering, issuance, sale or resale of the Bond, (3) all causes of action and attorneys’ fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing; provided that any such claims, causes of action, judgments, liabilities, damages, losses, costs or expenses of the Trustee are not incurred or do not result from the negligence or intentional wrongdoing of the Trustee or any of its directors, officers, agents or employees.

(B) Notwithstanding any other provisions of this Installment Sale Agreement, the obligations of the Company pursuant to this Section 8.13 shall remain in full force and effect after the termination of this Installment Sale 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 and the payment of all reasonable fees, expenses

and charges paid or incurred by the Trustee, or its directors, officers, agents or employees, relating thereto.

Section 8.14. Permitted Indebtedness.

The Company represents, covenants and agrees that it has not and will not hereafter incur or assume (the terms “incur” and “assume”, for the purposes hereof, to mean and include the guaranteeing of, or the direct or indirect assumption of liability for, the debts of others) other than (i) a working capital credit line in the amount of up to \$300,000 and (ii) the existing unsecured bank loan in the amount of \$299,000, any Long Term Indebtedness or Parity Indebtedness after the date of closing whether secured or unsecured, unless and until the Company shall have obtained the written consent of the Controlling Bondholder.

ARTICLE IX

ASSIGNMENTS AND PLEDGE OF INTERESTS

Section 9.1. Restriction on Sale of Project Facility.

(A) Except as otherwise specifically provided in this Article IX and in Article X hereof, the Issuer shall not sell, convey, transfer, encumber or otherwise dispose of the Project Facility or any part thereof or any of its rights under this Installment Sale Agreement, without the prior written consent of the Company.

(B) No conveyance of any part of, or interest in, the Project Facility or the Land affected under the provisions of this Section 9.1 shall entitle the Company to any abatement or diminution of the amounts payable by it under this Installment Sale Agreement.

(C) Except as otherwise permitted by this Installment Sale Agreement, the Company may not remove, sell, lease, loan, assign, grant or otherwise dispose of its property, including without limitation, cash, marketable securities, accounts receivable, or any property, structures, improvements, fixtures or equipment, provided that the foregoing shall not be construed to limit or prevent (i) payments for goods and services in arm’s length transactions or (ii) investments in marketable securities.

(D) So long as no Event of Default has occurred and is continuing, the Company may from time to time sell or otherwise dispose of any real property, tangible personal property, fixtures or equipment (other than the Project Facility) for fair market value in an arm’s length transaction;

(E) So long as no Event of Default has occurred and is continuing, the Company may from time to time sell or otherwise dispose of any tangible personal property, fixtures or equipment provided, however, that the book value of the same shall not exceed three percent (3%) of Net Property, Plant and Equipment in any fiscal year; and provided, further, that the book value of property subject to such transfers for any three consecutive fiscal years shall not exceed seven and one-half percent (7.5%) of Net Property, Plant and Equipment.

(F) The Company shall not sell, lease, donate, tend, exchange or otherwise dispose of any of its intangible assets, including cash and investments to any entity, unless an

Accountant certifies to the Trustee that, immediately following such transfer, the Company will have at least 60 Days' cash on hand.

Section 9.2. Removal of Equipment.

(A) The Issuer shall not be under any obligation to remove, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary item of Equipment. In any instance where the Company determines that any item of Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such items from the Project Facility and may sell, trade-in, exchange or otherwise dispose of the same, as a whole or in part, provided that such removal will not materially impair the operation of the Project Facility for the purpose for which it is intended or change the nature of the Project Facility so that it does not constitute a "project" under the Act.

(B) The Issuer shall execute and deliver to the Company all instruments necessary or appropriate to enable the Company to sell or otherwise dispose of any such item of Equipment. The Company shall pay any costs (including reasonable counsel fees) incurred in transferring title to any item of Equipment removed pursuant to this Section 9.2.

(C) The removal of any item of Equipment pursuant to this Section shall not entitle the Company to any abatement or diminution of the amounts payable by it under this Installment Sale Agreement.

Section 9.3. Assignment, Sale and Leasing.

(A) This Installment Sale Agreement may not be assigned, in whole or in part, and the Project Facility may not be sold or leased, in whole or in part, without the prior written consent of the Issuer in each instance. Any assignment, sale or lease shall be on the following conditions:

- (i) no assignment, sale or lease shall relieve the Company from primary liability for any of its obligations hereunder and the Company shall remain as fully bound as though no sale or lease has been made;
- (ii) the assignee, buyer or lessee shall assume the obligations of the Company hereunder to the extent of the interest assigned, sold or leased and performance by any buyer or lessee shall be considered as performance by the Company;
- (iii) the Company shall, within thirty (30) days prior to the delivery thereof, furnish or cause to be furnished to the Issuer and to the Trustee a true and complete copy of such sale or lease. The Net Proceeds resulting from the sale of the Project Facility shall be used to redeem the Bonds as provided in the Indenture as soon as practicable unless the Company delivers an opinion of Bond Counsel to the Issuer and the Trustee authorizing a different disposition of such proceeds and stating that such alternate disposition of the proceeds will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes;

- (iv) neither the validity nor the enforceability of the Bond or any Bond Document shall be adversely affected thereby;
- (v) the tax-exempt status of the interest on the Bond will not be adversely affected; and
- (vi) the Project Facility shall continue to constitute a “project” as such quoted term is defined in the Act.

(B) Fifteen (15) days prior to the effective date of any assignment, sale or lease pursuant to subsection (a) of this Section 9.3, the Company at its cost shall furnish the Trustee and the Issuer, with an opinion, in form and substance satisfactory to the Trustee and the Issuer (i) of Bond Counsel as to items (v) and (vi) above and (ii) of Independent Counsel as to items (i), (ii) and (iv) above.

Section 9.4. Pledge of Issuer’s Interests to Trustee.

The Issuer shall pledge and assign its rights to and interest in this Installment Sale Agreement and in all amounts payable by the Company pursuant to Section 5.2 hereof and all other provisions of this Installment Sale Agreement (other than Unassigned Rights), to the Trustee as security for the payment of the principal of, and premium, if any, and interest on the Bond. The Company hereby acknowledges and consents to such pledge and assignment by the Issuer. Notwithstanding the foregoing, all indemnities herein contained shall, subsequent to such pledge and assignment, continue to run to the Issuer for its benefit as well as for the benefit of the Trustee.

Section 9.5. Merger of Issuer.

(A) Nothing contained in this Installment Sale Agreement shall prevent the consolidation of the Issuer with, or merger of the Issuer into, or transfer of title to the entire Project Facility to any other public benefit corporation or political subdivision which has the legal authority to own and lease the Project Facility, provided that:

(1) upon any such consolidation, merger or transfer, the due and punctual performance and observance of all the agreements and conditions of this Installment Sale Agreement to be kept and performed by the Issuer shall be expressly assumed in writing by the public benefit corporation or political subdivision resulting from such consolidation or surviving such merger or to which the Project Facility shall be transferred; and

(2) the exclusion of the interest on the Bond from gross income for Federal income tax purposes shall not be adversely affected thereby.

(B) Within thirty (30) days after the consummation of any such consolidation, merger or transfer of title, the Issuer shall give notice thereof in reasonable detail to the Company and the Trustee and shall furnish to the Company and the Trustee (i) a favorable opinion of Independent Counsel as to compliance with the provisions of Section 9.5(a)(i) hereof, and (ii) a favorable opinion of Bond Counsel opining as to compliance with the provisions of

Section 9.5(a)(ii) hereof. The Issuer promptly shall furnish such additional information with respect to any such transaction as the Company or the Trustee may reasonably request.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.1. Events of Default Defined.

(A) The following shall be “Events of Default” under this Installment Sale Agreement, and the terms “Event of Default” or “Default” shall mean, whenever they are used in this Installment Sale Agreement, any one or more of the following events:

(i) the failure by the Company to pay or cause to be paid on the date due, the amounts (i) due under the Indenture, (ii) owed to the Trustee or (iii) owed to the Issuer, all as specified to be paid pursuant to Section 5.3 hereof;

(ii) the failure by the Company to observe and perform any covenant contained in Sections 8.4 and 9.3 hereof;

(iii) any representation or warranty of the Company herein shall prove to have been false or misleading in any material respect;

(iv) the failure by the Company to observe and perform any covenant, condition or agreement hereunder on its part to be observed or performed (except obligations referred to in 10.1(a)(i), (ii) and (iii)) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, given to the Company by the Issuer or the Trustee; except, if the covenant, condition or agreement which the Company has failed to observe or perform is of such a nature that it cannot reasonably be fully cured within such thirty (30) days, the Company shall not be in default if the Company commences a cure within such thirty (30) days and thereafter diligently proceeds with all action required to complete the cure, and, in any event, completes such cure within sixty (60) days of such written notice from the Issuer or the Trustee, unless the Trustee, at the written direction of the holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, or the Issuer shall give its written consent to a longer period;

(v) the dissolution or liquidation of the Company; or the failure by the Company to release, stay, discharge, lift or bond within thirty (30) days any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Company generally to pay its debts as they become due; or an assignment by the Company for the benefit of creditors; the commencement by the Company (as the debtor) of a case in bankruptcy or any proceeding under any other insolvency law; or the commencement of a case in bankruptcy or any proceeding under any other insolvency law against the Company (as the debtor) and a court having jurisdiction in the premises enters a decree or order for relief against the Company

as the debtor in such case or proceeding, or such case or proceeding is consented to by the Company or remains undismissed for sixty (60) days, or the Company consents to or admits the material allegations against it in any such case or proceeding; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the Property of the Company for the purpose of enforcing a lien against such Property or for the purpose of general administration of such Property for the benefit of creditors (the term "dissolution or liquidation of the Company" as used in this subsection shall not be construed to include any transaction permitted by Section 8.4 hereof);

(vi) an Event of Default under the Indenture shall have occurred and be continuing;

(vii) the invalidity, illegality or unenforceability of any of the other Financing Documents.

(B) Notwithstanding the provisions of Section 10.1(A), if by reason of *force majeure* any party hereto shall be unable in whole or in part to carry out its obligations under this Installment Sale Agreement and if such party shall give notice and full particulars of such *force majeure* in writing to the other party and to the Trustee, within a reasonable time after the occurrence of the event or cause relied upon, such obligations under this Installment Sale Agreement of the party giving such notice (and only such obligations), so far as they are affected by such *force majeure*, shall be suspended during continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The term "*force majeure*" as used herein shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, acts, failures to act, priorities or orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, governmental subdivisions, or officials, any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, shortages of labor or materials or delays of carriers, partial or entire failure of utilities, shortage of energy or any other cause or event not reasonably within the control of the party claiming such inability and not due to its fault. The party claiming such inability shall remove the cause for the same with all reasonable promptness. It is agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout and other industrial disturbances by acceding to the demands of the opposing party or parties.

Section 10.2. Remedies on Default.

(A) Whenever any Event of Default shall have occurred, the Issuer and/or the Trustee may, to the extent permitted by law, take any one or more of the following remedial steps:

(1) if an Event of Default has occurred under the Indenture, declare, by written notice to the Company, to be immediately due and payable, whereupon the

same shall become immediately due and payable, (a) all unpaid installment purchase payments payable pursuant to Section 5.3(A) hereof, and (b) all other payments due under the Installment Sale Agreement or any of the Financing Documents;

(2) in the event any of the Bonds shall at the time be Outstanding and unpaid, have access to and inspect, examine and make copies of books and records and any and all accounts, data and income tax and other tax returns of the Company only, however, insofar as they relate to the Project Facility;

(3) take any other action at law or in equity which may appear necessary or desirable to collect any amounts then due or hereafter to become due hereunder and to enforce the obligations, agreements or covenants of the Company under this Installment Sale Agreement;

(4) if an Event of Default has occurred under the Indenture, terminate disbursement of the Bond Proceeds; or

(5) exercise any remedies available pursuant to any of the other Financing Documents.

(6) Upon the occurrence of an Event of Default, the interest rate on the Outstanding Bonds shall be the Default Rate.

(B) Whenever any Event of Default shall have occurred and only in the event acceleration of the principal amount of the Bonds has been declared pursuant to Section 802 of the Indenture, the Issuer or the Trustee may take, to the extent permitted by law, any one or more of the following remedial steps:

(1) take possession of the Project Facility, on ten (10) days written notice to the Company, without terminating this Installment Sale Agreement and without being liable for any prosecution or damages therefor, and lease, sell or otherwise dispose of the Project Facility for the account of the Company, holding the Company liable for the amount, if any, by which the aggregate of the amounts payable by the Company under this Installment Sale Agreement or any of the Financing Documents exceeds the aggregate of the other amounts received from the lessee or buyer;

(2) enter upon the Project Facility and complete the construction, reconstruction, equipping, installation and sale of the Project Facility in accordance with the Plans and Specifications (with such changes as the Trustee may deem appropriate) and in connection therewith (a) engage architects, contractors, materialmen, laborers and suppliers and others, (b) employ watchmen to protect and preserve the Project Facility, (c) assume any contract relating to the Project Facility and take over and use all labor, materials, supplies and equipment, whether or not previously incorporated into the Project Facility, (d) pay, settle or compromise all bills or claims, (e) discontinue any work or change any course of action already undertaken with respect to the Project Facility, (f) take or refrain from taking such action hereunder as the Trustee may from time to time determine; (g) apply any undisbursed money to the payment of the costs and

expenses incurred in connection with the foregoing; and (h) apply any undisbursed moneys to the payment of the outstanding principal on the Bond; and

(C) Any sums paid to the Issuer as a consequence of any action taken pursuant to this Section 10.2 (excepting sums payable to the Issuer as a consequence of action taken to enforce the Unassigned Rights) shall be paid to the Trustee and applied in accordance with the provisions of Section 609 of the Indenture.

(D) No action taken pursuant to this Section 10.2 shall relieve the Company from its obligations to make all payments required by this Installment Sale Agreement and the other Financing Documents.

(E) The Company shall have the right upon notice to the Issuer and the Trustee to enter the Project Facility with agents or representatives of the Issuer and the Trustee to remove any equipment or other personalty owned by the Company if such equipment or personalty is not part of the Project Facility.

(F) In accordance with the terms of this Installment Sale Agreement, the Issuer shall have all the rights, powers and remedies of a secured party under the Uniform Commercial Code of New York, including without limitation, the right to sell, lease or otherwise dispose of any or all of the Property subject to the security interests granted by the Company to the Issuer pursuant to Section 5.7 of this Installment Sale Agreement (the "Collateral"), and to take possession of the Collateral, and for that purpose the Issuer or the Trustee may enter peaceably any premises on which the Collateral or any part thereof may be situated and remove the same therefrom, and the Company will not resist or interfere with such action. The Issuer or the Trustee may require the Company to assemble the Collateral and make it available to the Issuer or the Trustee at a place to be designated by the Issuer or the Trustee which is reasonably convenient to both parties. The Company hereby agrees that its above-mentioned address and the place or places of location of the Collateral are places reasonably convenient to it to assemble the Collateral. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Issuer or the Trustee will send the Company reasonable notice of the time and place of any public sale or reasonable notice of the time after which any private sale or any other disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to the Company at least ten (10) days before the time of the sale or disposition.

Section 10.3. Remedies Cumulative.

No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Installment Sale Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article X, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 10.4. Agreement to Pay Attorneys' Fees and Expenses.

In the event the Company should default under any of the provisions of this Installment Sale Agreement, and the Issuer and the Trustee 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 Issuer or the Trustee, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred, whether an action is commenced or not.

Section 10.5. No Additional Waiver Implied By One Waiver.

In the event any agreement contained herein should be breached by either party and thereafter such breach be waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XI

OPTION IN FAVOR OF COMPANY; REDEMPTION OF BONDS

Section 11.1. Redemption of Bonds.

At the request of the Company (provided the Bonds are then callable for redemption), and if (1) the Company is not in default in the payments to be made under Section 5.3 hereof, and (2) the Company provides reasonable assurance that it shall make sufficient funds available, the Issuer shall take all steps necessary under the provisions of Article III of the Indenture to redeem all or any part of the Bonds. Such steps shall be taken to permit the redemption to be made on the earliest redemption date on which such redemption can occur under such applicable provisions subject to, and in accordance with, the terms and provisions of the Indenture. Following the giving of any notice of optional or mandatory redemption of the Bonds, the Company shall cause to be furnished to the Issuer on or prior to the redemption date sufficient funds to enable the Issuer to redeem and make all payments with regard to the Bonds as provided in Article III of the Indenture.

ARTICLE XII

MISCELLANEOUS

Section 12.1. Notices.

(A) All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (1) sent to the applicable address stated below by registered or certified mail, return receipt requested, or by such other means as shall provide the sender with documentary evidence of such delivery, or (2) delivery is refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

If to the Company:

Champlain Valley Milling Corp., Inc.
6679 Main Street
P.O. Box 454
Westport, New York 12993

With a copy to:

William Kissel, Esq.
P.O. Box 1598
Lake Placid, New York 12946

If to the Issuer:

Essex County Industrial Development Agency
7566 Court Street
P.O. Box 217
Elizabethtown, New York 12932
Attention: Executive Director

With a copy to:

Jenifer R. Briggs, Esq.
Briggs Norfolk LLP
2296 Saranac Avenue
Lake Placid, New York 12946

If to the Trustee:

ZB National Association
401 Liberty Avenue, Suite 1729
Pittsburgh, PA 15222
Attn: Eric Mitzel

(B) A duplicate copy of each notice, certificate, and other communication given hereunder by the Issuer or the Company shall be given to the Trustee. The Issuer, the Company and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

Section 12.2. Binding Effect.

This Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Company, the Trustee and the holders of the Bonds and, as permitted by this Installment Sale Agreement, their respective successors and assigns.

Section 12.3. Severability.

If any one or more of the covenants or agreements provided herein on the part of the Issuer or the Company to be performed shall, for any reason, be held or shall, in fact, be inoperative, unenforceable or contrary to law in any particular case, such circumstance shall not render the provision in question inoperative or unenforceable in any other case or circumstance. Further, if any one or more of the phrases, sentences, clauses, paragraphs or sections herein shall be contrary to law, then such phrase, sentence, clause, paragraph or sentence shall be deemed separable from the remaining provisions hereof and shall in no way affect the validity of the other provisions of this Installment Sale Agreement.

Section 12.4. Amendments, Changes and Modifications.

This Installment Sale Agreement may not be amended, changed, modified, altered or terminated, except by an instrument in writing signed by the parties hereto and as permitted by the Indenture.

Section 12.5. Execution of Counterparts.

This Installment Sale 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 12.6. Applicable Law.

This Installment Sale Agreement shall be governed exclusively by the applicable laws of the State.

Section 12.7. Recording and Filing.

(A) This Installment Sale Agreement (or memorandum thereof), the Pledge and Assignment, and financing statements relating to the security interests created and/or assigned thereby, shall be filed by the Issuer in the office of the County Clerk of Essex County, New York, or in such other office as may at the time be provided by law as the proper place for the recordation or filing thereof.

(B) The Issuer and the Company shall execute and deliver all instruments and shall furnish all information which the Trustee may deem necessary or appropriate to protect any Lien created or contemplated by this Installment Sale Agreement or the Indenture.

Section 12.8. Survival of Obligations.

(A) The obligations of the Company to make the payments required by Section 5.3(B)(2) hereof and to provide the indemnity required by Sections 3.3, 8.2 and 8.13 hereof shall survive the termination of this Installment Sale Agreement and the full payment of the Bonds, and all such payments after such termination shall be made upon demand of the party to whom such payment is due.

(B) The obligations of the Company with respect to the Unassigned Rights shall survive the termination of this Installment Sale 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 Unassigned Rights may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses and charges incurred by the Issuer, or its officers, members, agents or employees, relating thereto.

Section 12.9. Table of Contents and Section Headings not Controlling.

The Table of Contents and the headings of the several Sections in this Installment Sale Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Installment Sale Agreement.

Section 12.10. No Recourse; Special Obligation.

(A) The obligations and agreements of the Issuer contained herein and in the other Financing Documents and any other instrument or document executed in connection therewith or herewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Issuer, and not of any member, officer, agent (other than the Company) or employee of the Issuer in his individual capacity, and the members, officers, agents (other than the Company) and employees of the Issuer shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

(B) The obligations and agreements of the Issuer contained herein and therein shall not constitute or give rise to an obligation of the State or Essex County, New York, and neither the State nor Essex County, New York shall be liable hereon or thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the revenues (of the Issuer derived and to be derived from the sale or other disposition of the Project Facility (except for revenues derived by the Issuer with respect to the Unassigned Rights).

(C) No order or decree of specific performance with respect to any of the obligations of the Issuer hereunder shall be sought or enforced against the Issuer unless (1) the party seeking such order or decree shall first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Issuer shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, (2) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Issuer an amount or undertaking sufficient to cover such reasonable fees and expenses, and (3) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Company) or employees shall be subject to potential liability, the party seeking such order or decree shall (a) agree to indemnify and hold harmless the Issuer and its members,


officers, agents (other than the Company) and employees against any liability incurred as a result of its compliance with such demand, and (b) if requested by the Issuer, furnish to the Issuer satisfactory security to protect the Issuer and its members, officers, agents (other than the Company) and employees against all liability expected to be incurred as a result of compliance with such request.

Section 12.11. Subordination to Indenture.

This Installment Sale Agreement and all rights of the Company and the Issuer hereunder are and shall be subordinate to the Lien of the Indenture on the Trust Revenues. The subordination of this Installment Sale Agreement to the Indenture shall be automatic, without the execution of any further subordination agreement by the Company or the Issuer. Nonetheless, if the Trustee requires a further written subordination agreement, the Company and the Issuer agree to execute, acknowledge and deliver the same.

IN WITNESS WHEREOF, the Issuer and the Company have caused this Installment Sale Agreement to be executed in their respective names by their respective Authorized Representatives and sealed, where appropriate, all as of the day and year first above written.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Name: Darren Darrah
Title: Chairman

**CHAMPLAIN VALLEY MILLING CORP.,
INC.**


By: _____
Name: Samuel Sherman
Title: President

IN WITNESS WHEREOF, the Issuer and the Company have caused this Installment Sale Agreement to be executed in their respective names by their respective Authorized Representatives and sealed, where appropriate, all as of the day and year first above written.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

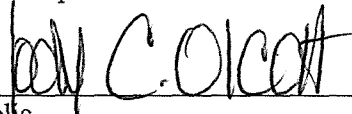
By: _____
Name: Darren Darrah
Title: Chairman

**CHAMPLAIN VALLEY MILLING CORP.,
INC.**

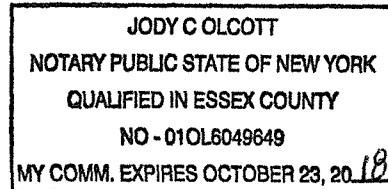
By:  _____
Name: Samuel Sherman
Title: President

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the 9 day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the **ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, personally known to me 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.



Notary Public



STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May of the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, the President of **CHAMPLAIN VALLEY MILLING, INC.** personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the **ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the 10th day of May of the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, the President of **CHAMPLAIN VALLEY MILLING CORP., INC.** personally known to me 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.

Barbara A Breyette

Notary Public

BARBARA A BREYETTE
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BR4987221
Qualified in Essex County
Commission Expires October 7, 2017

EXHIBIT A
LEGAL DESCRIPTION OF THE LAND

SCHEDULE "A"

LEGAL DESCRIPTION

All that certain parcel of land being located in the northwesterly part of the Hamlet of Willsboro and in the Town of Willsboro, County of Essex and State of New York, said parcel being located on the westerly bounds of the New York State Highway known as Route 22, and being part of the property described in a deed from Tambrands, Inc., to Old Adirondack, Inc. dated May 25, 1994 recorded May 26, 1994 in the Essex County Clerk's Office in deed book 1062 at page 166 and being shown as Lot 1 on a Map of Survey prepared for Willsboro Development Corporation, dated June 27, 1994, revised July 11, 1994, by Kevin A. Hall, Land Surveyor and filed in the Essex County Clerk's Office as Map Number 4554, formerly being part of "Parcel No. 10" as described in a deed dated June 8, 1962, from the New York & Pennsylvania Co. Inc. to the Champlain Mills Properties, Inc. and recorded in the Essex County Clerk's Office in deed book 400 at page 240, being bounded and described as follows:

Beginning at a 3 foot long 1/2" iron pipe set to grade located at the northeast corner of the herein described parcel and the southeast corner of Anjou Development Corp. as described in deed book 1066 at page 40, being Lot 2 as shown on said map, said iron pipe being in the assumed westerly road bounds of said Route 22, a distance of 25 feet from the centerline thereof and running the following two courses along said road bounds;

1. Southerly on a curve concave to the east an arc distance of 161.85 feet to a found 3/4" iron pipe 0.1' below grade at the point of tangency, said curve having a radius of 434.26 feet and a delta angle of 21°-21'-16";
2. S 04°-32'-20" E as referenced to north by deed book 1062 at page 166 a distance of 26.19 feet to a 4 foot long 3/4" iron pipe set to 0.1' below grade located at the northeast corner of Samuel J. and Ann E. Marcotte as described in a deed from Tampax, Inc., dated November 8, 1974, recorded in deed book 598 at page 180 and running the following course along said Marcotte as described in said deed book 598 at page 180 and in a deed from Tambrands, Inc. dated August 27, 1986, recorded in deed book 876 at page 281;
3. N 82°-52'-20" W 214.11 feet to a found 3/4" iron pipe at grade at the northwest corner of said Marcotte and running the following course along said Marcotte as described in said deed book 876 at page 281 and Glen and Elizabeth Flora as described in a deed from Tambrands, Inc. dated August 27, 1986 recorded in deed book 876 at page 68;
4. S 03°-57'-00" E 193.26 feet to a found 1' high 1/2" iron pipe;
5. S 83°-45'-12" E 100.00 feet to a found 3/4" iron pipe 0.5' below grade, set in June 1994, located at the northwest corner of Stafford as described in deed book 596 at page 122;
6. S 17°-51'-00" W 109.00 feet to a found 0.3' high 1/2" iron pipe, set in June 1994, said iron pipe being located at the southwest corner of said Stafford;
7. N 55°-32'-40" W 120.41 feet along land of an unknown owner to a 0.5' high 5/8" iron rod with cap set in September 1999, and continuing on the same course of N 55°-32'-40" W an additional distance of 1,113.37 feet along the north bounds of Essex County Industrial Development Agency as described in deed book 1299 at page 20, for a total distance of 1,233.78 feet to a found 1/2" iron pipe plug in a drill hole in a 2' X 2' X 1' high rock, said iron pipe plug set in June of 1994 and running the following two courses along Lot 2,
8. N 25°-31'-29" E 293.75 feet to a found 0.2' high 1/2" iron pipe set in June of 1994;
9. S 64°-28'-31" E 1,151.42 feet to the point and place of beginning, containing 10.00 acres, within the above described bounds and shown on the herein above referenced map.

Subject to all rights, title and interest of the public in and to that portion of land lying westerly of the first two courses and the true legal road bounds of New York State Rt. 22.

Together with all rights, title and interest of the grantor in and to that portion of land lying easterly of the first two courses and the true legal centerline of New York State Rt. 22.

LEGAL DESCRIPTION - CONTINUED

Together with an easement labeled with the letter "A" as shown on the herein above referenced map.

Subject to an easement to Willsboro Sewer District #1 as described in a deed dated and recorded June 29, 1994 in the Essex County Clerk's Office in deed book 1064 at page 280.

Subject to all easements and restrictions of record.

The lands conveyed are subject to Adirondack Park Agency Permit 2001-182 issued October 12, 2001, the terms and conditions of which are binding upon the heirs, successors and assigns of the grantors and all subsequent grantees, filed in the Essex County Clerk's Office in APA Book 54 at page 126.

Further granting and conveying an easement and right of way for ingress and egress at a width of 50 feet commencing at Route 22 and running in a westerly direction along the northerly boundary of the parcel herein described then turning and running the entire length of the westerly boundary of the parcel herein described. This easement is to be used in common with others more specifically being Anjou Development Corporation being the fee title owner and also Willsboro Development Corporation which reserves said easement rights in order to gain access to its other lands located to the south of the subject property.

Subject to a certain easement reserved by Willsboro Development Corporation in a deed from Willsboro Development Corporation dated March 12, 2002 and recorded in the Essex County Clerk's Office at Book 1314 of Deeds at page 266 thereof.

19 Myers Way, Willsboro, Essex County, New York 12996, Tax Map #31.9-1-42.100

EXHIBIT B
DESCRIPTION OF THE EQUIPMENT

Equipment	Amount	Model Number	Serial Number
Present in Willsboro			
Yale Forklift	1		
JEM Sewing Head	1		
Pallet Racks			
27' by 11 ring Grain Bin	2		
Temper Bin	1		
Ford Tractor	1	5640	P.O./004576
48' Van Trailer	1		
Fortress Metal Detector	1	Phantom	21340
Moving to Willsboro from Westport			
15' by 8 ring hopper bottom grain bin	4		
12' by 8 ring hopper bottom grain bin	2		
9' by 5 ring hopper bottom grain bin	5		
Codema Air Lock	11		
Flour Tanks	4		
13' flour bin	1		
Walinga Agri Vac	1	4510	MT4510WLX-40E-050810183
All Fill system	1	14-9000	20010101373
Perten Laboratory Mill	1	3100	050210
Perten Falling Number Machine	1	FN1500	057107
Perten Inframatic Flour Analyzer	1	IM 9140	4111
Brabender Farinograph	1	S300	184502
Fischbein Sewing Machine	5		
Helms Whole Mill	1	25-S	340
Fortress Metal Detector	1	Phantom	F5247
Flour Bagger Tank with Airlock	1		
Chantland bagger with scales	1	4198 Weighmaster II	39402
Stone Mill			
Airlock bench	1		
Airlocks	10		

Cyclones	10		
Allis Chalmers Sifter	1		1155
Sieves	68		
Codema Filter Tank with Airlock	1		
Roll Stand	4		
IR Piston type air compressor	1	7100	8056694
Whole Mill Filter Tank	1	16005.6	16005.0202
Whole Mill Vacuum Pump	1	GAELDPA	S159590
Kaeser Blower 1	1	MDB 130	1495 135 2005
Kaeser Blower 2	1	MDB 130	1414 135 2005
Kaeser Blower 3	1	MDB 130	1493 135 2005
Kaeser Blower 4	1	MDB 130	1496 135 2005
JEM Bagger	1	GWD-21-GG	061451
JEM Conveyor	1	Con 508 w/PED	31422
Portable Air Lock	1		
Mixing Tank	1		
Blue Master Bucket Elevator	1	500S	688112536
Triner Scale	1	TS-700 MS	AE120319080
Alapala Scour/Aspirator	1	KKSI 3010	796
Temper Augur	1		
Toyota Electric Pallet Jack	1	8HBW23	8HBW23-28589
Toyota Electric Pallet Jack	1	7HBW23	7HBW23-28589
Toyota Forklift	1	42-6FGCU15	60961
Incoming Equipment			
IR Rotary screw compressor	1	IRN30H Nirvana	
Ocrim Separator Sifter	1		
Codema Destoner	1		
Clean Grain Bin	1		
Magnet	1		
Scales	1		
Bliss Whole Mill	1		

Witt Rollstand	1		
Whole Mill Filter Tank	1		
White Flour Filter Tank	1		
Satake Color Sorter	1		

EXHIBIT C

FORM OF DEED FROM ISSUER TO COMPANY

QUITCLAIM DEED

THIS INDENTURE made this _____ day of _____, Thousand _____

BETWEEN

Essex County Industrial Development Agency, a governmental body and instrumentality constituting a body corporate and politic and public benefit corporation of the State of New York with an address of P.O. Box 217, Elizabethtown, Essex County, New York 12932,

Grantor, as party of the first part

And

Champlain Valley Milling Corp., Inc. a New York corporation with an office at 6679 Main Street, Westport, New York 12993-0454, Essex County, New York 12994,

Grantee, as party of the second part

WITNESSETH that the party of the first part, in consideration of ONE AND NO/100 DOLLARS (\$1.00), lawful money of the United States, and other valuable consideration, paid by the party of the second part, does hereby remise, release and quitclaim unto the party of the second part, its successors and the assigns of the party of the second part forever,

ALL THAT TRACT, PIECE OR PARCEL OF LAND, with improvements now thereon, situate in the Town of Willsboro, County of Essex and State of New York and being more particularly described on **Schedule "A"** attached hereto and made a part hereof.

BEING the same premises conveyed to the Essex County Industrial Development Agency by deed recorded in the Essex County Clerk's office on May 16, 2017 in Book ____ of Deeds at Page ____, as Instrument Number _____.

TOGETHER WITH all right, title, and interest, if any, of the party of the first part in and to any streets and roads abutting the above described premises to the center lines thereof;

TOGETHER WITH the appurtenances and all the estate and rights of the party of the first part in and to said premises,

TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, its successors and the assigns of the party of the second part forever.

AND the party of the first part, in Compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The word "party" shall be construed as if to read "parties" whenever the sense of the indenture so requires.

IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above written.

Essex County Industrial Development
Agency

By: _____
Chairman

STATE OF NEW YORK)
COUNTY OF ESSEX) SS:

On the ____ day of ____, 20__ before me, the undersigned, a Notary Public in and for said state, personally appeared _____ personally known to me 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 to the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Notary Public

Record & Return to:
William H. Kissel, Esq.
P.O. Box 1598
Lake Placid, NY 12946

EXHIBIT D

FORM OF BILL OF SALE FROM ISSUER TO COMPANY

**BILL OF SALE CONVEYING THE PROJECT TO THE
CHAMPLAIN VALLEY MILLING CORP., INC. FROM ESSEX COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

KNOW ALL MEN BY THESE PRESENTS:

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency"), a governmental agency and instrumentality constituting a body corporate and politic and a public benefit corporation of the State duly organized and existing under the law of the State in consideration of ten dollars paid by **CHAMPLAIN VALLEY MILLING CORP., INC.** (the "Company"), a corporation duly organized and existing under the laws of the State of New York (the "State"), the receipt of which is hereby acknowledged, does hereby grant, sell, transfer, and deliver unto the Company the building, equipment, and personal property set forth on Exhibit B attached hereto, located on the land described in Exhibit A hereto.

TO HAVE AND TO HOLD all and singular the said land, equipment, and personal property to the Company and its successors and assigns to its and their own use and behalf forever.

THE AGENCY HEREBY COVENANTS with the Company that the Agency has or will have full right and good and marketable title to convey the said land, equipment, and personal property.

IN WITNESS WHEREOF, the Agency has hereunto executed this Bill of Sale by and on behalf of its Chairman and the seal of the Agency has hereunto been affixed by an officer duly authorized to so act this _____, 20__.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Title: Chairman

EXHIBIT E

FORM OF REQUISITION

Re: ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAX EXEMPT REVENUE BONDS (CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT) SERIES 2017

To: ZB, National Association, as Trustee
401 Liberty Avenue, Suite 1729
Pittsburgh, PA 15222

Essex County Industrial Development Agency
7566 Court Street
P.O. Box 217
Elizabethtown, New York 12932

All terms used in this Requisition (the "Requisition") have the meanings given to them in the Installment Sale Agreement (the "Installment Sale Agreement") dated as of May 1, 2017, between the Essex County Industrial Development Authority (the "Issuer") and Champlain Valley Milling Corp., Inc. (the "Company"):

1. Amount due and to be distributed from Bond Proceeds: \$ _____.
2. The requested date of disbursement is _____, ___ (or the following Business Day if such day is not a Business Day).
3. The amounts previously disbursed under the Installment Sale Agreement aggregate \$ _____.
4. The Company hereby represents that:
 - (a) each obligation to which the amount specified above relates has been properly incurred in connection with the Project being financed with the proceeds of the Installment Sale Agreement, is a reimbursable Project Cost and has not been the basis of any previous disbursement, and is not the basis of any pending Requisition;
 - (b) the expenditure of the amount specified above, when added to all previous disbursements from the Project Fund, will result in all such disbursements having been used to pay or reimburse the Company for Costs of the Project;
 - (c) the Installment Sale Agreement is in full force and effect and no default has occurred thereunder; and
 - (d) this Requisition is submitted for payment of the Costs of the Project as set forth on Schedule A hereto and not for Costs of Issuance.

5. Funds shall be disbursed as described in Schedule A for the following purposes: (a) to the Company only in reimbursement of expenditures made subsequent to sixty days before [] or (b) to the third parties identified in Schedule A for costs incurred by the Company but not yet paid.

Attached to this Requisition is a summary of the invoices itemizing the expenditures for which the Company is submitting this Requisition. Funds deposited with the Company for further disbursement to third parties shall be paid to such third parties by check dated the date of such deposit, and the Company reasonably expects such funds will be disbursed from its account within five Business Days of such deposit.

A copy of this Requisition has been delivered to each of the above named addressees.

The undersigned is duly authorized to execute and deliver this Requisition and to provide the representations and certifications set forth herein.

DATE: _____ Company's Authorized Representative _____



ESSEX COUNTY – STATE OF NEW YORK
 JOSEPH A. PROVONCHA, COUNTY CLERK
 7559 COURT ST, PO BOX 247, ELIZABETHTOWN, NY 12932

COUNTY CLERK'S RECORDING PAGE
 THIS PAGE IS PART OF THE DOCUMENT – DO NOT DETACH



Recording:

Cover Page	0.00
Recording Fee	0.00
Cultural Ed	0.00
Records Management - Coun	0.00
Records Management - Stat	0.00

BOOK/PAGE: 2452 / 144
 INSTRUMENT #: 2017-2103

Total: 0.00
 **** NOTICE: THIS IS NOT A BILL ****

Receipt#: 2017172416
 Clerk: SN
 Rec Date: 05/16/2017 03:04:00 PM
 Doc Grp: M
 Descrip: AGREEMENT
 Num Pgs: 11
 Rec'd Frm: G & G ABSTRACT

Party1: ESSEX COUNTY INDUSTRIAL DEV
 AGENCY
 Party2: Z B N A TR

I hereby certify that the within and foregoing
 was recorded in the Essex County Clerk's
 Office.

Joseph A. Provoncha
 Essex County Clerk

Record and Return To:

KENNETH W BOND
 SQUIRE PATTON BOGGS (US) LLP
 30 ROCKEFELLER PLAZA
 NEW YORK NEW YORK 10112

Notice Information may change during the verification
 process and may not be reflected on this page

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY

TO

**ZB, NATIONAL ASSOCIATION
AS TRUSTEE**

PLEDGE AND ASSIGNMENT

with

ACKNOWLEDGEMENT

THEREOF BY

CHAMPLAIN VALLEY MILLING CORP., INC.

DATED AS OF MAY 1, 2017

RELATING TO

\$4,245,000

**ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
TAX-EXEMPT REVENUE BONDS
(CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT)
SERIES 2017**

RECORD AND RETURN TO:
Kenneth W. Bond
Squire Patton Boggs (US) LLP
30 Rockefeller Plaza
New York, New York 10112

PLEDGE AND ASSIGNMENT

THIS PLEDGE AND ASSIGNMENT dated as of May 1, 2017 (the “Pledge and Assignment”) is from Essex County Industrial Development Agency, a public benefit corporation of the State of New York having an office for the transaction of business located at 7566 Court Street, Elizabethtown, New York 12932 (the “Issuer”) to ZB, National Association, a national banking association organized and existing under the laws of the United States of America, having a place of business located at 401 Liberty Avenue, Suite 1729, Pittsburgh, PA 15222, as trustee (the “Trustee”) for the holders of the Issuer’s \$4,245,000 Essex County Industrial Development Agency Tax-Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project) (the “Bonds”) issued pursuant to a certain trust indenture dated as of May 1, 2017 (the “Indenture”) by and between the Issuer and the Trustee, and is acknowledged by Champlain Valley Milling Corp., Inc., its successors or designees, a corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 6679 Main Street, PO Box 454, Westport, New York 12993-0454 (the “Company”).

For value received, the receipt of which is hereby acknowledged, the Issuer hereby pledges, assigns, transfers and sets over to the Trustee, and hereby grants the Trustee a lien on and security interest in, all of the Issuer’s right, title and interest in any and all moneys due or to become due and any and all other rights and remedies of the Issuer under or arising out of an installment sale agreement dated as of May 1, 2017 (the “Installment Sale Agreement”) by and between the Issuer and the Company (except for the “Unassigned Rights”, as defined in the Indenture, and moneys payable pursuant to the Unassigned Rights), which Installment Sale Agreement (or a memorandum thereof) is intended to be recorded immediately prior to the recordation hereof; provided, however, that the assignment made hereby shall not permit the amendment of the Installment Sale Agreement without the prior written consent of the Issuer.

The Trustee shall have no obligation, duty or liability under the Installment Sale Agreement except as specifically set forth in the Installment Sale Agreement and accepted herewith, nor shall the Trustee be required or obligated in any manner to fulfill or perform any obligation, covenant, term or condition of the Issuer thereunder or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim, or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled hereunder at any time or times. The Issuer shall at all times remain liable to observe and perform all of its covenants and obligations under the Installment Sale Agreement in accordance with the terms and limitations thereof.

The Issuer hereby irrevocably constitutes and appoints the Trustee its true and lawful attorney, with power of substitution, for the Issuer and in the name of the Issuer or in the name of the Trustee or otherwise, for the use and benefit of the holders of the Bonds (as defined in the Indenture), to ask, demand, require, receive, collect, compromise, compound and give discharges and releases of all claims for any and all moneys due or to become due under or arising out of the Installment Sale Agreement (except for claims relating to moneys due or to become due with respect to the Unassigned Rights) and to endorse any checks and other instruments or orders in connection therewith, and, if any “Event of Default” specified in the Indenture or the Bonds shall occur, (a) to settle, compromise, compound and adjust any such claims (except for claims arising pursuant to the Unassigned Rights), (b) to exercise and enforce any and all claims, rights, powers

and remedies of the Issuer under or arising out of the Installment Sale Agreement (except for rights of the Issuer relating to, and moneys payable pursuant to, the Unassigned Rights), (c) to file, commence and prosecute any suits, actions and proceedings at law or in equity in any court of competent jurisdiction to collect any such sums assigned to the Trustee hereunder and to enforce any rights in respect thereto and all other claims, rights, powers and remedies of the Issuer under or arising out of the Installment Sale Agreement (except for rights of the Issuer and moneys payable pursuant to the Unassigned Rights), and (d) generally to sell, assign, transfer, pledge, or make any agreement with respect to and otherwise deal with any of such claims, rights, powers and remedies as fully and completely as though the Trustee were the absolute owner thereof for all purposes, and at such times and in such manner as may seem to the Trustee to be necessary or advisable in its absolute discretion. The Issuer further agrees that at any time and from time to time, upon the written request of the Trustee, and at the sole cost and expense of the Company, the Issuer will promptly and duly execute, and delivery any and all such further instruments and documents as the Trustee may deem desirable in order to obtain the full benefits of this Pledge and Assignment and all rights and powers herein granted.

The Issuer hereby ratifies and confirms the Installment Sale Agreement and does hereby warrant and represent (a) that the Installment Sale Agreement is in full force and effect, (b) that the Issuer is not in default under the Installment Sale Agreement, and (c) that the Issuer has not assigned or pledged, and hereby covenants that it will not assign or pledge, so long as this Pledge and Assignment shall remain in effect, the whole or any part of the moneys, rights or remedies hereby assigned to anyone other than the Trustee.

All moneys due and to become due to the Trustee under or pursuant to the Installment Sale Agreement shall be paid directly to the Trustee at its address set forth in Section 1103 of the Indenture, or at such other address as the Trustee may designate to the Company and the Issuer in writing from time to time.

If the Issuer shall pay or cause to be paid, or there shall be paid, to the Trustee or its successors and assigns as the trustee for the holders of the Bonds or any part thereof, the principal of, premium, if any, and interest on the Bonds and all other sums due or to become due pursuant to the Indenture and this Pledge and Assignment, then this Pledge and Assignment and the estate and rights created hereby shall cease, terminate and be void, and thereupon the Trustee shall cancel and discharge the lien of this Pledge and Assignment and execute and deliver to the Issuer, and record, if necessary, such instruments in writing as shall be requisite to release the lien hereof, and shall reconvey, release, assign and deliver unto the Issuer the estate, right, title and interest in and to any and all property conveyed, sold, transferred, assigned or pledged to the Trustee, or otherwise subject to the lien of this Pledge and Assignment. This Pledge and Assignment shall be binding upon the Issuer and its successors and assigns and shall inure to the benefit of the Trustee and its successors and assigns as trustee for the holders of the Bonds or any part thereof.

All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Pledge and Assignment, the Indenture, the Bonds, the Installment Sale Agreement and the other documents and instruments connected herewith or therewith, and in any documents supplemental thereto (collectively, the "Financing Documents") shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any

member, officer, agent (other than the Company), servant or employee of the Issuer in his individual capacity, and no recourse under or upon any covenant, stipulation, promise, agreement or obligation in the Financing Documents contained or otherwise based upon or in respect of the Financing Documents, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, director, officer, agent (other than the Company), servant or employee, as such, of the Issuer or of any successor public benefit corporation or political subdivision or any person executing the Financing Documents on behalf of the Issuer, either directly or through the Issuer or any successor public benefit corporation or political subdivision or any person executing the Financing Documents on behalf of the Issuer, it being expressly understood that the Financing Documents are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, director, officer, agent (other than the Company), servant, or employee of the Issuer or of any successor public benefit corporation or political subdivision or any person executing the Financing Documents on behalf of the Issuer because of the creation of the indebtedness thereby authorized, or under or by reason of the covenants, stipulations, promises, agreements or obligations contained in the Financing Documents or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, director, officer, agent (other than the Company), servant or employee because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Financing Documents or implied therefrom, are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of the Financing Documents and the issuance of the Bonds.

The obligations and agreements of the Issuer contained herein shall not constitute or give rise to an obligation of the State of New York or Essex County, New York, and neither the State of New York nor Essex County, New York shall be liable thereon, and further such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the lease, sale or other disposition of the Project Facility (except for revenues derived by the Issuer with respect to the "Unassigned Rights", as defined in the Installment Sale Agreement).

Notwithstanding any provision of this Pledge and Assignment to the contrary, the Issuer shall not be obligated to take any action pursuant to any provision hereof unless (a) the Issuer shall have been requested to do so in writing by the Company or the Trustee, and (b) if compliance with such request is reasonably expected to result in the incurrence by the Issuer (or any member, director, officer, agent other than the Company, servant or employee of the Issuer) in any liability, fees, expenses or other costs, the Issuer shall have received from the Company or the Trustee, as the case may be, security or indemnity satisfactory to the Issuer for protection against all such liability, however remote, and for the reimbursement of all such fees, expenses and other costs.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed in its name and behalf by its Chairman and the Trustee has caused these presents to be signed in its name and behalf by one of its duly authorized trust officers, all as of the day and year first hereinabove written.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Name: Darren Darrah
Title: Chairman

ZB, NATIONAL ASSOCIATION, as Trustee

By: _____
Name: Eric Mitzel
Title: Vice President

The Company hereby acknowledges, approves and consents to the assignment of the Installment Sale Agreement described in the Pledge and Assignment pursuant to the Pledge and Assignment and agrees that the Trustee shall have and may exercise all rights of the Issuer under the Installment Sale Agreement (excepting therefrom the Unassigned Rights as defined therein), herein assigned and that it shall accept substitution of the Trustee for the Issuer under the Installment Sale Agreement and shall accept the Trustee's performance of the duties of the Issuer and the Trustee's exercise of the Issuer's rights or remedies as attorney-in-fact for the Issuer.

**CHAMPLAIN VALLEY MILLING CORP.,
INC.**

By: _____
Name: Samuel Sherman
Title: President

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed in its name and behalf by its Chairman and the Trustee has caused these presents to be signed in its name and behalf by one of its duly authorized trust officers, all as of the day and year first hereinabove written.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Darren Darrah
Title: Chairman

ZB, NATIONAL ASSOCIATION, as Trustee

By:  _____
Name: Eric Mitzel
Title: Vice President

The Company hereby acknowledges, approves and consents to the assignment of the Installment Sale Agreement described in the Pledge and Assignment pursuant to the Pledge and Assignment and agrees that the Trustee shall have and may exercise all rights of the Issuer under the Installment Sale Agreement (excepting therefrom the Unassigned Rights as defined therein), herein assigned and that it shall accept substitution of the Trustee for the Issuer under the Installment Sale Agreement and shall accept the Trustee's performance of the duties of the Issuer and the Trustee's exercise of the Issuer's rights or remedies as attorney-in-fact for the Issuer.

**CHAMPLAIN VALLEY MILLING CORP.,
INC.**

By: _____
Name: Samuel Sherman
Title: President

IN WITNESS WHEREOF, the Issuer has caused this instrument to be signed in its name and behalf by its Chairman and the Trustee has caused these presents to be signed in its name and behalf by one of its duly authorized trust officers, all as of the day and year first hereinabove written.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**


By: _____
Name: Darren Darrah
Title: Chairman

ZB, NATIONAL ASSOCIATION, as Trustee

By: _____
Name: Eric Mitzel
Title: Vice President

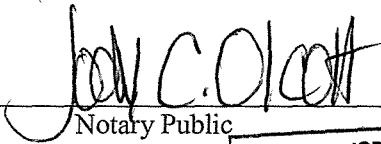
The Company hereby acknowledges, approves and consents to the assignment of the Installment Sale Agreement described in the Pledge and Assignment pursuant to the Pledge and Assignment and agrees that the Trustee shall have and may exercise all rights of the Issuer under the Installment Sale Agreement (excepting therefrom the Unassigned Rights as defined therein), herein assigned and that it shall accept substitution of the Trustee for the Issuer under the Installment Sale Agreement and shall accept the Trustee's performance of the duties of the Issuer and the Trustee's exercise of the Issuer's rights or remedies as attorney-in-fact for the Issuer.

**CHAMPLAIN VALLEY MILLING CORP.,
INC.**

By:  _____
Name: Samuel Sherman
Title: President

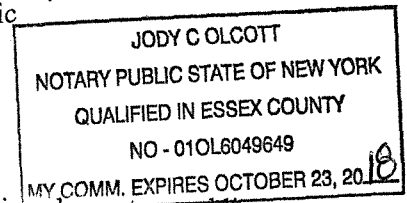
STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the 9 day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, personally known to me 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.



Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)



On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Eric Mitzel, the authorized officer of ZB, National Association, personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, the President of CHAMPLAIN VALLEY MILLING, INC., personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On the 9th day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Eric Mitzel, the authorized officer of ZB, National Association, personally known to me 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.



Notary Public

RUDY D. GREEN
Notary Public, State of New York
No.: 02GR4962723
Qualified in New York County
Commission Expires February 26, 2018

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, the President of CHAMPLAIN VALLEY MILLING, INC., personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Darren Darrah, the Chairman of the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, personally known to me 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.

Notary Public

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

On the ____ day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Eric Mitzel, the authorized officer of ZB, National Association, personally known to me 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.

Notary Public

STATE OF NEW YORK)
) SS:
COUNTY OF ESSEX)

On the 10th day of May, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, the President of CHAMPLAIN VALLEY MILLING CORP., INC., personally known to me 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.

Barbara A Breyette

Notary Public

BARBARA A BREYETTE
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BR4987221
Qualified in Essex County
Commission Expires October 7, 2017

**CERTIFICATE OF THE ESSEX COUNTY INDUSTRIAL DEVELOPMENT
AGENCY DIRECTING AUTHENTICATION OF THE BONDS**

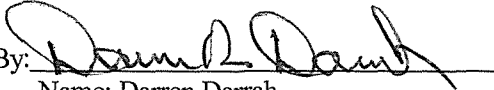
I, Darren Darrah, Chairman of the Essex County Industrial Development Agency (the “Issuer”), DO HEREBY DIRECT ZB, National Association, as trustee (the “Trustee”) under a Trust Indenture by and between the Issuer and Trustee dated as of May 1, 2017 (the “Indenture”), authorizing the issuance of the \$4,245,000 Essex County Industrial Development Agency Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 (the “Bonds”) to authenticate and deliver to The Depository Trust Company for the account of Cede & Co., dated as of May 1, 2017, and as further described in Exhibit A hereto.

I DO HEREBY FURTHER DIRECT the Trustee to apply proceeds of the Bonds in the amount of \$4,170,000 (representing the par amount of the Bonds, less Underwriter’s discount of \$75,000) from Janney Montgomery Scott LLC, representing payment of the purchase price of the Bonds, together with the equity contribution from the Company in the amount of \$101,200, as follows:

1. \$3,637,597.55 of the proceeds of the Bonds shall be paid to the Trustee for deposit into the Project Fund and applied on the Closing Date to pay costs of the Project; and
2. \$325,468.76 of the proceeds of the Bonds shall be paid to the Trustee for deposit into the Reserve Fund; and
3. \$143,710.95 of the proceeds of the Bonds shall be paid to the Trustee for deposit into the Capitalized Interest Account of the Project Fund; and
4. The remainder of the proceeds of the Bonds in the amount of \$63,222.74 and the equity contribution in amount of \$101,200 shall be deposited in the Cost of Issuance Fund to pay Costs of Issuance in the amount of \$111,100 and other delivery date expenses in the amount of \$53,322.74.

16th WITNESS my hand to this Certificate Directing Authentication of the Bonds this
day of May, 2017.

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Name: Darren Darrah
Title: Chairman


[Order Directing Trustee]

RECEIPT FOR BOND PROCEEDS

The Essex County Industrial Development Agency (the “Issuer”) hereby acknowledges receipt on the date hereof of the sum of \$4,170,000 which constitutes the purchase price of the \$4,245,000 principal amount Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017, dated May 16, 2017 (the “Bonds”) of the Issuer from Janney Montgomery Scott LLC, as Underwriter. The proceeds have been transferred to ZB, National Association (the “Trustee”), as trustee for the Bonds pursuant to the provisions of a Trust Indenture, dated as of May 1, 2017, by and among the Issuer and the Trustee.

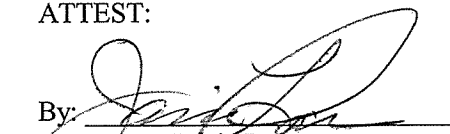
Dated: May ¹⁴ 16, 2017

ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Name: Darren Darrah
Title: Chairman

(SEAL)

ATTEST:

By: 
Name: Jamie Rogers
Title: Secretary

[Receipt for Bonds]

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

COUNTY OF ESSEX

AND

CHAMPLAIN VALLEY MILLING CORP., INC.

AND

TOWN OF WILLSBORO

AND

WILLSBORO CENTRAL SCHOOL DISTRICT
PAYMENT IN LIEU OF TAX AGREEMENT

DATED AS OF MAY 1, 2017

RELATING TO THE PREMISES GENERALLY LOCATED ON 19 MEYERS
WAY, TOWN OF WILLSBORO, COUNTY OF ESSEX, NEW YORK.

(This Table of Contents is not part of the Payment in Lieu of Tax Agreement and is for convenience of reference only.)

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PAYMENT IN LIEU OF TAX AGREEMENT

THIS PAYMENT IN LIEU OF TAX AGREEMENT dated as of May 1, 2017 (the "Payment in Lieu of Tax Agreement") by and between the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 7566 Court Street, Elizabethtown, New York 12996 (the "Agency"), the COUNTY OF ESSEX, a municipal corporation of the State of New York, located at 7551 Court Street, PO Box 217, Elizabethtown NY 12996, CHAMPLAIN VALLEY MILLING CORP., INC., a corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 6679 Main Street, PO Box 454, Westport, New York 12993-0454 (the "Company"), the TOWN OF WILLSBORO, a municipal corporation organized under the laws of the State of New York having an office for the transaction of business at 3721 Main Street, Willsboro, New York 12996 (the "Town") and the WILLSBORO CENTRAL SCHOOL DISTRICT, a school district organized under the laws of the State of New York having an office for the transaction of business at PO Box 180, 29 School Lane Willsboro, New York 12996 (the "School District").

WITNESSETH:

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

WHEREAS, the Enabling Act authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State of New York (the "State") and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and dispose of 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, commercial or industrial purposes, in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency, for the purpose of carrying out any of its corporate purposes, to lease or sell any or all of its facilities, whether then owned or thereafter acquired; and

WHEREAS, the Agency was created, pursuant to and in accordance with the provisions of the Enabling Act, by Chapter 563 of the Laws of 1973 of the State (collectively, with the Enabling Act, the "Act") and is empowered under the Act to undertake the Project (as hereinafter defined) in order to so advance the job opportunities, health, general prosperity and economic welfare of the people of the State and improve their standard of living; and

WHEREAS, on March 8, 2016, the Company, presented an application (the "Application") to the Agency, which Application requested that the Agency consider undertaking a project for the benefit of the Company, said project to include the following: (A)(1) the acquisition, construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including land and fixtures, to manufacture grain into flour, to be located at 19 Myers Way all within the Town of Willsboro, New York (the "Facility"), which facility will include an approximately 29,000 square foot building, and (2) certain fixtures and other personal property related thereto (the "Equipment") (the Facility and the Equipment being collectively referred to as the "Project Facility");

(B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt revenue bonds of the Agency in one or more series in an aggregate principal amount not to exceed \$5,000,000; (C) the funding of a debt service reserve fund for the bonds for the Project; (D) the payment of the costs of issuing such bonds; and (E) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the State General Municipal Law) with respect to the foregoing, including an exemption from certain sales and use taxes, real property taxes, deed transfer taxes, and mortgage recording taxes (together with the Project Facility, the "Project"); and

WHEREAS, Pursuant to the authorization contained in a resolution adopted by the members of the Agency on April 19, 2016 (the "Inducement Resolution"), the Executive Director of the Agency (A) caused notice of a public hearing of the Agency pursuant to Section 859-a of the Act (the "Public Hearing") to hear all persons interested in the Project and the Financial Assistance being contemplated by the Agency with respect to the Project, to be mailed on May 13, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Project is to be located, (B) caused notice of the Public Hearing to be posted on May 13, 2016 on a public bulletin board located in the Town of Elizabethtown, Essex County, New York, (C) caused notice of the Public Hearing to be published on May 13, 2016 in The Press Republican a newspaper of general circulation available to the residents of the Town of Elizabethtown, Essex County, New York, (D) conducted the Public Hearing on May 23, 2016, at 9:15 p.m., local time at the offices of the Agency located at 7566 Court Street in the Town of Elizabethtown, Essex County, New York, and (E) prepared a report of the Public Hearing which fairly summarized the views presented at said public hearing and distributed same to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on April 6, 2017 (the "SEQR Resolution"), the Agency determined (A) to conduct an uncoordinated review of the Project and (B) that the Project is an "Unlisted action" which will not have a significant effect on the environment and, therefore, that an environmental impact statement is not required to be prepared with respect to the Project; and

WHEREAS, by further resolution adopted by the members of the Agency on April 6, 2017 (the "Bond Resolution"), the Agency determined to issue its (i) \$4,245,000 Tax-Exempt Revenue Bonds (Champlain Valley Milling, Inc. Project), Series 2017 (the "Bonds") for the purpose of financing the costs of undertaking the Project, respectively, authorizing the Agency to undertake the Project, to issue and sell the Bonds and to execute and deliver the Financing Documents to which the Agency is a party, to grant the Financial Assistance and to enter into Indenture, dated as of May 1, 2017 (the "Indenture") between the Agency and ZB, National Association (the "Trustee") and certain other documents related thereto and to the Project; and

WHEREAS, pursuant to the terms of an Installment Sale Agreement (the "Installment Sale Agreement") dated as of May 1, 2017, the Agency will agree to (i) acquire, construct, reconstruct and equip the Project Facility and (ii) to sell the Project Facility to the Company; and

WHEREAS, simultaneously with the execution and delivery of the Installment Sale Agreement (A) the Agency will pledge and assign certain rights and remedies under the Installment Sale Agreement, including the right to collect and receive certain moneys due and to become due thereunder (except for Unassigned Rights as defined in the Indenture) to the Trustee pursuant to a Pledge and Assignment

Agreement with Acknowledgement by the Company between the Agency and the Trustee, dated as of May 1, 2017 (the "Pledge and Assignment"); (B) the Agency and the Company will deliver a first lien mortgage and security agreement on the Project Facility (the 'Mortgage') dated as of May 1, 2017, securing payment of the principal of, premium, if any, and interest on the Bonds; (C) the Company and the majority shareholders of the Company (together, the "Guarantors") will guaranty the timely payment in full of the principal of, premium, if any, and interest on the Bonds pursuant to a guaranty agreement from the Guarantors to the Agency and the Trustee, dated as of May 1, 2017 (the "Guaranty"); (D) the Company and the Agency will execute and deliver this Payment in Lieu of Tax Agreement pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project, (E) the Agency will file with the assessor and mail to the chief executive officer of each "affected tax jurisdiction" (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a State Board of Real Property Services Form 412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project under Section 412-a of the Real Property Tax Law) (the "Real Property Tax Exemption Form") relating to the Project and the Payment in Lieu of Tax Agreement, (F) the Agency will file with the State Department of Taxation and Finance the form entitled "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (the form required to be filed pursuant to Section 874(9) of the Act) (the "Thirty-Day Sales Tax Report"); and

WHEREAS, under the present provisions of the Act and Section 412-a of the Real Property Tax Law of the State (the "Real Property Tax Law"), the Agency is required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction or supervision or control; and

WHEREAS, the Company agrees to make payments in lieu of taxes with respect to the Project in an amount equivalent to normal taxes, provided that, so long as this Payment in Lieu of Tax Agreement shall be in effect, the Company shall during the term of this Payment in Lieu of Tax Agreement make payments in lieu of taxes in the amounts and in the manner provided for in Section 2.02(C) hereof; and

WHEREAS, all things necessary to constitute this Payment in Lieu of Tax Agreement a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this Payment in Lieu of Tax Agreement have in all respects been duly authorized by the Agency and the Company;

NOW, THEREFORE, in consideration of the matters above recited, the parties hereto formally covenant, agree and bind themselves as follows, to wit:

ARTICLE I REPRESENTATIONS AND WARRANTIES

SECTION 1.01. REPRESENTATIONS OF AND TIES BY THE AGENCY. The Agency does hereby represent, warrant and covenant as follows:

(A) Power. The Agency is a public benefit corporation of the State, has been duly established under the provisions of the Act, is validly existing under the provisions of the Act and has the power under the laws of the State of New York to enter into the transactions contemplated by this Payment in Lieu of Tax Agreement and to carry out the transactions contemplated hereby and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement hereunder.

(B) Authorization. The Agency is authorized and has the corporate power under the Act, its by-laws and the laws of the State to enter into this Payment in Lieu of Tax Agreement and the transactions contemplated hereby and to perform and carry out all the covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement by proper corporate action on the part of its members, the Agency has duly authorized the execution, delivery and performance of this Payment in Lieu of Tax Agreement and the consummation of the transactions herein contemplated.

(C) Conflicts. The Agency is not prohibited from entering into this Payment in Lieu of Tax Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement by the terms, conditions or provisions of any order, judgment, decree, law, ordinance, rule or regulation of any court or other agency or authority of government, or any agreement or instrument to which the Agency is a party or by which the Agency is bound.

SECTION 1.02. REPRESENTATIONS OF AND WARRANTIES BY THE COMPANY. The Company does hereby represent, warrant and covenant as follows:

(A) Power. The Company is a corporation duly organized and validly existing under the laws of the State, is duly authorized to do business in the State and has the power under the laws of the State to enter into this Payment in Lieu of Tax Agreement and the transactions contemplated hereby and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement, and by proper action of its members has been duly authorized to execute, deliver and perform this Payment in Lieu of Tax Agreement.

(B) Authorization. The Company is authorized and has the power under its Certificate of Incorporation, Bylaws and the laws of the State to enter into this Payment in Lieu of Tax Agreement and the transactions contemplated hereby and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement. By proper action of its members, the Company has duly authorized the execution, delivery and performance of this Payment in Lieu of Tax Agreement and the consummation of the transactions herein contemplated.

(C) Conflicts. The Company is not prohibited from entering into this Payment in Lieu of Tax Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement by (and the execution, delivery and performance of this Payment in Lieu of Tax Agreement, the consummation of the transactions contemplated hereby and the fulfillment of and compliance with the provisions of this Payment in Lieu of Tax Agreement will not conflict with or violate or constitute a breach of or a default under) the terms conditions or provisions of its Certificate of Incorporation or Bylaws or any other restriction, law, rule, regulation or order of any court or other agency or authority of government, or any contractual limitation, restriction or outstanding indenture, deed of trust, mortgage, loan agreement, other evidence of indebtedness or any other agreement or instrument to which the Company is a party or by which it or any of its property is bound, and neither the Company's entering into this Payment in Lieu of Tax Agreement nor the Company's discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement will be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) 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 of the foregoing, and this Payment in Lieu of Tax Agreement is the legal, valid and binding obligation of the Company enforceable in accordance with its terms, except as enforceability may be

limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(D) Governmental Consent. No consent, approval or authorization of, or filing, registration or qualification with, any governmental or public authority on the part of the Company is required as a condition to the execution, delivery or performance of this Payment in Lieu of Tax Agreement by the Company or as a condition to the validity of this Payment in Lieu of Tax Agreement.

ARTICLE II COVENANTS AND AGREEMENTS

SECTION 2.01. TAX-EXEMPT STATUS OF THE PROJECT. (A) Assessment of the Project. Pursuant to Section 874 of the Act and Section 412-a of the Real Property Tax Law, the parties hereto understand that, upon acquisition of the Project by the Agency and the filing by the Agency of State Board of Real Property Services Form RP-4 12-a (a "Real Property Tax Exemption Form") with respect to the Project, and for so long thereafter as the Agency shall own the Project, the Project shall be assessed by the various taxing entities having jurisdiction over the Project, including, without limitation, any county, city, school district, town, village or other political unit or units wherein the Project is located (such taxing entities being sometimes collectively hereinafter referred to as the "Taxing Entities", and each of such Taxing Entities being sometimes individually hereinafter referred to as a "Taxing Entity") as exempt upon the assessment rolls of the respective Taxing Entities prepared subsequent to the acquisition by the Agency of the Project and the filing of the Real Property Tax Exemption Forms. The Company shall take such action as may be necessary to ensure that the Project shall be assessed as exempt upon the assessment rolls of the respective Taxing Entities prepared subsequent to such acquisition by the Agency, including ensuring that a Real Property Tax Exemption Form shall be filed with the appropriate officer or officers of each respective Taxing Entity responsible for assessing properties on behalf of each such Taxing Entity (each such officer being hereinafter referred to as an "Assessor"). For so long thereafter as the Agency shall hold an ownership interest in the Project, the Company shall take such further action as may be necessary to maintain such exempt assessment with respect to each Taxing Entity. The parties hereto understand that the Project shall not be entitled to such tax-exempt status on the tax rolls of any Taxing Entity until the first tax year of such Taxing Entity following the tax status date of such Taxing Entity occurring subsequent to the date upon which the Agency becomes the owner of record of the Project and the Real Property Tax Exemption Forms are filed with the Assessors. Pursuant to the provisions of the Installment Sale Agreement, the Company will be required to pay all taxes and assessments lawfully levied and/or assessed against the Project, including taxes and assessments levied for the current tax year and all subsequent tax years until the Project shall be entitled to exempt status on the tax rolls of the respective Taxing Entities. The Agency will cooperate with the Company to obtain and preserve the tax-exempt status of the Project.

(B) Special Assessments. The parties hereto understand that the tax exemption extended to the Agency by Section 874 of the Act and Section 412-a of the Real Property Tax Law does not entitle the Agency to exemption from special assessments and special ad valorem levies. The Company will be required to pay all special assessments and special ad valorem levies lawfully levied and/or assessed against the Project Facility.

SECTION 2.02. PAYMENTS IN LIEU OF TAXES. (A) Agreement to Make Payments. The Company agrees that it shall make annual payments in lieu of property taxes in the amounts hereinafter provided to the respective Taxing Entities entitled to receive same pursuant to the provisions hereof. The Company

also agrees to give the Assessors a copy of this Payment in Lieu of Tax Agreement. The payments due hereunder shall be paid by the Company to the respective appropriate officer or officers of the respective Taxing Entities charged with receiving payments of taxes for such Taxing Entities (such officers being collectively hereinafter referred to as the "Receivers of Taxes") for distribution by the Receivers of Taxes to the appropriate Taxing Entities entitled to receive same pursuant to the provisions hereof.

(B) Valuation of the Project Facility. (1) The value of the Project Facility for purposes of determining payments in lieu of taxes due hereunder (hereinafter referred to as the "Assessed Value") shall be determined by the appropriate Assessors. The Company agrees to give the Assessors a copy of this Payment in Lieu of Tax Agreement. The parties hereto agree that the Assessors shall (a) appraise the land in the same manner as other similar properties in the general area of the land, (b) place an Assessed Value upon the land, equalized if necessary by using the appropriate equalization rates as apply in the assessment and levy of real property taxes, (c) appraise the Project Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law (collectively with the Project Facility, the "Improvements") in the same manner as other similar properties in the general area of the Improvements, and (d) place an Assessed Value upon the Improvements, equalized if necessary by using the appropriate equalization rates as apply in the assessment and levy of real property taxes. The Company shall be entitled to written notice of the initial determination of the Assessed Value of the Improvements and of any change in the Assessed Value of the land or the Improvements.

(2) If the Company is dissatisfied with the amount of the Assessed Value of the Improvements as initially established or with the amount of the Assessed Value of the land or the Improvements as changed, and if the Company shall have given written notice of such dissatisfaction to the appropriate Assessor and the Agency within thirty (30) days of receipt by the Company of written notice of the initial establishment of such Assessed Value of the Improvements, or of a change in such Assessed Value of the land or the Improvements, then the Company shall be entitled to protest before, and to be heard by, the appropriate Assessor and the Agency. If the Agency, the Company and any Assessor shall fail to reach agreement as to the proper Assessed Value of the Project Facility for purposes of determining payments in lieu of taxes due under this Payment in Lieu of Tax Agreement, then such Assessor, the Company and the Agency shall each select one arbitrator in accordance with the rules of the American Arbitration Association, each of whom shall be a qualified real estate appraiser, experienced in valuation for the purposes of tax assessment in the general area of the Project Facility, which arbitrators shall, at the sole cost and expense of the Company, determine whether the Assessed Value has been properly established by the Assessor. It is understood that the arbitrators are empowered to confirm the Assessed Value or to determine a higher or a lower Assessed Value. Any payments in lieu of taxes due upon the Project Facility may not be withheld by the Company pending determination of the Assessed Value by the arbitrators.

(C) Amount of Payments in Lieu of Taxes. The payments in lieu of taxes to be paid by the Company to the Receivers of Taxes annually on behalf of each Taxing Entity pursuant to the terms of this Payment in Lieu of Tax Agreement shall be computed separately for each Taxing Entity as follows:

(1) First, determine the amount of general taxes and general assessments (hereinafter referred to as the "Normal Tax") which would be payable to each Taxing Entity if the land was owned by the Company and not the Agency by multiplying the Assessed Value of the land determined pursuant to Subsection (B) of this Section 2.0 by the tax rate or rates of such Taxing Entity that would be applicable to the land if the land was owned by the Company and not the Agency.

(2) In each tax year during the term of this Payment in Lieu of Tax Agreement, commencing on the first tax year following the date on which the land shall be assessed as exempt on the assessment roll of any Taxing Entity, the amount payable by the Company to the Receivers of Taxes on behalf of each Taxing Entity as a payment in lieu of property tax pursuant to this Payment in Lieu of Tax Agreement with respect to the land shall be an amount equal to one hundred percent (100%) of the Normal Tax due each Taxing Entity with respect to the land for such tax year.

(3) Next, determine the Normal Tax which would be payable to each Taxing Entity if the Improvements were owned by the Company and not the Agency by multiplying the Assessed Value of the Improvements determined pursuant to Subsection (B) of this Section 2.02 by the tax rate or rates of such Taxing Entity that would be applicable to the Improvements if the Improvements were owned by the Company and not the Agency.

(4) In each tax year during the term of this Payment in Lieu of Tax Agreement, commencing on the first tax year following the date on which the Improvements shall be assessed as exempt on the assessment roll of any Taxing Entity, the amount payable by the Company to the Receivers of Taxes on behalf of each Taxing Entity as a payment in lieu of property tax pursuant to this Payment in Lieu of Tax Agreement with respect to the Improvements shall be an amount equal to the applicable percentage of the Normal Tax due each Taxing Entity with respect to the Improvements for such tax year, as shown in the following table:

Tax Year Commencing during Fiscal Year	Percentage of Normal Tax
1	5%
2	10%
3	15%
4	20%
5	25%
6	30%
7	35%
8	40%
9	45%
10	50%

(5) In each tax year during the term of this Payment in Lieu of Tax Agreement, commencing on the first tax year following the date on which any portion of the Project shall be assessed as exempt on the assessment roll of any Taxing Entity, the amount payable by the Company to the Receivers of Taxes on behalf of each Taxing Entity as a payment in lieu of property tax pursuant to this Payment in Lieu of Tax Agreement with respect to the Project shall be the sum of (a) the amount due each Taxing Entity with respect to the land for such tax year, as determined pursuant to Subsection (C)(2) hereof, **plus** (b) the amount due each Taxing Entity with respect to the Improvements for such tax year, as determined pursuant to Subsection (C)(4)

hereof.

(D) Additional Amounts in Lieu of Taxes. Commencing on the first tax year following the date on which any structural addition shall be made to the Project Facility or any portion thereof or any additional building or other structure shall be constructed on the land (such structural additions and additional buildings and other structures being hereinafter referred to as "Additional Facilities") the Company agrees to make additional annual payments in lieu of property taxes with respect to such Additional Facilities (such additional payments being hereinafter collectively referred to as "Additional Payments") to the Receivers of Taxes with respect to such Additional Facilities, such Additional Payments to be computed separately for each Taxing Entity as follows:

(E) (1) Determine the amount of general taxes and general assessments (hereinafter referred to as the "Additional Normal Tax") which would be payable to each Taxing Entity with respect to such Additional Facilities if such Additional Facilities were owned by the Company and not the Agency as follows: (a) multiply the Additional Assessed Value (as hereinafter defined) of such Additional Facilities determined pursuant to subsection (D) of this Section 2.02 by (b) the tax rate or rates of such Taxing Entity that would be applicable to such Additional Facilities if such Additional Facilities were owned by the Company and not the Agency, and (c) reduce the amount so determined by the amounts of any tax exemptions that would be afforded to the Company by such Taxing Entity if such Additional Facilities were owned by the Company and not the Agency.

(2) In each fiscal tax year during the term of this Payment in Lieu of Tax Agreement (commencing in the fiscal tax year when such Additional Facilities would first appear on the assessment roll of any Taxing Entity) if such Additional Facilities were owned by the Company and not the Agency, the amount payable by the Company to the Receivers of Taxes on behalf of each Taxing Entity as a payment in lieu of property tax with respect to such Additional Facilities pursuant to this Payment in Lieu of Tax Agreement shall be an amount equal to one hundred percent (100%) of the Normal Tax due each Taxing Entity with respect to such Additional Facilities for such fiscal tax year (unless the Agency and the Company shall enter into a separate written agreement regarding payments in lieu of property taxes with respect to such Additional Facilities, in which case the provisions of such separate written agreement shall control).

(F) Valuation of Additional Facilities. (1) The value of Additional Facilities for purposes of determining payments in lieu of taxes due under Section 2.02(D) hereof shall be determined by the Assessors of each respective Taxing Entity. The parties hereto agree that the Assessors shall (a) appraise the Additional Facilities in the same manner as other similar properties in the general area of the Project, Facility and (b) place a value for assessment purposes (hereinafter referred to as the "Additional Assessed Value") upon the Additional Facilities, equalized if necessary by using the appropriate equalization rates as apply in the assessment and levy of real property taxes. The Company shall be entitled to written notice of the initial establishment of such Additional Assessed Value and of any change in such Additional Assessed Value.

(2) If the Company is dissatisfied with the amount of the Additional Assessed Value of the Additional Facilities as initially established or as changed, and if the Company shall have given written notice of such dissatisfaction to the appropriate Assessor and the Agency within thirty (30) days of receipt by the Company of written notice of the initial establishment of such Additional Assessed Value, or of a change in such Additional Assessed Value, then the Company shall be entitled to protest before, and to be heard by, the appropriate Assessor and the Agency. If the Agency, the Company and any Assessor shall fail to reach agreement as to the

proper Additional Assessed Value of the Additional Facilities for purposes of determining payments in lieu of taxes due under this Payment in Lieu of Tax Agreement, then such Assessor, the Company and the Agency shall each select one arbitrator in accordance with the rules of the American Arbitration Association, each of whom shall be a qualified real estate appraiser, experienced in valuation for the purposes of tax assessment in the general area of the Project Facility which arbitrators shall, at the sole cost and expense of the Company, determine whether the Additional Assessed Value of the Additional Facilities has been properly established by the Assessor. It is understood that the arbitrators are empowered to confirm the Additional Assessed Value or to determine a higher or lower Additional Assessed Value. Any payments in lieu of taxes due upon such Additional Facilities pursuant to Section 2.02(D) hereof may not be withheld by the Company pending determination of the Additional Assessed Value by the arbitrators.

(G) Statements. Pursuant to Section 858(15) of the Act, the Agency agrees to give each Taxing Entity a copy of this Payment in Lieu of Tax Agreement within fifteen (15) days of the execution and delivery hereof, together with a request that a copy hereof be given to the appropriate officer or officers of the respective Taxing Entities responsible for preparing the tax rolls for said Tax Entities (each, a "Tax Billing Officer") and a request that said Tax Billing Officers submit to the Company and to the appropriate Receiver of Taxes periodic statements specifying the amount and due date or dates of the payments due each Taxing Entity hereunder, such periodic statements to be submitted to the Company at approximately the times that tax bills are mailed by such Taxing Entities.

(H) Time of Payments. The Company agrees to pay the amounts due hereunder to the Receivers of Taxes for the benefit of each particular Taxing Entity in any fiscal tax year to the appropriate Receiver of Taxes within the period that such Taxing Entity allows payment of taxes levied in such fiscal tax year without penalty. The Company shall be entitled to receive receipts for such payments.

(I) Method of Payment. All payments by the Company hereunder shall be paid to the Receivers of Taxes in lawful money of the United States of America. The Receivers of Taxes shall in turn distribute the amounts so paid to the various Taxing Entities entitled to same.

SECTION 2.03. CREDIT FOR TAXES PAID. (A) Amount of Credit. The parties hereto acknowledge and agree that the obligation of the Company to make the payments provided in Section 2.02 of this Payment in Lieu of Tax Agreement shall be in addition to any and all other taxes and governmental charges of any kind whatsoever which the Company may be required to pay under the Installment Sale Agreement. It is understood and agreed, however, that, should the Company pay in any fiscal tax year to any Taxing Entity any amounts in the nature of general property taxes, general assessments, service charges or other governmental charges of a similar nature levied and/or assessed upon the Project Facility or the interest therein of the Company or the occupancy thereof by the Company (but not including, by way of example, (1) sales and use taxes, and (2) special assessments, special ad valorem levies or governmental charges in the nature of utility charges, including but not limited to water, solid waste, sewage treatment or sewer or other rents, rates or charges), then the Company's obligation to make payments in lieu of property taxes attributed to such fiscal tax year to such Taxing Entity hereunder shall be reduced by the amounts which the Company shall have so paid to such Taxing Entity in such fiscal tax year, but there shall be no cumulative or retroactive credit as to any payment in lieu of property taxes due to any other Taxing Entity or as to any payment in lieu of property taxes due to such Taxing Entity in any other fiscal tax year.

(B) Method of Claiming Credits. If the Company desires to claim a credit against any particular payment in lieu of tax due hereunder, the Company shall give the governing body of the affected Taxing Entity and the Agency prior written notice of its intention to claim any credit pursuant to the provision of this Section 2.03, said notice to be given by the Company at least thirty (30) days prior to the date on which such payment in lieu of tax is due pursuant to the provisions of Section 2.02(H) hereof. In the event that the governing body of the appropriate Taxing Entity desires to contest the Company's right to claim such credit, then said governing body, the Agency and the Company shall each select an arbitrator in accordance with the rules of the American Arbitration Association, each of whom shall meet the qualifications set forth in Section 2.02(B) hereof, which arbitrators shall, at the sole cost and expense of the Company, determine whether the Company is entitled to claim any credit pursuant to the provisions of this Section 2.03 and, if so, the amount of the credit to which the Company is entitled. It is understood that the arbitrators are empowered to confirm the amount of the credit claimed by the Company or to determine a lower or higher credit. When the Company shall have given notice, as provided herein, that it claims a credit, the amount of any payment in lieu of property taxes due hereunder against which the credit may be claimed may be withheld (to the extent of the credit claimed by the Company, but only to the extent that such credit may be claimed against said payment in lieu of taxes pursuant to the provisions of this Section 2.03) until the decision of the arbitrators is rendered. After the decision of the arbitrators is rendered, the payment in lieu of taxes due with respect to any reduction or disallowance by the arbitrators in the amount of the credit claimed by the Company shall, to the extent withheld as aforesaid, be immediately due and payable and shall be paid by the Company within thirty (30) days of said decision.

SECTION 2.04. LATE PAYMENTS. (A) First Month. Pursuant to Section 874(5) of the Act, if the Company shall fail to make any payment required by this Payment in Lieu of Tax Agreement when due, the Company shall pay the same, together with a late payment penalty equal to five percent (5%) of the amount due.

(B) Thereafter. If the Company shall fail to make any payment required by this Payment in Lieu of Tax Agreement when due and such delinquency shall continue beyond the first month, the Company's obligation to make the payment so in default shall continue as an obligation of the Company to the affected Taxing Entity until such payment in default shall have been made in full, and the Company shall pay the same to the affected Taxing Entity together with (1) a late payment penalty of one percent (1%) per month for each month, or part thereof, that the payment due hereunder is delinquent beyond the first month, plus (2) interest thereon, to the extent permitted by law, at the greater of (a) one percent (1%) per month, or (b) the rate per annum which would be payable if such amount were delinquent taxes, until so paid in full.

ARTICLE III LIMITED OBLIGATION

SECTION 3.01. NO RECOURSE; LIMITED OBLIGATION OF THE AGENCY. (A) No Recourse. All obligations, covenants, and agreements of the Agency contained in this Payment in Lieu of Tax Agreement shall be deemed to be the obligations, covenants, and agreements of the Agency and not of any member, officer, agent, servant or employee of the Agency in his individual capacity, and no recourse under or upon any obligation, covenant or agreement contained in this Payment in Lieu of Tax Agreement, or otherwise based upon or in respect of this Payment in Lieu of Tax Agreement, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, officer, agent (other than the Company), servant or employee, as such, of the Agency or any successor public benefit corporation or political subdivision or any person executing this Payment in Lieu of Tax Agreement on behalf of the Agency, either directly or through the Agency or any successor public

benefit corporation or political subdivision or any person so executing this Payment in Lieu of Tax Agreement, it being expressly understood that this Payment in Lieu of Tax Agreement is a corporate obligation, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, officer, agent (other than the Company), servant or employee of the Agency or of any successor public benefit corporation or political subdivision or any person so executing this Payment in Lieu of Tax Agreement under or by reason of the obligations, covenants or agreements contained in this Payment in Lieu of Tax Agreement or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, officer, agent (other than the Company), servant or employee under or by reason of the obligations, covenants or agreements contained in this Payment in Lieu of Tax Agreement or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of this Payment in Lieu of Tax Agreement by the Agency.

(B) Limited Obligation. The obligations, covenants and agreements of the Agency contained herein shall not constitute or give rise to an obligation of the State or Essex County, New York, and neither the State nor Essex County, New York shall be liable thereon, and further such obligations, covenants and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from the revenues of the Agency derived and to be derived from the lease, sale or other disposition of the Project (except for revenues derived by the Agency with respect to the Unassigned Rights, as defined in the Indenture).

(C) Further Limitation. Notwithstanding any provision of this Payment in Lieu of Tax Agreement to the contrary, the Agency shall not be obligated to take any action pursuant to any provision hereof unless (1) the Agency shall have been requested to do so in writing by the Company, and (2) if compliance with such request is reasonably expected to result in the incurrence by the Agency (or any of its members, officers, agents, servants or employees) of any liability, fees, expenses or other costs, the Agency shall have received from the Company security or indemnity and an agreement from the Company to defend and hold harmless the Agency satisfactory to the Agency for protection against all such liability, however remote, and for the reimbursement of all such fees, expenses and other costs.

ARTICLE IV EVENTS OF DEFAULT

SECTION 4.01. EVENTS OF DEFAULT. Any one or more of the following events shall constitute an event of default under this Payment in Lieu of Tax Agreement, and the terms "Event of Default" or "default" shall mean, whenever they are used in this Payment in Lieu of Tax Agreement, any one or more of the following events:

(A) Failure of the Company to pay when due any amount due and payable by the Company pursuant to this Payment in Lieu of Tax Agreement and continuance of said failure for a period of fifteen (15) days after written notice to the Company stating that such payment is due and payable;

(B) Failure of the Company to observe and perform any other covenant, condition or agreement on its part to be observed and performed hereunder (other than as referred to in paragraph (A) above) and continuance of such failure for a period of thirty (30) days after written notice to the Company specifying the nature of such failure and requesting that it be remedied; provided that if such default cannot reasonably be cured within such thirty (30) day period and if the Company shall have commenced action to cure the breach of covenant, condition or agreement within said thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be

extended for so long as the Company shall require in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of ninety (90) days in the aggregate from the date of default; or

(C) Any warranty, representation or other statement by or on behalf of the Company contained in this Payment in Lieu of Tax Agreement shall prove to have been false or incorrect in any material respect on the date when made or on the effective date of this Payment in Lieu of Tax Agreement and (1) shall be materially adverse to the Agency at the time when the notice referred to below shall have been given to the Company and (2) if curable, shall not have been cured within thirty (30) days after written notice of such incorrectness shall have been given to a responsible officer of the Company, provided that if such incorrectness cannot reasonably be cured within said thirty-day period and the Company shall have commenced action to cure the incorrectness within said thirty-day period and, thereafter, diligently and expeditiously proceeds to cure the same, such thirty-day period shall be extended for so long as the Company shall require, in the exercise of due diligence, to cure such default.

SECTION 4.02. REMEDIES ON DEFAULT. (A) General. Whenever any Event of Default shall have occurred with respect to this Payment in Lieu of Tax Agreement, the Agency (or if such Event of Default concerns a payment required to be made hereunder to any Taxing Entity, then with respect to such Event of Default such Taxing Entity) may take whatever action at law or in equity as may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreements and covenants of the Company under this Payment in Lieu of Tax Agreement.

(B) Cross-Default. In addition, an Event of Default hereunder shall constitute an event of default under Article X of the Installment Sale Agreement. Upon the occurrence of an Event of Default hereunder resulting from a failure of the Company to make any payment required hereunder, the Agency shall have, as a remedy therefor under the Installment Sale Agreement, among other remedies, the right to terminate the disbursement of Bond Proceeds under the Installment Sale Agreement, thus subjecting the Project to immediate full taxation pursuant to Section 520 of the Real Property Tax Law of the State.

(C) Separate Suits. Each such Event of Default shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder as each cause of action arises. Each such Event of Default shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder as each cause of action arises.

(D) Venue. The Company irrevocably agrees that any suit, action or other legal proceeding arising out of this Payment in Lieu of Tax Agreement may be brought in the courts of record of the State, consents to the jurisdiction of each such court in any such suit, action or proceeding, and waives any objection which it may have to the laying of the venue of any such suit, action or proceeding in any of such courts.

SECTION 4.03. PAYMENT OF ATTORNEY'S FEES AND EXPENSES. Pursuant to Section 874(6) of the Act, if the Company should default in performing any of its obligations, covenants or agreements under this Payment in Lieu of Tax Agreement and the Agency or any Taxing Entity should employ attorneys or incur other expenses for the collection of any amounts payable hereunder or for the enforcement of performance or observance of any obligation, covenant or agreement on the part of the Company herein contained, the Company agrees that it will, on demand therefor, pay to the Agency or such Taxing Entity, as the case may be, not only the amounts adjudicated due hereunder, together with the late payment penalty and interest due thereon, but also the reasonable fees and disbursements of such

attorneys and all other expenses, costs and disbursements so incurred, whether or not an action is commenced.

SECTION 4.04. REMEDIES; WAIVER AND NOTICE. (A) No Remedy Exclusive. No remedy herein conferred upon or reserved to the Agency or any Taxing Entity is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Payment in Lieu of Tax Agreement or now or hereafter existing at law or in equity or by statute.

(B) Delay. No delay or omission in exercising any right or power accruing upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

(C) Notice Not Required. In order to entitle the Agency or any Taxing Entity to exercise any remedy reserved to it in this Payment in Lieu of Tax Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Payment in Lieu of Tax Agreement.

(D) No Waiver. In the event any provision contained in this Payment in Lieu of Tax Agreement should be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to be a waiver of any other breach hereunder. No waiver, amendment, release or modification of this Payment in Lieu of Tax Agreement shall be established by conduct, custom or course of dealing.

ARTICLE V MISCELLANEOUS

SECTION 5.01. TERM. General. This Payment in Lieu of Tax Agreement shall become effective and the obligations of the Company shall arise absolutely and unconditionally upon the approval of this Payment in Lieu of Tax Agreement by resolution of the Agency and the execution and delivery of this Payment in Lieu of Tax Agreement by the Company and the Agency. Unless otherwise provided by amendment hereof, this Payment in Lieu of Tax Agreement shall continue to remain in effect until the earlier to occur of (1) December 31, 2027 or (2) an occurrence as provided in Section 10.1 of the Installment Sale Agreement.

SECTION 5.02. FORM OF PAYMENTS. The amounts payable under this Payment in Lieu of Tax Agreement shall be payable in such coin and currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

SECTION 5.03. COMPANY ACTS. Where the Company is required to do or accomplish any act or thing hereunder, the Company may cause the same to be done or accomplished with the same force and effect as if done or accomplished by the Company.

SECTION 5.04. AMENDMENTS. This Payment in Lieu of Tax Agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing executed by the parties hereto.

SECTION 5.05. NOTICES. (A) General. All notices, certificates or other communications hereunder shall be in writing and may be personally served, telecopied or sent by courier service or United States mail and shall be sufficiently given and shall be deemed given when (1) delivered in person or by courier to the applicable address stated below, (2) when received by telecopy or (3) three business days after deposit in the United States, by United States mail (registered or certified mail, postage prepaid, return receipt requested, property addressed), or (4) when delivered by such other means as shall provide the sender with documentary evidence of such delivery, or when delivery is refused by the addressee, as evidenced by the affidavit of the person who attempted to effect such delivery.

(B) Notices Given by Taxing Entities. Notwithstanding the foregoing, notices of assessment or reassessment of the Project Facility and other notices given by a Taxing Entity under Article II hereof shall be sufficiently given and shall be deemed given when given by the Taxing Entity in the same manner in which similar notices are given to owners of taxable properties by such Taxing Entity.

(C) Addresses. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

IF TO THE COMPANY:

Champlain Valley Milling Corp., Inc.
6679 Main Street
P.O. Box 454
Westport, New York 12993
Attention: Samuel Sherman

WITH A COPY TO:

William Kissel, Esq.
2465 Main St
Lake Placid, NY 12946

IF TO THE AGENCY:

County of Essex Industrial Development Agency
7566 Court Street, PO Box 217
Elizabethtown, New York 12932

Attention: Chairman

WITH A COPY TO:

Jenifer Briggs, Esq.
Briggs Norfolk LLP
2296 Saranac Avenue
Lake Placid, New York 12946

AND TO:

Kenneth W. Bond
Squire Patton Boggs (US) LLP
30 Rockefeller Plaza
New York, NY 10112

IF TO THE COUNTY:

County of Essex
7551 Court Street, PO Box 217
Elizabethtown NY 12996
Attention: Chairman Randall Douglas

IF TO THE TOWN

Town of Willsboro
3721 Main Street
Willsboro, New York 12996
Attention: Town Supervisor

IF TO THE SCHOOL DISTRICT:

Willsboro Central School District
PO Box 180
29 School Lane
Willsboro, New York 12996
Attention: School District Treasurer

(D) Copies. A copy of any notice given hereunder by the Company which affects in any way a Taxing Entity shall also be given to the chief executive officer of such Taxing Entity.

(E) Change of Address. The Agency and the Company may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

SECTION 5.06. **BINDING EFFECT.** This Payment in Lieu of Tax Agreement shall inure to the benefit of, and shall be binding upon, the Agency, the Company and their respective successors and assigns. The provisions of this Payment in Lieu of Tax Agreement are intended to be for the benefit of the Agency and the respective Taxing Entities.

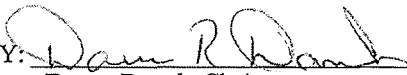
SECTION 5.07. **SEVERABILITY.** If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this Payment in Lieu of Tax Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent and the remainder of this Payment in Lieu of Tax Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

SECTION 5.08. **COUNTERPARTS.** This Payment in Lieu of Tax Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

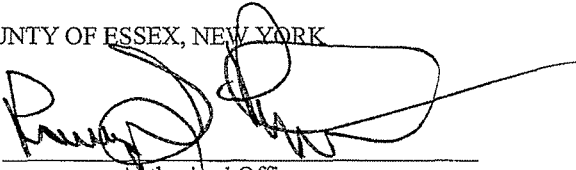
SECTION 5.09. APPLICABLE LAW. This Payment in Lieu of Tax Agreement shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the Agency and the Company have caused this Payment in Lieu of Tax Agreement to be executed in their respective names by duly authorized officers thereof, all being done as of the date first above written.

COUNTY OF ESSEX INDUSTRIAL
DEVELOPMENT AGENCY

BY: 
Darren Darrah, Chairman

COUNTY OF ESSEX, NEW YORK

BY: 
Authorized Officer

CHAMPLAIN VALLEY MILLING CORP., INC.

BY: _____
Samuel Sherman, President

TOWN OF WILLSBORO, NEW YORK

BY: _____
Authorized Officer

WILLSBORO CENTRAL SCHOOL DISTRICT,
NEW YORK


BY: _____
Authorized Officer

IN WITNESS WHEREOF, the Agency and the Company have caused this Payment in Lieu of Tax Agreement to be executed in their respective names by duly authorized officers thereof, all being done as of the date first above written.

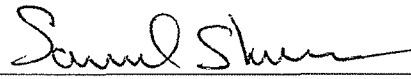
COUNTY OF ESSEX INDUSTRIAL
DEVELOPMENT AGENCY

BY: _____
Darren Darrah, Chairman


COUNTY OF ESSEX, NEW YORK

BY:  _____
Authorized Officer
Randy Keeton

CHAMPLAIN VALLEY MILLING CORP., INC.

BY:  _____
Samuel Sherman, President

TOWN OF WILLSBORO, NEW YORK

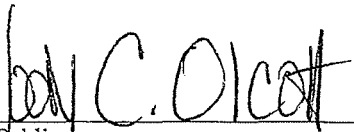
BY:  _____
Authorized Officer

WILLSBORO CENTRAL SCHOOL DISTRICT,
NEW YORK

BY:  _____
Authorized Officer

STATE OF NEW YORK)
)ss:
COUNTY OF ESSEX)

On the 9 day of May, in the year 2017, before me, the undersigned, personally appeared Darren Darrah, personally known to me 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.



Notary Public

JODY C OLCOTT
NOTARY PUBLIC STATE OF NEW YORK
QUALIFIED IN ESSEX COUNTY
NO - 01OL6048649
MY COMM. EXPIRES OCTOBER 23, 2018

STATE OF NEW YORK)
)ss:
COUNTY OF ESSEX)


On the 10th day of May, in the year 2017, before me, the undersigned, personally appeared Samuel Sherman, personally known to me 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.

Barbara A Breyette
Notary Public

BARBARA A BREYETTE
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BR4987221
Qualified in Essex County
Commission Expires October 7, 2017

STATE OF NEW YORK)
)ss:
COUNTY OF ESSEX)

On the 12th day of ~~May~~ ^{June}, in the year 2017, before me, the undersigned, personally appeared Shawn Gilliland personally known to me 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.

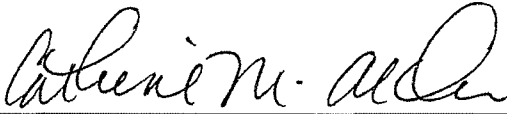


Notary Public

BRIDGET A. BROWN
Notary Public - State of New York
No. 01BR6295202
My Commission Expires December 30, 2017

STATE OF NEW YORK)
)ss:
COUNTY OF ESSEX)

On the 21st day of ~~May~~ June, in the year 2017, before me, the undersigned, personally appeared Stephen Broadwell, personally known to me 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.



Notary Public

CATHERINE M. ALDEN
Notary Public, State of New York
Qualified in Essex County
No. 01AL5024185
Commission Expires 2/28/18

STATE OF NEW YORK)

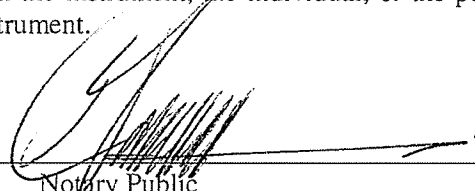
)ss:

COUNTY OF ESSEX

August

Randy

Randy Peterson On the 22 day of ~~May~~, in the year 2017, before me, the undersigned, personally appeared *Randy Peterson*, personally known to me 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.



Notary Public

DANIEL T. MANNING III
Notary Public, State of New York
Residing in County of Essex
#4962438
My Commission Expires 2-20-20 18

EXHIBIT A
DESCRIPTION OF THE LAND

Exhibit A-1

SCHEDULE "A"

LEGAL DESCRIPTION

All that certain parcel of land being located in the northwesterly part of the Hamlet of Willsboro and in the Town of Willsboro, County of Essex and State of New York, said parcel being located on the westerly bounds of the New York State Highway known as Route 22, and being part of the property described in a deed from Tambrands, Inc., to Old Adirondack, Inc. dated May 25, 1994 recorded May 26, 1994 in the Essex County Clerk's Office in deed book 1062 at page 166 and being shown as Lot 1 on a Map of Survey prepared for Willsboro Development Corporation, dated June 27, 1994, revised July 11, 1994, by Kevin A. Hall, Land Surveyor and filed in the Essex County Clerk's Office as Map Number 4554, formerly being part of "Parcel No. 10" as described in a deed dated June 8, 1962, from the New York & Pennsylvania Co. Inc. to the Champlain Mills Properties, Inc. and recorded in the Essex County Clerk's Office in deed book 400 at page 240, being bounded and described as follows:

Beginning at a 3 foot long 1/2" iron pipe set to grade located at the northeast corner of the herein described parcel and the southeast corner of Anjou Development Corp. as described in deed book 1066 at page 40, being Lot 2 as shown on said map, said iron pipe being in the assumed westerly road bounds of said Route 22, a distance of 25 feet from the centerline thereof and running the following two courses along said road bounds;

1. Southerly on a curve concave to the east an arc distance of 161.85 feet to a found 3/4" iron pipe 0.1' below grade at the point of tangency, said curve having a radius of 434.26 feet and a delta angle of 21°-21'-16";
2. S 04°-32'-20" E as referenced to north by deed book 1062 at page 166 a distance of 26.19 feet to a 4 foot long 3/4" iron pipe set to 0.1' below grade located at the northeast corner of Samuel J. and Ann E. Marcotte as described in a deed from Tampax, Inc., dated November 8, 1974, recorded in deed book 598 at page 180 and running the following course along said Marcotte as described in said deed book 598 at page 180 and in a deed from Tambrands, Inc. dated August 27, 1986, recorded in deed book 876 at page 281;
3. N 82°-52'-20" W 214.11 feet to a found 3/4" iron pipe at grade at the northwest corner of said Marcotte and running the following course along said Marcotte as described in said deed book 876 at page 281 and Glen and Elizabeth Flora as described in a deed from Tambrands, Inc. dated August 27, 1986 recorded in deed book 876 at page 68;
4. S 03°-57'-00" E 193.26 feet to a found 1' high 1/2" iron pipe;
5. S 83°-45'-12" E 100.00 feet to a found 3/4" iron pipe 0.5' below grade, set in June 1994, located at the northwest corner of Stafford as described in deed book 596 at page 122;
6. S 17°-51'-00" W 109.00 feet to a found 0.3' high 1/2" iron pipe, set in June 1994, said iron pipe being located at the southwest corner of said Stafford;
7. N 55°-32'-40" W 120.41 feet along land of an unknown owner to a 0.5' high 5/8" iron rod with cap set in September 1999, and continuing on the same course of N 55°-32'-40" W an additional distance of 1,113.37 feet along the north bounds of Essex County Industrial Development Agency as described in deed book 1299 at page 20, for a total distance of 1,233.78 feet to a found 1/2" iron pipe plug in a drill hole in a 2' X 2' X 1' high rock, said iron pipe plug set in June of 1994 and running the following two courses along Lot 2;
8. N 25°-31'-29" E 293.75 feet to a found 0.2' high 1/2" iron pipe set in June of 1994;
9. S 64°-28'-31" E 1,151.42 feet to the point and place of beginning, containing 10.00 acres, within the above described bounds and shown on the herein above referenced map.

Subject to all rights, title and interest of the public in and to that portion of land lying westerly of the first two courses and the true legal road bounds of New York State Rt. 22.

Together with all rights, title and interest of the grantor in and to that portion of land lying easterly of the first two courses and the true legal centerline of New York State Rt. 22.

LEGAL DESCRIPTION - CONTINUED

Together with an easement labeled with the letter "A" as shown on the herein above referenced map.

Subject to an easement to Willsboro Sewer District #1 as described in a deed dated and recorded June 29, 1994 in the Essex County Clerk's Office in deed book 1064 at page 280.

Subject to all easements and restrictions of record.

The lands conveyed are subject to Adirondack Park Agency Permit 2001-182 issued October 12, 2001, the terms and conditions of which are binding upon the heirs, successors and assigns of the grantors and all subsequent grantees, filed in the Essex County Clerk's Office in APA Book 54 at page 126.

Further granting and conveying an easement and right of way for ingress and egress at a width of 50 feet commencing at Route 22 and running in a westerly direction along the northerly boundary of the parcel herein described then turning and running the entire length of the westerly boundary of the parcel herein described. This easement is to be used in common with others more specifically being Anjou Development Corporation being the fee title owner and also Willsboro Development Corporation which reserves said easement rights in order to gain access to its other lands located to the south of the subject property.

Subject to a certain easement reserved by Willsboro Development Corporation in a deed from Willsboro Development Corporation dated March 12, 2002 and recorded in the Essex County Clerk's Office at Book 1314 of Deeds at page 266 thereof.

19 Myers Way, Willsboro, Essex County, New York 12996, Tax Map #31.9-1-42.100

Equipment	Amount	Model Number	Serial Number
Present in Willsboro			
Yale Forklift	1		
JEM Sewing Head	1		
Pallet Racks			
27' by 11 ring Grain Bin	2		
Temper Bin	1		
Ford Tractor	1	5640	P.O./004576
48' Van Trailer	1		
Fortress Metal Detector	1	Phantom	21340
Moving to Willsboro from Westport			
15' by 8 ring hopper bottom grain bin	4		
12' by 8 ring hopper bottom grain bin	2		
9' by 5 ring hopper bottom grain bin	5		
Codema Air Lock	11		
Flour Tanks	4		
13' flour bin	1		
Walinga Agri Vac	1	4510	MT4510WLX-40E-050810183
All Fill system	1	14-9000	20010101373
Perten Laboratory Mill	1	3100	050210
Perten Falling Number Machine	1	FN1500	057107
Perten Inframatic Flour Analyzer	1	IM 9140	4111
Brabender Farinograph	1	S300	184502
Fischbein Sewing Machine	5		
Helms Whole Mill	1	25-S	340
Fortress Metal Detector	1	Phantom	F5247
Flour Bagger Tank with Airlock	1		
Chantland bagger with scales	1	4198 Weighmaster II	39402
Stone Mill			
Airlock bench	1		
Airlocks	10		

Cyclones	10		
Allis Chalmers Sifter	1		1155
Sieves	68		
Codema Filter Tank with Airlock	1		
Roll Stand	4		
IR Piston type air compressor	1	7100	8056694
Whole Mill Filter Tank	1	16005.6	16005.0202
Whole Mill Vacuum Pump	1	GAELDPA	5159590
Kaeser Blower 1	1	MDB 130	1495 135 2005
Kaeser Blower 2	1	MDB 130	1414 135 2005
Kaeser Blower 3	1	MDB 130	1493 135 2005
Kaeser Blower 4	1	MDB 130	1496 135 2005
JEM Bagger	1	GWD-21-GG	061451
JEM Conveyor	1	Con 508 w/PED	31422
Portable Air Lock	1		
Mixing Tank	1		
Blue Master Bucket Elevator	1	500S	688112536
Triner Scale	1	TS-700 MS	AE120319080
Alapala Scour/Aspirator	1	KKSI 3010	796
Temper Augur	1		
Toyota Electric Pallet Jack	1	8HBW23	8HBW23-28589
Toyota Electric Pallet Jack	1	7HBW23	7HBW23-28589
Toyota Forklift	1	42-6FGCU15	60961
Incoming Equipment			
IR Rotary screw compressor	1	IRN30H Nirvana	
Ocrim Separator Sifter	1		
Codema Destoner	1		
Clean Grain Bin	1		
Magnet	1		
Scales	1		
Bliss Whole Mill	1		

Witt Rollstand	1		
Whole Mill Filter Tank	1		
White Flour Filter Tank	1		
Satake Color Sorter	1		

CHAMPLAIN VALLEY MILLING CORP., INC.

GENERAL CERTIFICATE

I, THE UNDERSIGNED, Samuel Sherman, President, of Champlain Valley Milling Corp., Inc., a corporation organized under the laws of the State of New York (the "Company"), DO HEREBY CERTIFY, that I am authorized to execute this certificate on behalf of the Company.

I HEREBY FURTHER CERTIFY as follows:


(a) Attached hereto as Exhibit A is a true, correct and complete copy of the Certificate of Incorporation of the Company and all amendments thereto, as in full force and effect on the date hereof, certified by the Secretary of State of the State of New York. There have been no amendments to the Company's Certificate of Incorporation since the date of the Secretary of State's certified copy of the Company's Certificate of Incorporation delivered in connection with the execution and delivery of the Essex County Industrial Development Agency Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 in the principal amount of \$4,245,000.

(b) Attached hereto as Exhibit B is a true, correct and complete copy of the By-Laws of the Company as it is in effect on this date, including all amendments thereto.

(c) Attached hereto as Exhibit C is a true, correct and complete copy of the Certificate of Good Standing of the Company. There has been no change to the Company's good standing since the date of the Secretary of State's certified copy of the Company's Certificate of Good Standing to the date hereof.

IN WITNESS WHEREOF, I have set my hand this 16 day of May, 2017.

CHAMPLAIN VALLEY MILLING CORP., INC.

By: 
Name: Samuel Sherman
Title: President

[Signature Page to General Certificate of Company]

STATE OF NEW YORK
DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

WITNESS my hand and official seal of the
Department of State, at the City of Albany, on
May 2, 2017.



A handwritten signature in black ink, appearing to read "B. Fitzgerald", written over a horizontal line.

Brendan Fitzgerald
Executive Deputy Secretary of State

CERTIFICATE OF INCORPORATION
of

CHAMP MILLS, INC.

Under Section 402 of the
Business Corporation Law

I, the undersigned, a natural person of the age of 18 years or more, acting as incorporator of a corporation under Section 402 of the Business Corporation Law, hereby adopt the following Certificate of Incorporation for such corporation:

ARTICLE I. Name

The name of this corporation is Champ Mills, Inc.

ARTICLE II. Purpose or Purposes

To engage in any lawful act or activity for which corporations may be organized under the Business Corporation Law. The corporation is not formed to engage in any act or activity requiring the consent or approval of any state official, department, board, agency or other body without such consent or approval first being obtained.

ARTICLE III. Corporation Office

The office of the corporation within the State of New York is to be located at 149-150 Pleasant Street, Village of Westport, Town of Westport, County of Essex, State of New York.

ARTICLE IV. Capitalization

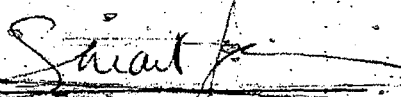
The aggregate number of shares which the corporation shall have authority to issue is Two Hundred (200) with no par value.

ARTICLE V. Secretary of State as Agent of Corporation

The Secretary of State of the State of New York is designated agent of the corporation on whom process against it may be served. The Secretary of State shall mail a copy of any process against the corporation served on him to 149-150 Pleasant Street, Westport, New York 12993.

187573

In witness whereof, for the purpose of forming the corporation
under the Laws of the State of New York, I, the undersigned,
constituting the incorporator of this corporation, have personally
executed this certificate of incorporation on January 14, 1985.

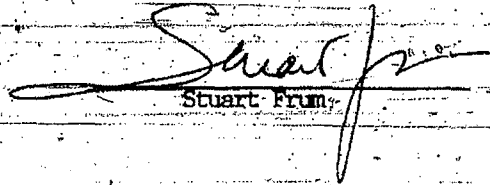

Stuart Frim
47 S. Main Street
P.O. Box 368
Westport, New York 12993

2

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

I, the undersigned, am an attorney admitted to practice in the courts of the State of New York and I am the attorney of counsel for Champ Mills, Inc. I have read the annexed Articles of Incorporation, know the contents thereof and the same are true to my knowledge, except those matters therein which are stated to be alleged on information and belief, and as to those matters, I believe them to be true. My belief, as to those matters therein are stated upon knowledge. I affirm that the foregoing statements are true under penalties of perjury.

Dated: January 18, 1985


Stuart Frum

5187073

*title not
uniform
on backer*

1/23

ARTICLES OF INCORPORATION
OF
Champ Mills, Inc.

[Handwritten signature]

Incorporator:
Stuart Frum
Post Office Drawer 368
Westport, New York 12993

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JAN 30 1985

AMT. OF CHECK \$ ~~100.00~~
FILING FEE \$ ~~10.00~~
TAX \$ ~~1.00~~
COUNTY FEE \$ ~~1.00~~
RECORD \$ ~~1.00~~
SPEC HANDLE \$ ~~1.00~~

47422

[Handwritten signature]

0074 0401

STATE OF NEW YORK
DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

WITNESS my hand and official seal of the
Department of State, at the City of Albany, on
May 2, 2017.



A handwritten signature in black ink, appearing to read "B. Fitzgerald", written over a horizontal line.

Brendan Fitzgerald
Executive Deputy Secretary of State

CERTIFICATE OF AMENDMENT OF INCORPORATION CERTIFICATE

CERTIFICATE OF AMENDMENT OF THE CERTIFICATE OF INCORPORATION
OF CHAMP MILLS, INC., UNDER SECTION 805 OF THE
BUSINESS CORPORATION LAW

0206921

1. The name under which this corporation was originally formed is CHAMP MILLS, INC.
2. Its certificate of incorporation was filed by the Department of State on the 30th day of January, 1985.
3. The various amendments affected by this certificate of amendment are as follows:

ARTICLE I of the original certificate of incorporation, dealing with the name of the corporation is hereby amended to read as follows:

ARTICLE I. Name

The name of this corporation is CHAMPLAIN VALLEY MILLING CORP.,
INC.

4. The above and foregoing amendment to the certificate of incorporation was authorized by a unanimous vote of the Board of Directors which recommended the above and foregoing amendment to the shareholders. On May 6, 1985 by vote of a majority of all outstanding shareholders entitled to vote at a meeting of shareholders, the above and foregoing amendment to the certificate of incorporation was duly authorized.

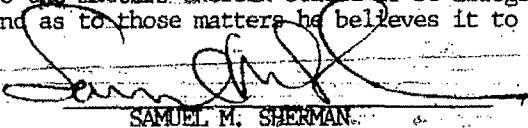

Samuel M. Sherman, President


Anne S. Johnson, Secretary/Treasurer

VERIFICATION

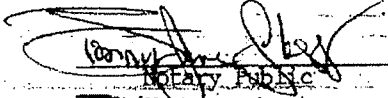
STATE OF NEW YORK)
) ss.:
COUNTY OF ESSEX)

SAMUEL M. SHERMAN, being duly sworn deposes and says, that he is the President of Champ Mills, Inc., the corporation named in and described in the foregoing certificate. That he has read the foregoing certificate and knows the contents thereof, and that the same is true of his own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters he believes it to be true.



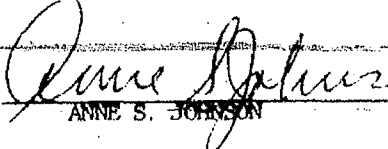
SAMUEL M. SHERMAN

Sworn to before me this
6th day of June, 1985



Notary Public
Commission Expires March 30, 1986
Qualified in Essex County
No. 4821327
Notary Public, State of New York
STATE OF NEW YORK)
) ss.:
COUNTY OF ESSEX)

ANNE S. JOHNSON, being duly sworn, deposes and says, that she is the Secretary/Treasurer of Champ Mills, Inc., the corporation named in and described in the foregoing certificate. That she has read the foregoing certificate and knows the contents thereof, and that the same is true of her own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters she believes it to be true.



ANNE S. JOHNSON

Sworn to before me this
6th day of June, 1985



Notary Public
Commission Expires March 30, 1986
Qualified in Essex County
No. 4821327
Notary Public, State of New York

MINUTES OF SPECIAL MEETING OF
THE SHAREHOLDERS OF
CHAMP MILLS, INC.

A special meeting of the shareholders of Champ Mills, Inc., was held on the 6th day of May, 1985, at the corporate offices at 149-150 Pleasant Street, Westport, New York at 1:00 o'clock p.m., with a majority of shareholders being present.

The purpose of the meeting was to discuss the recommendation of the Board of Directors that the name of the corporation should be changed to a name which is more descriptive of the nature of the business of the corporation and of the area from which the business of the corporation is conducted.

Upon motion duly made and seconded, it was unanimously

RESOLVED that the name of the corporation shall henceforth be CHAMPLAIN VALLEY MILLING CORP., INC.

There being no further business, the meeting was adjourned.

(seal)

Arnie S. Johnson
Secretary

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
of
CHAMP MILLS, INC.

TO: the shareholders of Champ Mills, Inc.

PLEASE TAKE NOTICE that a special meeting of the shareholders of Champ Mills, Inc., will be held on the 6th day of May, 1985, at 1:00 o'clock p.m. at the corporate offices at 149-150 Pleasant Street, Westport, New York, for the following purpose:

To consider and take action on a proposal by the Board of Directors to authorize the execution and filing of a certificate of amendment to the certificate of incorporation for the purpose of changing the corporate name from Champ Mills, Inc., to Champlain Valley Milling Corp., in order that the corporate name be more descriptive of the nature of the business of the corporation and of the area from which the business of the corporation is conducted.

Dated: Westport, New York
May 6, 1985

Anne S. Johnson
Secretary

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SPECIAL MEETING OF
THE BOARD OF DIRECTORS
OF
CHAMP MILLS, INC.

A special meeting of the Board of Directors of Champ Mills, Inc., was held at the corporate offices at 149-150 Pleasant Street in Westport, New York, on the 25th day of April, 1985 at 10:00 a.m., with a majority of the board members present.

The purpose of the meeting was to determine whether it would be in the best interest of the corporation, for purposes of corporate identification, to amend the Certificate of Incorporation reflecting a change of name from Champ Mills, Inc., to Champlain Valley Milling Corp.

Upon motion duly made and seconded, it was unanimously

RESOLVED that the Board of Directors recommend to the shareholders that the following provision in the Certificate of Incorporation of Champ Mills, Inc., a New York Corporation, reading as follows:

ARTICLE I. Name

The name of this corporation is CHAMP MILLS, INC.
be amended to read as follows:

ARTICLE I. Name

The name of this corporation is CHAMPLAIN VALLEY MILLING CORP.
and it was further

RESOLVED that the foregoing proposed amendment be submitted to the shareholders entitled to vote thereon at a special meeting to be held at 149-150 Pleasant Street, Westport, New York at 1:00 o'clock p.m., on May 6, 1985.

There being no further business to come before the Board, the meeting was adjourned.


Secretary

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CERTIFICATE OF AMENDMENT OF INCORPORATION CERTIFICATE
of

CHAMPLAIN VALLEY FIBERING CORP., INC. (formerly CHAMP MILLS, INC.)

FILED BY: Stuart Erum, Esq.
47 S. Main Street
Post Office Box 368
Westport, New York 12993
(518) 962-8606/8608

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED JUN 13 1985

AMT. OF CHECK \$ 60
FILING FEE \$ 60
TAX \$
COUNTY FEE \$
COPY \$
CERT \$
REFUND \$
SPEC HANDLE \$

BY: *S. Erum*

545453

0001 1673

BY-LAWS

-of-

CHAMPLAIN VALLEY MILLING CORPORATION

ARTICLE I

OFFICES

Section 1. Principal Office

The principal office of the Corporation shall be in the city, incorporated village or town and the county within the State of New York as is designated in the Certificate of Incorporation.

Section 2. Additional Offices

The Corporation may also have offices and places of business at such other places, within or without the State of New York, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF SHAREHOLDERS

Section 1. Time and Place

Meetings of the shareholders of the Corporation may be held at such time and place within or without the State of New York as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meeting

The annual meeting of the shareholders shall be held in each year on the anniversary of the date of filing of the Certificate of Incorporation, and the shareholders shall then elect a Board of Directors and transact such other business as may properly be brought before the meeting.

Section 3. Notice of Annual Meeting

Written notice of the place, date and hour of the annual meeting of shareholders shall be given personally or by mail to each shareholder entitled to vote thereat not less than ten (10) nor more than fifty (50) days prior to the meeting.

Section 4. Special Meetings

Special meetings of the shareholders for any purpose or purposes, unless otherwise prescribed by law or by the Certificate of Incorporation, may be called by the President or the Board of Directors, and shall be called by the President at the written request of shareholders holding at least twenty percent (20%) in amount of shares of the Corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 5. Notice of Special Meeting

Written notice of a special meeting of shareholders, stating the place, date and hour of the meeting, the purpose or purposes for which the meeting is called, and by or at whose direction it is being issued, shall be given personally or by mail to each shareholder entitled to vote thereat, not less than ten (10) nor more than fifty (50) days prior to the meeting.

Section 6. Quorum

Except as otherwise provided by law or by the Certificate of Incorporation or these By-Laws, the holders of a majority of the shares of the Corporation issued and outstanding and entitled to vote thereat shall be necessary to and shall constitute a quorum for the transaction of business at all meetings of the shareholders; provided, however, that when a specified item of business is required to be voted on by a class or series, voting as a class, the holders of a majority of the shares of such class or series issued and outstanding and entitled to vote thereat shall constitute a quorum for the transaction of such specified item of business. If a quorum shall not be present at any meeting of the shareholders, the shareholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, until a quorum shall be present. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7. Voting

(a) At any meeting of the shareholders every shareholder having the right to vote shall be entitled to vote in person or by proxy. Each shareholder shall have one (1) vote for each share of stock having voting power which is registered in his name on the books of the Corporation. Except where another date shall have been fixed as a record date for the determination of its shareholders entitled to vote, no share of stock shall be voted at any election of Directors which shall have been transferred on the books of the Corporation within twenty (20) days next preceding such election of Directors.

Section 7. Voting (continued)

(b) Except as otherwise provided by law or by the Certificate of Incorporation or these By-Laws, all elections of Directors shall be decided by a plurality of the votes cast, and all other matters shall be decided by a majority of the votes cast.

Section 8. Proxies

A proxy, to be valid, shall be executed in writing by the shareholder or by his attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof, unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it, except in those cases where an irrevocable proxy is permitted by law.

Section 9. Written Consents

Whenever shareholders are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by the holders of all outstanding shares entitled to vote thereon.

ARTICLE III

DIRECTORS

Section 1. Board of Directors

Subject to any provision in the Certificate of Incorporation, the business of the Corporation shall be managed by its Board of Directors, each of whom shall be at least eighteen (18) years of age.

Section 2. Number; Tenure

(a) The number of Directors constituting the entire Board of Directors shall be fixed from time to time by resolution of the shareholders, but shall in no event be less than three (3), except that where all the shares of the Corporation are owned beneficially and of record by less than three (3) shareholders, the number of Directors may be less than three (3) but not less than the number of shareholders. The Board of Directors shall initially be composed of () Director(s).

(b) Directors shall be elected at the annual meeting of the shareholders, except as provided in Section 3 of this Article III. Except as otherwise provided by the Certificate of Incorporation, each Director shall be elected to serve until the next annual meeting of shareholders and until his successor has been elected and qualified.

Section 3. Resignation; Removal

Any Director may resign at any time. Except as otherwise provided by law, the Board of Directors may, by majority vote of all Directors then in office, remove a Director for cause. Subject to applicable provisions of law, any or all of the Directors may be removed with or without cause by vote of the shareholders.

Section 4. Vacancies

Except as otherwise provided by the Certificate of Incorporation, if any vacancies occur in the Board of Directors by reason of the death, resignation, retirement, disqualification or removal from office of any Director with cause, or if any new directorships are created, all of the Directors then in office, although less than a quorum, may, by majority vote, choose a successor or successors, or fill the newly created directorships, and the Directors so chosen shall hold office until the next annual meeting of the shareholders and until their successors shall be duly elected and qualified, unless sooner displaced; provided, however, that if in the event of any such vacancy, the Directors remaining in office shall be unable, by majority vote, to fill such vacancy within thirty (30) days of the occurrence thereof, the President or the Secretary may call a special meeting of the shareholders at which such vacancy shall be filled. In the event of any vacancy created by removal from office of any Director without cause, such special meeting of the shareholders shall be so called within thirty (30) days of the occurrence thereof, at which meeting such vacancy may be filled.

ARTICLE IV

MEETINGS OF THE BOARD

Section 1. Place

Except as otherwise provided by the Certificate of Incorporation, and subject to the provisions of Section 6 of this Article IV, the Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of New York as may be determined by the Board of Directors. Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or such committee by means of a conference, telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 2. Regular Meetings

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

Section 3. Special Meetings

Special meetings of the Board of Directors may be called by the Chairman of the Board, if any, or by the President on two (2) days' notice to each Director, either personally or by mail or by telegram; special meetings shall be called by the Chairman, President or Secretary in like manner and on like notice on the written request of one (1) Director.

Section 4. Quorum; Voting

At all meetings of the Board of Directors a majority of the entire Board shall be necessary to constitute a quorum for the transaction of business, and the vote of a majority of the Directors present at the time of the vote if a quorum is present shall be the act of the Board of Directors, except as may be otherwise specifically provided by law. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time until a quorum shall be present. Notice of any such adjournment shall be given to any Directors who were not present and, unless announced at the meeting, to the other Directors.

Section 5. Compensation

Directors, as such, shall not receive any stated salary for their services, but, by resolution of the Board of Directors, a fixed fee and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided, however, that nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 6. Written Consents

Unless otherwise restricted by the Certificate of Incorporation, any action required to be taken by the Board of Directors may be taken without a meeting if all members of the Board of Directors consent in writing to the adoption of a resolution authorizing the action. The resolution and written consents thereto by the members of the Board of Directors shall be filed with the minutes of the proceedings of the Board of Directors.

ARTICLE V

NOTICES

Section 1. Form; Delivery

Notices to Directors and shareholders shall be in writing and may be delivered personally or by mail or telegram. Notice by mail shall be deemed to be given at the time when deposited in the post office or a letter box, in a post-paid sealed wrapper, and addressed to Directors or shareholders at their addresses appearing on the records of the Corporation.

Section 2. Waiver

Whenever a notice is required to be given by any statute, the Certificate of Incorporation or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to such notice. In addition, any shareholder attending a meeting of shareholders in person or by proxy without protesting prior to the conclusion of the meeting the lack of notice thereof to him, and any Director attending a meeting of the Board of Directors without protesting prior to the meeting or at its commencement, such lack of notice shall be conclusively deemed to have waived notice of such meeting.

ARTICLE VI

OFFICERS

Section 1. Officers

The officers of the Corporation shall be a President, one or more Vice-Presidents, a Secretary, a Treasurer, and such other officers including a Chairman of the Board as may be determined by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary; provided, however, that if all of the issued and outstanding stock of the Corporation is owned by one (1) person, such person may hold all or any combination of offices.

Section 2. Authority and Duties

All officers, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided in these By-Laws, or, to the extent not so provided, by the Board of Directors.

Section 3. Term of Office; Removal

All officers shall be elected by the Board of Directors and each shall hold office until the meeting of the Board of Directors following the next annual meeting of shareholders, and until his successor has been elected or appointed and qualified.

Section 4. Compensation

The compensation of all officers of the Corporation shall be fixed by the Board of Directors, and the compensation of agents shall either be so fixed or shall be fixed by officers thereunto duly authorized.

Section 5. Vacancies

If an office becomes vacant for any reason, the Board of Directors shall fill the vacancy. Any officer so appointed or elected by the Board of Directors shall serve only until the unexpired term of his predecessor shall have expired unless re-elected by the Board of Directors.

Section 6. The President

The President shall be the Chief Executive Officer of the Corporation; in the absence of the Chairman of the Board, or if there be no Chairman, he shall preside at all meetings of the shareholders and Directors; he shall be ex-officio a member of all standing committees, shall have general and active management and control of the business and affairs of the Corporation, subject to the control of the Board of Directors, and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 7. The Vice-President

The Vice-President or, if there be more than one, the Vice-Presidents, in the order of their seniority or in any other order determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall generally assist the President and perform such other duties as the Board of Directors or the President shall prescribe.

Section 8. The Secretary

The Secretary shall attend all meetings of the Board of Directors and all meetings of the shareholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall act. He shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his signature or by the signature of the Treasurer or an Assistant Treasurer or Assistant Secretary. He shall keep in safe custody the certificate books and shareholder records and such other books and records as the Board may direct and shall perform all other duties incident to the office of the Secretary.

Section 9. The Assistant Secretary

During the absence or disability of the Secretary, any Assistant Secretary, or if there be more than one, the one so designated by the Secretary or by the Board of Directors, shall have all the powers and functions of the Secretary.

Section 10. The Treasurer

The Treasurer shall have the care and custody of the corporate funds, and other valuable effects, including securities, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meeting of the Board of Directors, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

Section 11. The Assistant Treasurer

During the absence or disability of the Treasurer, any Assistant Treasurer, or if there be more than one, the one so designated by the Treasurer or by the Board of Directors, shall have all the powers and functions of the Treasurer.

Section 12. Bonds

In case the Board of Directors shall so require, any officer or agent of the Corporation shall give the Corporation a bond for such term, in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

ARTICLE VII

SHARE CERTIFICATES

Section 1. Form; Signature

The certificates for shares of the Corporation shall be in such form as shall be determined by the Board of Directors and shall be numbered consecutively and entered in the books of the Corporation as they are issued. Each certificate shall exhibit the registered holder's name and the number and class of shares, and shall be signed by the Chairman or a Vice-Chairman of the Board of Directors, if there be any, or the President or a Vice-President and the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary, and shall bear the seal of the Corporation or a facsimile thereof.

Section 2. Lost Certificates

The Board of Directors may direct a new share certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

Section 3. Registration of Transfer

Upon surrender to the Corporation or any transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation or such transfer agent to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 4. Registered Shareholders

Except as otherwise provided by law, the Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends or other distributions, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or legal claim to or interest in such share or shares on the part of any other person, whether or not it has actual or other notice thereof, except as otherwise provided by the laws of the State of New York.

Section 5. Record Date

For the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shares or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action affecting the interests of shareholders, the Board of Directors may fix, in advance, a record date. Such date shall not be more than fifty (50) nor less than ten (10) days before the date of any such meeting, nor more than fifty (50) days prior to any other action.

In each such case, except as otherwise provided by law, only such persons as shall be shareholders of record on the date so fixed shall be entitled to notice of, and to vote at, such meeting and any adjournment thereof, or to express such consent or dissent, or to receive payment of such dividend, or such allotment of rights, or otherwise to be recognized as shareholders for the related purpose, notwithstanding any registration of transfer of shares on the books of the Corporation after any such record date so fixed.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Fiscal Year

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 2. Dividends

Dividends upon the capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting and may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and the law.

Section 3. Reserves

Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purposes as the Board of Directors shall deem conducive to the interest of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

Section 4. Checks

All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 5. Seal

The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal New York." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

ARTICLE IX

AMENDMENTS

Section 1. Adoption; Amendment; Repeal

By-Laws of the Corporation may be adopted, amended or repealed by vote of the holders of the shares at the time entitled to vote in the election of any Directors. By-Laws of the Corporation may also be adopted, amended or repealed by the Board of Directors, but any By-Law adopted by the Board of Directors, may be amended or repealed by the shareholders entitled to vote thereon as herein provided.

Section 2. Amendments Affecting Election of Directors

Notice

If any By-Law regulating an impending election of Directors is adopted, amended or repealed by the Board, there shall be set forth in the notice of the next meeting of shareholders for the election of Directors the By-Law so adopted, amended or repealed, together with a concise statement of the changes made.

Article II, Section 2

Meetings of the shareholders shall be held in each year within 60 days of the end of the Corporate fiscal year, and the shareholders shall then elect a Board of Directors and transact such other business as may properly be brought before the meeting.

Article III, Section 2

a) The number of Directors constituting the entire Board of Directors shall be fixed from time to time by resolution of the shareholders, but shall in no event be less than three (3), except that where all the shares of the Corporation are owned beneficially and of record by less than Three (3) shareholders, The number of Directors may be less than three(3) but not less than the number of shareholders. The Board of Directors shall initially be composed of three (3) Directors.

c) The officers of the Corporation shall be President, Vice President, Secretary, and Treasurer, who shall be elected annually by the Board of Directors at a meeting of said body to be held within 10 days following the annual meeting of the corporation. The officers shall be elected from the Board of Directors. The offices of Secretary and Treasurer may be combined and one individual elected thereto.

d) At the first annual meeting prescribed by these bylaws, one director shall be elected for a period of one year; one director shall be elected for a period of two years; and one director for a period of three years. At the annual meeting each year thereafter directors shall be elected for terms of three (3) years to fill vacancies of the directors whose terms expire.

Article VI, Section 3

b) The Corporation reserves the right of first option to purchase any outstanding issued shares for itself. A shareholder wishing to sell his/her shares must first offer said shares to the Corporation in writing specifying the price offered by the prospective purchaser. The Corporation shall have fifteen (15) days from date of receipt of such written offer to exercise its option to purchase. Failure to exercise such option within the time specified shall constitute an automatic waiver of said right for that particular transaction.

MINUTES OF SPECIAL MEETING

-of-

BOARD OF DIRECTORS

-of-

CHAMPLAIN VALLEY MILLING CORPORATION

A special meeting of the Board of Directors was held at the office of Stuart Frum, Esq., Westport, Essex Co., , New York on May 17 , 1985 , at 11:30 o'clock in the fore noon.

There were present: Stuart Frum, Samuel M. Sherman, Anne S. Johnson, Richard C. Webb.

constituting a quorum of the Board of Directors.

Stuart Frum acted as Chairman of the meeting and

Anne Johnson acted as Secretary of the meeting.

The Chairman ordered that a waiver of notice of the time, place and purposes of the meeting, signed by all the directors, be annexed to the minutes of the meeting.

The Statement as to Action of Incorporator(s) in Lieu of Organization Meeting of this Corporation was presented and read to the meeting by the Chairman, together with a copy of the Certificate of Incorporation duly filed with the Department of State of New York, the Filing Receipt therefor and a copy of the By-Laws adopted by the Incorporator(s). Thereupon, on motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the Statement as to Action of Incorporator(s) in Lieu of Organization Meeting of this Corporation which has been presented to this meeting, be and it hereby is in all respects, approved; and that all actions taken by the Incorporator(s) as set forth in said Statement be and they hereby are, in all respects, approved, ratified and confirmed;

and it was further

RESOLVED, that the By-Laws in the form adopted by the Incorporator(s) of this Corporation and ordered inserted in the minute book of this Corporation, be and they hereby are in all respects, approved and adopted as and for the By-Laws of this Corporation.

The Secretary submitted to the meeting a seal proposed for use as the corporate seal of the Corporation. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the seal now presented at this meeting, an impression of which is directed to be made in the margin of the minutes of this meeting, be and the same hereby is adopted as the seal of this Corporation.

The Secretary then submitted to the meeting a specimen form of certificate for shares and share certificate and transfer books for use by the Corporation. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the specimen form of certificate for shares submitted to this meeting and appended to the minutes hereof, be and the same hereby is adopted as the form of certificates for shares of this Corporation;

and it was further

RESOLVED, that the share certificate and share transfer books presented at this meeting, be and the same hereby are adopted as the share certificate and share transfer books of this Corporation.

The Chairman stated that the next order of business to come before the meeting was the election of officers of the Corporation. He stated that nominations for such offices were then in order, and the following persons were thereupon duly nominated for the offices set forth opposite their respective names:

PRESIDENT: Samuel Sherman

VICE PRESIDENT: Richard C. Webb

SECRETARY: Anne S. Johnson

TREASURER: Anne S. Johnson

There being no further nominations, the nominations were closed and each of the persons nominated as aforesaid was duly elected to serve in the office for which he had been nominated until the meeting of the Board of Directors following the next annual meeting of shareholders and until his successor in such office shall have been duly elected and qualified.

The Chairman observed that it would be necessary to provide for the designation of depositories for the Corporation. Thereupon, on motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the duly authorized officers of this Corporation, be and they hereby are authorized and empowered to open a checking account or accounts in such depositories as they may from time to time determine, and to execute such banking resolutions as such depositories may from time to time require, which banking resolutions shall permit checks, drafts, notes, bills of exchange, acceptances or other orders for the payment of money, or loans, guarantees, endorsements or similar actions to be taken by

and it was further

RESOLVED, that any such banking resolutions as may from time to time be executed as in the above resolution recited, shall be deemed incorporated herein by reference as and for the resolutions of this Corporation.

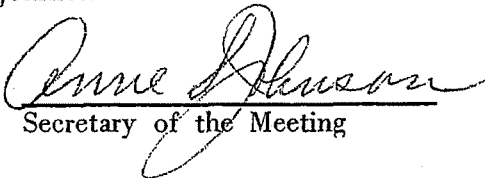
The Secretary then presented to the meeting (a) proposal(s) of the person(s) set forth below to purchase the number of common shares, no . par value, set forth opposite such person('s) (s') name(s):

<u>Name</u>	<u>Number of Shares</u>
Anne S. Johnson	41
Samuel M. Sherman	41
Richard C. Webb	41
Stuart Frum	17

The proposal(s) was (were) taken up for consideration, and upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the offer(s) as set forth in the said proposal(s) be and the same hereby is (are) approved and accepted, and in accordance with the terms thereof, the appropriate officers of this Corporation are hereby authorized and directed to issue to said person(s) such number of fully paid and non-assessable common shares, par value, of this Corporation as are set forth opposite the name of said person(s) recited above, upon receipt therefor of the sum of \$ per share.

There being no further business, the meeting was adjourned.


Secretary of the Meeting

Documents annexed hereto:

1. Waiver of Notice
2. Specimen Form of Certificate for Shares

NYS DEPARTMENT OF STATE

FILING RECEIPT INCORPORATION (BUSINESS)

INCORPORATION NAME

CHAMP MILLS, INC.

DATE FILED 01/30/85	DURATION & COUNTY CODE P ESSE	FILM NUMBER B187573-4	CASH NUMBER 474224
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NUMBER AND KIND OF SHARES 200NPV	LOCATION OF PRINCIPAL OFFICE WESTPORT
-------------------------------------	------------------------------------------

ADDRESS FOR PROCESS THE CORP 149-150 PLEASANT ST WESTPORT NY 12993	REGISTERED AGENT
-----------------------------------------------------------------------------	------------------

FEES AND/OR TAX PAID AS FOLLOWS:

AMOUNT OF CHECK \$ 00110.00 AMOUNT OF MONEY ORDER \$ 00000.00 AMOUNT OF CASH \$ _____

6.00 DOLLAR FEE TO COUNTY

\$ 100.00 FILING

\$ 00010.00 TAX

\$ CERTIFIED COPY

\$ CERTIFICATE

SENDER NAME AND ADDRESS

STUART FRUM
PO DRAWER 368

TOTAL PAYMENT \$ 0000110.00

WESTPORT NY 12993

REFUND OF \$

TO FOLLOW

NYS DEPARTMENT OF STATE

FILING RECEIPT

AMENDMENT-CHANGE OF NAME (BUSINESS)

CORPORATION NAME

CHAMPLAIN VALLEY MILLING CORP.

DATE FILED 06/13/85	DURATION & COUNTY CODE ESSE	FILM NUMBER B236921-6	CASH NUMBER 545453
NUMBER AND KIND OF SHARES		LOCATION OF PRINCIPAL OFFICE	

ADDRESS FOR PROCESS	REGISTERED AGENT
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FEES AND/OR TAX PAID AS FOLLOWS:

AMOUNT OF CHECK \$ 00040.00 AMOUNT OF MONEY ORDER \$ _____ AMOUNT OF CASH \$ _____

\$ 4.00 DOLLAR FEE TO COUNTY

\$ 060.00 FILING

\$ TAX

\$ CERTIFIED COPY

\$ CERTIFICATE

FILER NAME AND ADDRESS

STUART FRUM, ESQ.
47 S. MAIN ST.

TOTAL PAYMENT \$ 000060.00

WESTPORT

NY 12993

REFUND OF \$

TO FOLLOW

BY-LAWS

-of-

CHAMPLAIN VALLEY MILLING CORPORATION

ARTICLE I

OFFICES

Section 1. Principal Office

The principal office of the Corporation shall be in the city, incorporated village or town and the county within the State of New York as is designated in the Certificate of Incorporation.

Section 2. Additional Offices

The Corporation may also have offices and places of business at such other places, within or without the State of New York, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF SHAREHOLDERS

Section 1. Time and Place

Meetings of the shareholders of the Corporation may be held at such time and place within or without the State of New York as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meeting

The annual meeting of the shareholders shall be held in each year on the anniversary of the date of filing of the Certificate of Incorporation, and the shareholders shall then elect a Board of Directors and transact such other business as may properly be brought before the meeting.

Section 3. Notice of Annual Meeting

Written notice of the place, date and hour of the annual meeting of shareholders shall be given personally or by mail to each shareholder entitled to vote thereat not less than ten (10) nor more than fifty (50) days prior to the meeting.

Section 4. Special Meetings

Special meetings of the shareholders for any purpose or purposes, unless otherwise prescribed by law or by the Certificate of Incorporation, may be called by the President or the Board of Directors, and shall be called by the President at the written request of shareholders holding at least twenty percent (20%) in amount of shares of the Corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 5. Notice of Special Meeting

Written notice of a special meeting of shareholders, stating the place, date and hour of the meeting, the purpose or purposes for which the meeting is called, and by or at whose direction it is being issued, shall be given personally or by mail to each shareholder entitled to vote thereat, not less than ten (10) nor more than fifty (50) days prior to the meeting.

Section 6. Quorum

Except as otherwise provided by law or by the Certificate of Incorporation or these By-Laws, the holders of a majority of the shares of the Corporation issued and outstanding and entitled to vote thereat shall be necessary to and shall constitute a quorum for the transaction of business at all meetings of the shareholders; provided, however, that when a specified item of business is required to be voted on by a class or series, voting as a class, the holders of a majority of the shares of such class or series issued and outstanding and entitled to vote thereat shall constitute a quorum for the transaction of such specified item of business. If a quorum shall not be present at any meeting of the shareholders, the shareholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, until a quorum shall be present. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7. Voting

(a) At any meeting of the shareholders every shareholder having the right to vote shall be entitled to vote in person or by proxy. Each shareholder shall have one (1) vote for each share of stock having voting power which is registered in his name on the books of the Corporation. Except where another date shall have been fixed as a record date for the determination of its shareholders entitled to vote, no share of stock shall be voted at any election of Directors which shall have been transferred on the books of the Corporation within twenty (20) days next preceding such election of Directors.

Section 7. Voting (continued)

(b) Except as otherwise provided by law or by the Certificate of Incorporation or these By-Laws, all elections of Directors shall be decided by a plurality of the votes cast, and all other matters shall be decided by a majority of the votes cast.

Section 8. Proxies

A proxy, to be valid, shall be executed in writing by the shareholder or by his attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof, unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it, except in those cases where an irrevocable proxy is permitted by law.

Section 9. Written Consents

Whenever shareholders are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by the holders of all outstanding shares entitled to vote thereon.

ARTICLE III

DIRECTORS

Section 1. Board of Directors

Subject to any provision in the Certificate of Incorporation, the business of the Corporation shall be managed by its Board of Directors, each of whom shall be at least eighteen (18) years of age.

Section 2. Number; Tenure

(a) The number of Directors constituting the entire Board of Directors shall be fixed from time to time by resolution of the shareholders, but shall in no event be less than three (3), except that where all the shares of the Corporation are owned beneficially and of record by less than three (3) shareholders, the number of Directors may be less than three (3) but not less than the number of shareholders. The Board of Directors shall initially be composed of () Director(s).

(b) Directors shall be elected at the annual meeting of the shareholders, except as provided in Section 3 of this Article III. Except as otherwise provided by the Certificate of Incorporation, each Director shall be elected to serve until the next annual meeting of shareholders and until his successor has been elected and qualified.

Section 3. Resignation; Removal

Any Director may resign at any time. Except as otherwise provided by law, the Board of Directors may, by majority vote of all Directors then in office, remove a Director for cause. Subject to applicable provisions of law, any or all of the Directors may be removed with or without cause by vote of the shareholders.

Section 4. Vacancies

Except as otherwise provided by the Certificate of Incorporation, if any vacancies occur in the Board of Directors by reason of the death, resignation, retirement, disqualification or removal from office of any Director with cause, or if any new directorships are created, all of the Directors then in office, although less than a quorum, may, by majority vote, choose a successor or successors, or fill the newly created directorships, and the Directors so chosen shall hold office until the next annual meeting of the shareholders and until their successors shall be duly elected and qualified, unless sooner displaced; provided, however, that if in the event of any such vacancy, the Directors remaining in office shall be unable, by majority vote, to fill such vacancy within thirty (30) days of the occurrence thereof, the President or the Secretary may call a special meeting of the shareholders at which such vacancy shall be filled. In the event of any vacancy created by removal from office of any Director without cause, such special meeting of the shareholders shall be so called within thirty (30) days of the occurrence thereof, at which meeting such vacancy may be filled.

ARTICLE IV

MEETINGS OF THE BOARD

Section 1. Place

Except as otherwise provided by the Certificate of Incorporation, and subject to the provisions of Section 6 of this Article IV, the Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of New York as may be determined by the Board of Directors. Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or such committee by means of a conference, telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 2. Regular Meetings

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

Section 3. Special Meetings

Special meetings of the Board of Directors may be called by the Chairman of the Board, if any, or by the President on two (2) days' notice to each Director, either personally or by mail or by telegram; special meetings shall be called by the Chairman, President or Secretary in like manner and on like notice on the written request of one (1) Director.

Section 4. Quorum; Voting

At all meetings of the Board of Directors a majority of the entire Board shall be necessary to constitute a quorum for the transaction of business, and the vote of a majority of the Directors present at the time of the vote if a quorum is present shall be the act of the Board of Directors, except as may be otherwise specifically provided by law. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time until a quorum shall be present. Notice of any such adjournment shall be given to any Directors who were not present and, unless announced at the meeting, to the other Directors.

Section 5. Compensation

Directors, as such, shall not receive any stated salary for their services, but, by resolution of the Board of Directors, a fixed fee and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided, however, that nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 6. Written Consents

Unless otherwise restricted by the Certificate of Incorporation, any action required to be taken by the Board of Directors may be taken without a meeting if all members of the Board of Directors consent in writing to the adoption of a resolution authorizing the action. The resolution and written consents thereto by the members of the Board of Directors shall be filed with the minutes of the proceedings of the Board of Directors.

ARTICLE V

NOTICES

Section 1. Form; Delivery

Notices to Directors and shareholders shall be in writing and may be delivered personally or by mail or telegram. Notice by mail shall be deemed to be given at the time when deposited in the post office or a letter box, in a post-paid sealed wrapper, and addressed to Directors or shareholders at their addresses appearing on the records of the Corporation.

Section 2. Waiver

Whenever a notice is required to be given by any statute, the Certificate of Incorporation or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to such notice. In addition, any shareholder attending a meeting of shareholders in person or by proxy without protesting prior to the conclusion of the meeting the lack of notice thereof to him, and any Director attending a meeting of the Board of Directors without protesting prior to the meeting or at its commencement, such lack of notice shall be conclusively deemed to have waived notice of such meeting.

ARTICLE VI

OFFICERS

Section 1. Officers

The officers of the Corporation shall be a President, one or more Vice-Presidents, a Secretary, a Treasurer, and such other officers including a Chairman of the Board as may be determined by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary; provided, however, that if all of the issued and outstanding stock of the Corporation is owned by one (1) person, such person may hold all or any combination of offices.

Section 2. Authority and Duties

All officers, as between themselves and the Corporation, shall have such authority and perform such duties in the management of the Corporation as may be provided in these By-Laws, or, to the extent not so provided, by the Board of Directors.

Section 3. Term of Office; Removal

All officers shall be elected by the Board of Directors and each shall hold office until the meeting of the Board of Directors following the next annual meeting of shareholders, and until his successor has been elected or appointed and qualified.

Section 4. Compensation

The compensation of all officers of the Corporation shall be fixed by the Board of Directors, and the compensation of agents shall either be so fixed or shall be fixed by officers thereunto duly authorized.

Section 5. Vacancies

If an office becomes vacant for any reason, the Board of Directors shall fill the vacancy. Any officer so appointed or elected by the Board of Directors shall serve only until the unexpired term of his predecessor shall have expired unless re-elected by the Board of Directors.

Section 6. The President

The President shall be the Chief Executive Officer of the Corporation; in the absence of the Chairman of the Board, or if there be no Chairman, he shall preside at all meetings of the shareholders and Directors; he shall be ex-officio a member of all standing committees, shall have general and active management and control of the business and affairs of the Corporation, subject to the control of the Board of Directors, and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 7. The Vice-President

The Vice-President or, if there be more than one, the Vice-Presidents, in the order of their seniority or in any other order determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall generally assist the President and perform such other duties as the Board of Directors or the President shall prescribe.

Section 8. The Secretary

The Secretary shall attend all meetings of the Board of Directors and all meetings of the shareholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall act. He shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his signature or by the signature of the Treasurer or an Assistant Treasurer or Assistant Secretary. He shall keep in safe custody the certificate books and shareholder records and such other books and records as the Board may direct and shall perform all other duties incident to the office of the Secretary.

Section 9. The Assistant Secretary

During the absence or disability of the Secretary, any Assistant Secretary, or if there be more than one, the one so designated by the Secretary or by the Board of Directors, shall have all the powers and functions of the Secretary.

Section 10. The Treasurer

The Treasurer shall have the care and custody of the corporate funds, and other valuable effects, including securities, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meeting of the Board of Directors, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

Section 11. The Assistant Treasurer

During the absence or disability of the Treasurer, any Assistant Treasurer, or if there be more than one, the one so designated by the Treasurer or by the Board of Directors, shall have all the powers and functions of the Treasurer.

Section 12. Bonds

In case the Board of Directors shall so require, any officer or agent of the Corporation shall give the Corporation a bond for such term, in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

ARTICLE VII

SHARE CERTIFICATES

Section 1. Form; Signature

The certificates for shares of the Corporation shall be in such form as shall be determined by the Board of Directors and shall be numbered consecutively and entered in the books of the Corporation as they are issued. Each certificate shall exhibit the registered holder's name and the number and class of shares, and shall be signed by the Chairman or a Vice-Chairman of the Board of Directors, if there be any, or the President or a Vice-President and the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary, and shall bear the seal of the Corporation or a facsimile thereof.

Section 2. Lost Certificates

The Board of Directors may direct a new share certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

Section 3. Registration of Transfer

Upon surrender to the Corporation or any transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation or such transfer agent to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 4. Registered Shareholders

Except as otherwise provided by law, the Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends or other distributions, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or legal claim to or interest in such share or shares on the part of any other person, whether or not it has actual or other notice thereof, except as otherwise provided by the laws of the State of New York.

Section 5. Record Date

For the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shares or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action affecting the interests of shareholders, the Board of Directors may fix, in advance, a record date. Such date shall not be more than fifty (50) nor less than ten (10) days before the date of any such meeting, nor more than fifty (50) days prior to any other action.

In each such case, except as otherwise provided by law, only such persons as shall be shareholders of record on the date so fixed shall be entitled to notice of, and to vote at, such meeting and any adjournment thereof, or to express such consent or dissent, or to receive payment of such dividend, or such allotment of rights, or otherwise to be recognized as shareholders for the related purpose, notwithstanding any registration of transfer of shares on the books of the Corporation after any such record date so fixed.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Fiscal Year

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 2. Dividends

Dividends upon the capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting and may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and the law.

Section 3. Reserves

Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purposes as the Board of Directors shall deem conducive to the interest of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

Section 4. Checks

All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 5. Seal

The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal New York." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

ARTICLE IX

AMENDMENTS

Section 1. Adoption; Amendment; Repeal

By-Laws of the Corporation may be adopted, amended or repealed by vote of the holders of the shares at the time entitled to vote in the election of any Directors. By-Laws of the Corporation may also be adopted, amended or repealed by the Board of Directors, but any By-Law adopted by the Board of Directors, may be amended or repealed by the shareholders entitled to vote thereon as herein provided.

Section 2. Amendments Affecting Election of Directors;

Notice

If any By-Law regulating an impending election of Directors is adopted, amended or repealed by the Board, there shall be set forth in the notice of the next meeting of shareholders for the election of Directors the By-Law so adopted, amended or repealed, together with a concise statement of the changes made.

Article II, Section 2

Meetings of the shareholders shall be held in each year within 60 days of the end of the Corporate fiscal year, and the shareholders shall then elect a Board of Directors and transact such other business as may properly be brought before the meeting.

Article III, Section 2

a) The number of Directors constituting the entire Board of Directors shall be fixed from time to time by resolution of the shareholders, but shall in no event be less than three (3), except that where all the shares of the Corporation are owned beneficially and of record by less than Three (3) shareholders, The number of Directors may be less than three(3) but not less than the number of shareholders. The Board of Directors shall initially be composed of three (3) Directors.

c) The officers of the Corporation shall be President, Vice President, Secretary, and Treasurer, who shall be elected annually by the Board of Directors at a meeting of said body to be held within 10 days following the annual meeting of the corporation. The officers shall be elected from the Board of Directors. The offices of Secretary and Treasurer may be combined and one individual elected thereto.

d) At the first annual meeting prescribed by these bylaws, one director shall be elected for a period of one year; one director shall be elected for a period of two years; and one director for a period of three years. At the annual meeting each year thereafter directors shall be elected for terms of three (3) years to fill vacancies of the directors whose terms expire.

Article VI, Section 3

b) The Corporation reserves the right of first option to purchase any outstanding issued shares for itself. A shareholder wishing to sell his/her shares must first offer said shares to the Corporation in writing specifying the price offered by the prospective purchaser. The Corporation shall have fifteen (15) days from date of receipt of such written offer to exercise its option to purchase. Failure to exercise such option within the time specified shall constitute an automatic waiver of said right for that particular transaction.

MINUTES OF SPECIAL MEETING

-of-

BOARD OF DIRECTORS

-of-

CHAMPLAIN VALLEY MILLING CORPORATION

A special meeting of the Board of Directors was held at the office of Stuart Frum, Esq., Westport, Essex Co., , New York on May 17 , 1985 , at 11:30 o'clock in the fore noon.

There were present: Stuart Frum, Samuel M. Sherman, Anne S. Johnson, Richard C. Webb.

constituting a quorum of the Board of Directors.

Stuart Frum acted as Chairman of the meeting and

Anne Johnson acted as Secretary of the meeting.

The Chairman ordered that a waiver of notice of the time, place and purposes of the meeting, signed by all the directors, be annexed to the minutes of the meeting.

The Statement as to Action of Incorporator(s) in Lieu of Organization Meeting of this Corporation was presented and read to the meeting by the Chairman, together with a copy of the Certificate of Incorporation duly filed with the Department of State of New York, the Filing Receipt therefor and a copy of the By-Laws adopted by the Incorporator(s). Thereupon, on motion duly made, seconded and unanimously carried, it was:

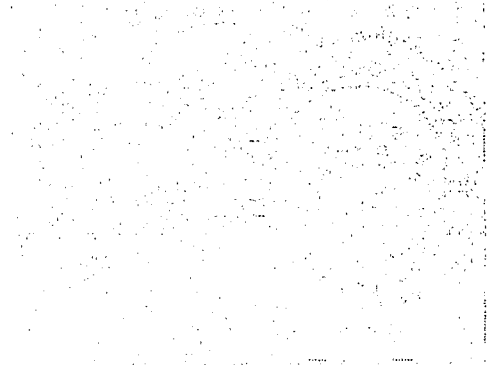
RESOLVED, that the Statement as to Action of Incorporator(s) in Lieu of Organization Meeting of this Corporation which has been presented to this meeting, be and it hereby is in all respects, approved; and that all actions taken by the Incorporator(s) as set forth in said Statement be and they hereby are, in all respects, approved, ratified and confirmed;

and it was further

RESOLVED, that the By-Laws in the form adopted by the Incorporator(s) of this Corporation and ordered inserted in the minute book of this Corporation, be and they hereby are in all respects, approved and adopted as and for the By-Laws of this Corporation.

The Secretary submitted to the meeting a seal proposed for use as the corporate seal of the Corporation. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the seal now presented at this meeting, an impression of which is directed to be made in the margin of the minutes of this meeting, be and the same hereby is adopted as the seal of this Corporation.



The Secretary then submitted to the meeting a specimen form of certificate for shares and share certificate and transfer books for use by the Corporation. Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the specimen form of certificate for shares submitted to this meeting and appended to the minutes hereof, be and the same hereby is adopted as the form of certificates for shares of this Corporation;

and it was further

RESOLVED, that the share certificate and share transfer books presented at this meeting, be and the same hereby are adopted as the share certificate and share transfer books of this Corporation.

The Chairman stated that the next order of business to come before the meeting was the election of officers of the Corporation. He stated that nominations for such offices were then in order, and the following persons were thereupon duly nominated for the offices set forth opposite their respective names:

PRESIDENT: Samuel Sherman

VICE PRESIDENT: Richard C. Webb

SECRETARY: Anne S. Johnson

TREASURER: Anne S. Johnson

There being no further nominations, the nominations were closed and each of the persons nominated as aforesaid was duly elected to serve in the office for which he had been nominated until the meeting of the Board of Directors following the next annual meeting of shareholders and until his successor in such office shall have been duly elected and qualified.

The Chairman observed that it would be necessary to provide for the designation of depositories for the Corporation. Thereupon, on motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the duly authorized officers of this Corporation, be and they hereby are authorized and empowered to open a checking account or accounts in such depositories as they may from time to time determine, and to execute such banking resolutions as such depositories may from time to time require, which banking resolutions shall permit checks, drafts, notes, bills of exchange, acceptances or other orders for the payment of money, or loans, guarantees, endorsements or similar actions to be taken by

and it was further

RESOLVED, that any such banking resolutions as may from time to time be executed as in the above resolution recited, shall be deemed incorporated herein by reference as and for the resolutions of this Corporation.


The Secretary then presented to the meeting (a) proposal(s) of the person(s) set forth below to purchase the number of common shares, no par value, set forth opposite such person('s) (s') name(s):

<u>Name</u>	<u>Number of Shares</u>
Anne S. Johnson	41
Samuel M. Sherman	41
Richard C. Webb	41
Stuart Frum	17

The proposal(s) was (were) taken up for consideration, and upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the offer(s) as set forth in the said proposal(s) be and the same hereby is (are) approved and accepted, and in accordance with the terms thereof, the appropriate officers of this Corporation are hereby authorized and directed to issue to said person(s) such number of fully paid and non-assessable common shares, par value, of this Corporation as are set forth opposite the name of said person(s) recited above, upon receipt therefor of the sum of \$ per share.

There being no further business, the meeting was adjourned.


Secretary of the Meeting

Documents annexed hereto:

1. Waiver of Notice
2. Specimen Form of Certificate for Shares

CHAMPLAIN VALLEY MILLING CORP., INC.

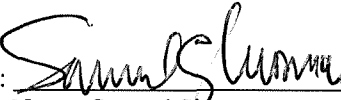
CERTIFICATE CERTIFYING RESOLUTION

I, Samuel Sherman, President of Champlain Valley Milling Corp., Inc., a New York corporation (the "Company"), DO HEREBY CERTIFY that attached hereto is a true and complete copy of the Resolution adopted by the Board of Directors of the Company at a meeting duly held on April 28, 2017 and that such Resolution has not been amended or rescinded and is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto subscribed my name as President of the Company, this 10th day of May, 2017.

CHAMPLAIN VALLEY MILLING CORP., INC.

By: _____



Name: Samuel Sherman

Title: President

RESOLUTION OF THE BOARD OF DIRECTORS OF
CHAMPLAIN VALLEY MILLING, INC. REGARDING THE
UNDERTAKING AND FINANCING OF A CERTAIN PROJECT
THROUGH THE ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

WHEREAS, the Board of Directors of the Champlain Valley Milling, Inc. (the "Company") have determined that it is in the Company's best interests to undertake a project (the "Project") consisting of (A)(1) the acquisition, construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including land and fixtures, to manufacture grain into flour, to be located at 19 Myers Way all within the Town of Willsboro, New York (the "Facility"), which facility will include an approximately 29,000 square foot building and a 70-foot silo, and (2) certain fixtures and other personal property related thereto (the "Equipment") (the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the financing of all or a portion of the costs of the foregoing by the issuance of up to \$4,245,700 aggregate principal amount of Essex County Industrial Development Agency Tax-Exempt Revenue Bonds, Series 2017 (Champlain Valley Milling, Inc. Project) (the "Bonds"); (C) the funding of a debt service reserve fund for the Bonds; (D) the payment of the costs of issuing the Bonds; and (E) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the New York State General Municipal Law) with respect to the foregoing, including an exemption from certain sales and use taxes, real property taxes, deed transfer taxes, and mortgage recording taxes (together with the Project Facility, the "Project")

All capitalized terms used and not defined herein shall have the meanings ascribed thereto in the Trust Indenture, dated as of May 1, 2017, by and between the Essex County Industrial Development Agency (the "Issuer") and Zions Bank, as Trustee (the "Trustee").

NOW THEREFORE, the Board of Directors of the Company hereby adopt the following resolution:

Section 1. Approval of Project. The Company is hereby authorized to undertake and complete the acquisition, construction, reconstruction, equipping, financing and operation of the Project.

Section 2. Approval of Borrowing. The Company is hereby authorized to undertake the financing of the Project through a borrowing by the Company from the Issuer through the issuance of the Bonds. The borrowing shall be in a principal amount, which, in the judgment of the Company, will be sufficient to pay the cost of the Project, and to pay costs associated with the financing, but in no event in excess of \$4,245,700.

Section 3. Authorization of Financing Documents. The Officers of the Company identified in Section 5 hereof (hereinafter referred to as the "Authorized Officers") are each authorized, in the name and on behalf of the Company, to negotiate, executed, deliver and/or approve the following and any other documents necessary to secure the borrowing in connection with the Project (collectively, the "Financing Documents"): (a) the Deed and Bill of Sale to the

Issuer; (b) the Installment Sale Agreement between the Issuer and the Company, including any acceptance of a deed and bill of sale from the Issuer; (c) the Pledge and Assignment from the Issuer to the Trustee with acknowledgment by the Company; (d) the Tax Compliance Certificate of the Company; (e) the Guaranty Agreement from the Company and the majority shareholders of the Company to the Issuer and the Trustee; (f) the Mortgage and Security Agreement from the Company and the Issuer to the Trustee; (g) the Payment in Lieu of Tax Agreement with respect to the Project Facility; (h) the Bond Purchase Agreement; (i) any preliminary and final private placement memorandum distributed in connection with the sale of the Bonds; (j) a Continuing Disclosure Agreement between the Company and the Trustee, and (k) all such further instruments, agreements, certificates, evidence of indebtedness, powers of attorney and other documents as are necessary or appropriate to complete the acquisition, construction, reconstruction, equipping and financing of the Project or to carry out the foregoing.

Section 4. Further Authorization. The Authorized Officers of the Company are each authorized and instructed to take all necessary steps to prepare, or cause to be prepared, all such agreements, documents, certificates and instruments as in his or her judgment may be necessary or advisable in order to carry out the transactions contemplated hereby, including, without limitation, the creation of new bank accounts and the pledge of any accounts, whether new or existing, as in his or her judgment may be necessary or advisable in order to carry out the Financing Documents and the transactions contemplated thereby or desirable or proper to effectuate the purposes of the foregoing resolution and to cause compliance by the Company with all the terms, covenants and provisions of the Financing Documents binding upon the Company. Notwithstanding any other provision of this resolution, each of the Authorized Officers of the Company shall have full authority and power on behalf and in the name of the Company to negotiate, prepare, execute, deliver and approve all such documents and agreements with such terms and conditions as he or she deems appropriate in connection with the borrowing authorized herein.

Section 5. Authorized Officers. Samuel Sherman and Derinda Sherman, each of them without the other, are hereby authorized to negotiate, prepare, execute, deliver and approve, in the name and on behalf of the Company, the Financing Documents and any and all documents and other agreements to be executed and delivered by the Company in connection with the borrowing authorized herein.

Section 6. Effective Date. This resolution shall take effect immediately.

I hereby certify that the above is a true copy of the resolution adopted by the Board of Directors of Champlain Valley Milling, Inc. at a meeting held on April 28, 2017; that a quorum was present and acted throughout such meeting; and that such resolution has not been rescinded or modified and is still in full force and effect.

IN WITNESS WHEREOF, the _____ Secretary _____ of the Company has caused this Certificate to be executed and the seal of the Company to be affixed hereto.

(SEAL)

CHAMPLAIN VALLEY MILLING, INC.

Dated: April 28, 2017

By: Ayra Pettit
Name: Ayra Pettit
Title: Corp. Secretary

RESOLUTION OF THE BOARD OF DIRECTORS OF CHAMPLAIN VALLEY MILLING CORP., INC. DETERMINING ITS INTENT TO REIMBURSE ITSELF FOR CERTAIN CAPITAL EXPENDITURES.

WHEREAS, the Champlain Valley Milling Corp., Inc., a New York corporation (the "Borrower") has made certain capital expenditures in connection with the construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including fixtures, as part of the Company's flour product manufacturing business, to be located at 19 Myers Way in the Town of Willsboro, New York 12996 (the "Facility"), which Facility will include an approximately 75'X50'X70' building (the "Project") prior to the date of this Resolution, and the Borrower expects to make additional capital expenditures for the Project in the future.

RESOLVED, that the Borrower intends to reimburse itself for all or a portion of such expenditures, to the extent permitted by law, with the proceeds of bonds or other obligations to be issued by a political subdivision or other governmental entity for the benefit of the Borrower (the "Bonds").

FURTHER RESOLVED, that the maximum principal amount of Bonds expected to be issued for the Project is \$ 4,125,000

The undersigned hereby certifies that the foregoing Resolution was duly adopted by the Board of Directors of Champlain Valley Milling Corp., Inc. on MAY 9th, 2017.

CHAMPLAIN VALLEY MILLING CORP., INC.

By: Samuel M. Sherman
Name: SAMUEL M. SHERMAN
Title: President

Attest:
By: Ayra Pettit
Name: Ayra Pettit
Title: Secretary

(SEAL)

**CERTIFICATE AS TO REPRESENTATIONS AND WARRANTIES OF THE
COMPANY**

I, Samuel Sherman, President of the Champlain Valley Milling Corp., Inc., a corporation duly organized and existing under the laws of the State of New York (the “Company”) DO HEREBY CERTIFY as follows:

1. Each of the representations and warranties of the Company contained in Section 2.2 of the Installment Sale Agreement, dated as of May 1, 2017 (the “Installment Sale Agreement”), by and between the Company and the Essex County Industrial Development Agency (the “Issuer”); and contained in Section 7 of the Bond Purchase Agreement dated as of May 10, 2017 (the “Bond Purchase Agreement”), by and among the Issuer, the Company, and Janney Montgomery Scott LLC, as Underwriter; and contained in the Tax Certificate dated May 16, 2017 are true and correct in all material respects as of the date hereof as though made on and as of the date hereof. All capitalized terms used in this Certificate and not otherwise defined herein shall have the same meanings assigned to them as in the Installment Sale Agreement.

2. No event has occurred and is continuing or would result from the authorization, execution and delivery of the Installment Sale Agreement, and any of the Financing Documents to which the Company is a party, which constitutes, or after notice or lapse of time or both would constitute, an “Event of Default” under the Installment Sale Agreement, the Bond Purchase Agreement or any of the above-mentioned documents, but for the requirement that notice be given or time elapse or both.

IN WITNESS WHEREOF, I have set my hand this 16 day of May, 2017

CHAMPLAIN VALLEY MILLING CORP., INC.

By: Samuel Sherman
Name: Samuel Sherman
Title: President

[Signature Page to Certificate of Representation and Warranties of the Company]

**CERTIFICATE OF THE COMPANY AS TO INCUMBENCY, SIGNATURES,
NO LITIGATION AND OTHER MATTERS**

I, the undersigned, duly authorized officer of Champlain Valley Milling Corp., Inc., a corporation duly organized and existing under the laws of the State of New York (the “Company”),
HEREBY CERTIFY as follows:

1. I am the officer of the Company indicated by the official title set forth opposite my signature to this certificate and am the duly authorized signatory of the Company referred to in the Company Documents as that term is described below.

2. On May 16, 2017, I did officially cause the following documents (hereinafter referred to collectively as the “Company Documents”) to be executed in the name of the Company by signing each of the Company Documents with the signature of an officer of the Company impressed thereon: (a) the Installment Sale Agreement, dated as of May 1, 2017, between the Essex County Industrial Development Agency (the “Issuer”) and the Company (the “Installment Sale Agreement”), (b) the Bond Purchase Agreement, dated May 10, 2017, between the Company, the Issuer, and Janney Montgomery Scott LLC (the “Underwriter”), (c) the Pledge and Assignment Agreement between the Issuer and ZB, National Association (the “Trustee”) and acknowledged to by the Company, dated as of May 1, 2017, (d) the Mortgage and Security Agreement, dated as of May 1, 2017, from the Issuer and the Company to the Trustee, (e) the Guaranty Agreement, dated as of May 1, 2017, from both the Company and the majority shareholders of the Company to the Issuer and the Trustee, (f) the Tax Certificate of the

Company, (g) the Deed from the Company to the Issuer, (h) the Bill of Sale from the Company to the Issuer, and (i) the Continuing Disclosure Agreement between the Company and the Trustee, dated May 16, 2017, any other document relating to the Project to which it is a party. All capitalized terms used in this Certificate and not otherwise defined herein shall have the same meanings assigned to them as in the Installment Sale Agreement.

3. On April 28, 2017, the Company adopted a resolution authorizing the execution of the Company Documents.

4. From April 28, 2017 and continually thereafter and including the date of delivery of the Company Documents, which is also to the date of this certificate, I am the duly elected and acting officer indicated in the Company Documents and on this certificate and am duly authorized to cause the Company Documents to be executed as recited above and to be delivered and to effect other transactions contemplated by the Company Documents.

5. There is no action, suit, proceedings, inquiry or investigation at law or in equity by or before any court or public board or body pending, or, to the best of my knowledge, threatened, against or affecting the Company, nor is there any basis therefor, which in any way questions the power of the Company, the laws pursuant to which the Company was incorporated or the validity of the proceedings taken by the Company in connection with the transaction contemplated by the Company Documents or which would result in a material change in the condition (financial or otherwise), business or affairs of the Company, or wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Company Documents or any agreement or instrument to which the Company is a party.

6. The Company has (i) duly performed all of its obligations to be performed at or prior to the date hereof and each of the representations and warranties of the Company contained in the Installment Sale Agreement and the Bond Purchase Agreement are true and correct as of the date hereof, and (ii) duly authorized by all necessary action the execution, delivery, receipt and due performance of each of the Company Documents and any and all other agreements and documents as may be required to be executed and delivered by the Company in order to carry out, give effect to and consummate the transactions described and contemplated in the Company Documents. The Company Documents are each in full force and effect on and as of the date hereof and no authority for the execution, delivery or performance of any Company Documents has been revoked, repealed or rescinded. No further act, resolution or consent by the Company is required to give effect to and consummate the transactions described and contemplated in the Company Documents.


7. To the best of my knowledge, from the date of the commitment of the Purchaser to purchase the Issuer's \$4,245,000 Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 (the "Bonds") to the date hereof there has been no substantial adverse change of any kind in the condition of the Company. All certificates, warranties and representations made by the Company in connection with the execution and delivery of the Company Documents are hereby ratified, confirmed and approved as if made on the date hereof.

8. The descriptions and statements contained in the Limited Offering Memorandum, as they pertain to the Company, on the date of sale and on the date hereof were and are true in all material respects and did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the descriptions and statements therein, in light of the circumstances under which they were made, not misleading as of the date of sale and as of the date

9. As of the date hereof, the Company is in good standing as a New York corporation.

10. The Company Documents can be duly executed and delivered by the sole signature of the President of the Company.

WITNESS my official signature of the Company on this May 18, 2017.

NAME	OFFICIAL TITLE	SIGNATURE
Samuel Sherman	President	

The foregoing certificate is true, accurate and complete on the date hereof and I know the person whose signature appears above to hold the title and office stated next to his signature.

Dated: May 10, 2017

Signature Ayra Pettit
Title Secretary

[Signature Page to Company Certificate of Signatures, Incumbency, no Litigation and Other Matters]

STATE OF NEW YORK)
 ss:
COUNTY OF ESSEX)

On this 10th day of May, 2017 before me, the undersigned, a notary public in and for said state, personally appeared Samuel Sherman, personally known to me 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.

Barbara A Breyette
Notary Public

**BARBARA A BREYETTE
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BR4987221
Qualified in Essex County
Commission Expires October 7, 2017**

[Notary Page to Company Certificate of Signatures, Incumbency, no Litigation and Other Matters]


CHAMPLAIN VALLEY MILLING CORP., INC.

CERTIFICATE OF INSURANCE

I, Samuel Sherman, President of the Champlain Valley Milling Corp., Inc., a corporation, duly organized and existing under the laws of the State of New York (the “Company”), DO HEREBY CERTIFY that the insurance required by Section 6.3 of the Installment Sale Agreement, dated as of May 1, 2017, by and between the Essex County Industrial Development Agency and the Company, has been obtained and is in full force and effect and attached hereto are original or duplicate copies or binders of all such policies naming the correct insured parties or certificates of the insurers providing such insurance.

IN WITNESS WHEREOF, I have set my hand this May 16 2017.

CHAMPLAIN VALLEY MILLING CORP.,
INC.

By: 
Name: Samuel Sherman
Title President

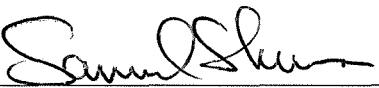
[Signature Page to Certificate of Insurance pursuant to the Installment Sale Agreement]

CHAMPLAIN VALLEY MILLING CORP., INC.**CERTIFICATE OF TITLE INSURANCE**

I, Samuel Sherman, President of Champlain Valley Milling Corp., Inc., a corporation, duly organized and existing under the laws of the State of New York (the "Company"), DO HEREBY CERTIFY that the insurance required by Section 3.2 of the Installment Sale Agreement, dated as of May 1, 2017, by and between the Essex County Industrial Development Agency and the Company has been obtained and is in full force and effect and attached hereto are original or duplicate copies or binders of such title insurance policy or binders naming the correct insured parties or certificates of the insurers providing such insurance.

IN WITNESS WHEREOF, I have set my hand this 16 day of May 2017.

CHAMPLAIN VALLEY MILLING CORP.,
INC.

By: 
Name: Samuel Sherman
Title President

[Signature Page to Certificate of Title Insurance pursuant to the Installment Sale Agreement]

**BILL OF SALE CONVEYING THE PROJECT TO THE
ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY FROM CHAMPLAIN
VALLEY MILLING CORP., INC.**

KNOW ALL MEN BY THESE PRESENTS:

CHAMPLAIN VALLEY MILLING CORP., INC. (the "Company"), a corporation duly organized and existing under the laws of the State of New York (the "State"), in consideration of ten dollars paid by **ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency"), a governmental agency and instrumentality constituting a body corporate and politic and a public benefit corporation of the State duly organized and existing under the law of the State, the receipt of which is hereby acknowledged, does hereby grant, sell, transfer, and deliver unto the Agency the building, equipment, and personal property set forth on Exhibit B attached hereto, located on the land described in Exhibit A hereto.

TO HAVE AND TO HOLD all and singular the said land, equipment, and personal property to the Agency and its successors and assigns to its and their own use and behalf forever.

THE COMPANY HEREBY COVENANTS with the Agency that the Company has or will have full right and good and marketable title to convey the said land, equipment, and personal property.

IN WITNESS WHEREOF, the Company has hereunto executed this Bill of Sale by and on behalf of its duly authorized officer and the seal of the Company has hereunto been affixed by an officer duly authorized to so act this May 10, 2017

**CHAMPLAIN VALLEY MILLING CORP.,
INC.**

By: 

Title: President

EXHIBIT A TO THE BILL OF SALE

DESCRIPTION OF LAND

SCHEDULE "A"

LEGAL DESCRIPTION

All that certain parcel of land being located in the northwesterly part of the Hamlet of Willsboro and in the Town of Willsboro, County of Essex and State of New York, said parcel being located on the westerly bounds of the New York State Highway known as Route 22, and being part of the property described in a deed from Tambrands, Inc., to Old Adirondack, Inc. dated May 25, 1994 recorded May 26, 1994 in the Essex County Clerk's Office in deed book 1062 at page 166 and being shown as Lot 1 on a Map of Survey prepared for Willsboro Development Corporation, dated June 27, 1994, revised July 11, 1994, by Kevin A. Hall, Land Surveyor and filed in the Essex County Clerk's Office as Map Number 4554, formerly being part of "Parcel No. 10" as described in a deed dated June 8, 1962, from the New York & Pennsylvania Co. Inc. to the Champlain Mills Properties, Inc. and recorded in the Essex County Clerk's Office in deed book 400 at page 240, being bounded and described as follows:

Beginning at a 3 foot long 1/2" iron pipe set to grade located at the northeast corner of the herein described parcel and the southeast corner of Anjou Development Corp. as described in deed book 1066 at page 40, being Lot 2 as shown on said map, said iron pipe being in the assumed westerly road bounds of said Route 22, a distance of 25 feet from the centerline thereof and running the following two courses along said road bounds;

1. Southerly on a curve concave to the east an arc distance of 161.85 feet to a found 3/4" iron pipe 0.1' below grade at the point of tangency, said curve having a radius of 434.26 feet and a delta angle of 21°-21'-16";
2. S 04°-32'-20" E as referenced to north by deed book 1062 at page 166 a distance of 26.19 feet to a 4 foot long 3/4" iron pipe set to 0.1' below grade located at the northeast corner of Samuel J. and Ann E. Marcotte as described in a deed from Tampax, Inc., dated November 8, 1974, recorded in deed book 598 at page 180 and running the following course along said Marcotte as described in said deed book 598 at page 180 and in a deed from Tambrands, Inc. dated August 27, 1986, recorded in deed book 876 at page 281;
3. N 82°-52'-20" W 214.11 feet to a found 3/4" iron pipe at grade at the northwest corner of said Marcotte and running the following course along said Marcotte as described in said deed book 876 at page 281 and Glen and Elizabeth Flora as described in a deed from Tambrands, Inc. dated August 27, 1986 recorded in deed book 876 at page 68;
4. S 03°-57'-00" E 193.26 feet to a found 1' high 1/2" iron pipe;
5. S 83°-45'-12" E 100.00 feet to a found 3/4" iron pipe 0.5' below grade, set in June 1994, located at the northwest corner of Stafford as described in deed book 596 at page 122;
6. S 17°-51'-00" W 109.00 feet to a found 0.3' high 1/2" iron pipe, set in June 1994, said iron pipe being located at the southwest corner of said Stafford;
7. N 55°-32'-40" W 120.41 feet along land of an unknown owner to a 0.5' high 5/8" iron rod with cap set in September 1999, and continuing on the same course of N 55°-32'-40" W an additional distance of 1,113.37 feet along the north bounds of Essex County Industrial Development Agency as described in deed book 1299 at page 20, for a total distance of 1,233.78 feet to a found 1/2" iron pipe plug in a drill hole in a 2' X 2' X 1' high rock, said iron pipe plug set in June of 1994 and running the following two courses along Lot 2;
8. N 25°-31'-29" E 293.75 feet to a found 0.2' high 1/2" iron pipe set in June of 1994;
9. S 64°-28'-31" E 1,151.42 feet to the point and place of beginning, containing 10.00 acres, within the above described bounds and shown on the herein above referenced map.

Subject to all rights, title and interest of the public in and to that portion of land lying westerly of the first two courses and the true legal road bounds of New York State Rt. 22.

Together with all rights, title and interest of the grantor in and to that portion of land lying easterly of the first two courses and the true legal centerline of New York State Rt. 22.

LEGAL DESCRIPTION - CONTINUED

Together with an easement labeled with the letter "A" as shown on the herein above referenced map.

Subject to an easement to Willsboro Sewer District #1 as described in a deed dated and recorded June 29, 1994 in the Essex County Clerk's Office in deed book 1064 at page 280.

Subject to all easements and restrictions of record.

The lands conveyed are subject to Adirondack Park Agency Permit 2001-182 issued October 12, 2001, the terms and conditions of which are binding upon the heirs, successors and assigns of the grantors and all subsequent grantees, filed in the Essex County Clerk's Office in APA Book 54 at page 126.

Further granting and conveying an easement and right of way for ingress and egress at a width of 50 feet commencing at Route 22 and running in a westerly direction along the northerly boundary of the parcel herein described then turning and running the entire length of the westerly boundary of the parcel herein described. This easement is to be used in common with others more specifically being Anjou Development Corporation being the fee title owner and also Willsboro Development Corporation which reserves said easement rights in order to gain access to its other lands located to the south of the subject property.

Subject to a certain easement reserved by Willsboro Development Corporation in a deed from Willsboro Development Corporation dated March 12, 2002 and recorded in the Essex County Clerk's Office at Book 1314 of Deeds at page 266 thereof.

19 Myers Way, Willsboro, Essex County, New York 12996, Tax Map #31.9-1-42.100

EXHIBIT B

DESCRIPTION OF EQUIPMENT AND PERSONAL PROPERTY

Equipment	Amount	Model Number	Serial Number
Present in Willsboro			
Yale Forklift	1		
JEM Sewing Head	1		
Pallet Racks			
27' by 11 ring Grain Bin	2		
Temper Bin	1		
Ford Tractor	1	5640	P.O./004576
48' Van Trailer	1		
Fortress Metal Detector	1	Phantom	21340
Moving to Willsboro from Westport			
15' by 8 ring hopper bottom grain bin	4		
12' by 8 ring hopper bottom grain bin	2		
9' by 5 ring hopper bottom grain bin	5		
Codema Air Lock	11		
Flour Tanks	4		
13' flour bin	1		
Walinga Agri Vac	1	4510	MT4510WLX-40E-050810183
All Fill system	1	14-9000	20010101373
Perten Laboratory Mill	1	3100	050210
Perten Falling Number Machine	1	FN1500	057107
Perten Inframatic Flour Analyzer	1	IM 9140	4111
Brabender Farinograph	1	S300	184502
Fischbein Sewing Machine	5		
Helms Whole Mill	1	25-S	340
Fortress Metal Detector	1	Phantom	F5247
Flour Bagger Tank with Airlock	1		
Chantland bagger with scales	1	4198 Weighmaster II	39402
Stone Mill			
Airlock bench	1		
Airlocks	10		

Cyclones	10		
Allis Chalmers Sifter	1		1155
Sieves	68		
Codema Filter Tank with Airlock	1		
Roll Stand	4		
IR Piston type air compressor	1	7100	8056694
Whole Mill Filter Tank	1	16005.6	16005.0202
Whole Mill Vacuum Pump	1	GAELDPA	S159590
Kaeser Blower 1	1	MDB 130	1495 135 2005
Kaeser Blower 2	1	MDB 130	1414 135 2005
Kaeser Blower 3	1	MDB 130	1493 135 2005
Kaeser Blower 4	1	MDB 130	1496 135 2005
JEM Bagger	1	GWD-21-GG	061451
JEM Conveyor	1	Con 508 w/PED	31422
Portable Air Lock	1		
Mixing Tank	1		
Blue Master Bucket Elevator	1	5005	688112536
Triner Scale	1	TS-700 MS	AE120319080
Alapala Scour/Aspirator	1	KKSI 3010	796
Temper Augur	1		
Toyota Electric Pallet Jack	1	8HBW23	8HBW23-28589
Toyota Electric Pallet Jack	1	7HBW23	7HBW23-28589
Toyota Forklift	1	42-6FGCU15	60961
Incoming Equipment			
IR Rotary screw compressor	1	IRN30H Nirvana	
Ocrim Separator Sifter	1		
Codema Destoner	1		
Clean Grain Bin	1		
Magnet	1		
Scales	1		
Bliss Whole Mill	1		

Witt Rollstand	1		
Whole Mill Filter Tank	1		
White Flour Filter Tank	1		
Satake Color Sorter	1		

QUITCLAIM DEED

THIS INDENTURE made this 16th day of May, Two Thousand Seventeen

BETWEEN

Champlain Valley Milling Corp., Inc. a New York corporation with an office at 6679 Main Street, Westport, New York 12993-0454, Essex County, New York 12994,

Grantor, as party of the first part

And

Essex County Industrial Development Agency, a governmental body and instrumentality constituting a body corporate and politic and public benefit corporation of the State of New York with an address of P.O. Box 217, Elizabethtown, Essex County, New York 12932,

Grantee, as party of the second part

WITNESSETH that the party of the first part, in consideration of ONE AND NO/100 DOLLARS (\$1.00), lawful money of the United States, and other valuable consideration, paid by the party of the second part, does hereby remise, release and quitclaim unto the party of the second part, its successors and the assigns of the party of the second part forever,

ALL THAT TRACT, PIECE OR PARCEL OF LAND, with improvements now thereon, situate in the Town of Willsboro, County of Essex and State of New York and being more particularly described on **Schedule "A"** attached hereto and made a part hereof.

BEING the same premises conveyed to Champlain Valley Milling Corp., Inc. by deed recorded in the Essex County Clerk's office on May 18, 2015 in Book 1800 of Deeds at Page 204, as Instrument Number 2015-1765.

TOGETHER WITH all right, title, and interest, if any, of the party of the first part in and to any streets and roads abutting the above described premises to the center lines thereof;

TOGETHER WITH the appurtenances and all the estate and rights of the party of the first part in and to said premises,

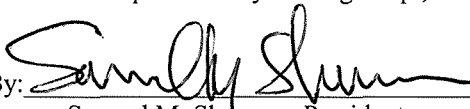
TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, its successors and the assigns of the party of the second part forever.

AND the party of the first part, in Compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The word "party" shall be construed as if to read "parties" whenever the sense of the indenture so requires.


IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above written.

Champlain Valley Milling Corp., Inc.

By: 
Samuel M. Sherman, President

STATE OF NEW YORK)
COUNTY OF ESSEX) SS:

On the 10th day of May, 2017 before me, the undersigned, a Notary Public in and for said state, personally appeared **Samuel M. Sherman** personally known to me 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 to the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.


Notary Public

Record & Return to:
William H. Kissel, Esq.
P.O. Box 1598
Lake Placid, NY 12946

BARBARA A BREYETTE
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BR4987221
Qualified in Essex County
Commission Expires October 7, 2017

EXHIBIT A

Legal Description of the Property

SCHEDULE "A"

LEGAL DESCRIPTION

All that certain parcel of land being located in the northwesterly part of the Hamlet of Willsboro and in the Town of Willsboro, County of Essex and State of New York, said parcel being located on the westerly bounds of the New York State Highway known as Route 22, and being part of the property described in a deed from Tambrands, Inc., to Old Adirondack, Inc. dated May 25, 1994 recorded May 26, 1994 in the Essex County Clerk's Office in deed book 1062 at page 166 and being shown as Lot 1 on a Map of Survey prepared for Willsboro Development Corporation, dated June 27, 1994, revised July 11, 1994, by Kevin A. Hall, Land Surveyor and filed in the Essex County Clerk's Office as Map Number 4554, formerly being part of "Parcel No. 10" as described in a deed dated June 8, 1962, from the New York & Pennsylvania Co. Inc. to the Champlain Mills Properties, Inc. and recorded in the Essex County Clerk's Office in deed book 400 at page 240, being bounded and described as follows:

Beginning at a 3 foot long 1/2" iron pipe set to grade located at the northeast corner of the herein described parcel and the southeast corner of Anjou Development Corp. as described in deed book 1066 at page 40, being Lot 2 as shown on said map, said iron pipe being in the assumed westerly road bounds of said Route 22, a distance of 25 feet from the centerline thereof and running the following two courses along said road bounds;

1. Southerly on a curve concave to the east an arc distance of 161.85 feet to a found 3/4" iron pipe 0.1' below grade at the point of tangency, said curve having a radius of 434.26 feet and a delta angle of 21°-21'-16";
2. S 04°-32'-20" E as referenced to north by deed book 1062 at page 166 a distance of 26.19 feet to a 4 foot long 3/4" iron pipe set to 0.1' below grade located at the northeast corner of Samuel J. and Ann E. Marcotte as described in a deed from Tampax, Inc., dated November 8, 1974, recorded in deed book 598 at page 180 and running the following course along said Marcotte as described in said deed book 598 at page 180 and in a deed from Tambrands, Inc. dated August 27, 1986, recorded in deed book 876 at page 281;
3. N 82°-52'-20" W 214.11 feet to a found 3/4" iron pipe at grade at the northwest corner of said Marcotte and running the following course along said Marcotte as described in said deed book 876 at page 281 and Glen and Elizabeth Flora as described in a deed from Tambrands, Inc. dated August 27, 1986 recorded in deed book 876 at page 68;
4. S 03°-57'-00" E 193.26 feet to a found 1' high 1/2" iron pipe;
5. S 83°-45'-12" E 100.00 feet to a found 3/4" iron pipe 0.5' below grade, set in June 1994, located at the northwest corner of Stafford as described in deed book 596 at page 122;
6. S 17°-51'-00" W 109.00 feet to a found 0.3' high 1/2" iron pipe, set in June 1994, said iron pipe being located at the southwest corner of said Stafford;
7. N 55°-32'-40" W 120.41 feet along land of an unknown owner to a 0.5' high 5/8" iron rod with cap set in September 1999, and continuing on the same course of N 55°-32'-40" W an additional distance of 1,113.37 feet along the north bounds of Essex County Industrial Development Agency as described in deed book 1299 at page 20, for a total distance of 1,233.78 feet to a found 1/2" iron pipe plug in a drill hole in a 2' X 2' X 1' high rock, said iron pipe plug set in June of 1994 and running the following two courses along Lot 2;
8. N 25°-31'-29" E 293.75 feet to a found 0.2' high 1/2" iron pipe set in June of 1994;
9. S 64°-28'-31" E 1,151.42 feet to the point and place of beginning, containing 10.00 acres, within the above described bounds and shown on the herein above referenced map.

Subject to all rights, title and interest of the public in and to that portion of land lying westerly of the first two courses and the true legal road bounds of New York State Rt. 22.

Together with all rights, title and interest of the grantor in and to that portion of land lying easterly of the first two courses and the true legal centerline of New York State Rt. 22.

LEGAL DESCRIPTION - CONTINUED

Together with an easement labeled with the letter "A" as shown on the herein above referenced map.

Subject to an easement to Willsboro Sewer District #1 as described in a deed dated and recorded June 29, 1994 in the Essex County Clerk's Office in deed book 1064 at page 280.

Subject to all easements and restrictions of record.

The lands conveyed are subject to Adirondack Park Agency Permit 2001-182 issued October 12, 2001, the terms and conditions of which are binding upon the heirs, successors and assigns of the grantors and all subsequent grantees, filed in the Essex County Clerk's Office in APA Book 54 at page 126.

Further granting and conveying an easement and right of way for ingress and egress at a width of 50 feet commencing at Route 22 and running in a westerly direction along the northerly boundary of the parcel herein described then turning and running the entire length of the westerly boundary of the parcel herein described. This easement is to be used in common with others more specifically being Anjou Development Corporation being the fee title owner and also Willsboro Development Corporation which reserves said easement rights in order to gain access to its other lands located to the south of the subject property.

Subject to a certain easement reserved by Willsboro Development Corporation in a deed from Willsboro Development Corporation dated March 12, 2002 and recorded in the Essex County Clerk's Office at Book 1314 of Deeds at page 266 thereof.

19 Myers Way, Willsboro, Essex County, New York 12996, Tax Map #31.9-1-42.100

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes, except interest on any Bond for any period during which it is held by a "substantial user" of the facilities financed or a "related person," as those terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) interest on the Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

**ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
\$4,245,000 TAX-EXEMPT REVENUE BONDS
(CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT), SERIES 2017**

Dated: Date of Delivery

Due: June 1, 2047

Essex County Industrial Development Agency Tax-Exempt Revenue Bonds (Champlain Valley Milling, Inc. Project), Series 2017 (the "Bonds") are being issued pursuant to a Trust Indenture, dated as of May 1, 2017 (the "Indenture"), between Essex County Industrial Development Agency (the "Issuer") and ZB, National Association, as trustee (the "Trustee").

The proceeds of the sale of the Bonds will be used by Champlain Valley Milling Corp., Inc. (the "Company") to provide funds for (A)(1) the acquisition, construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including land and fixtures, to manufacture grain into flour, to be located at 19 Myers Way all within the Town of Willsboro, New York (the "Facility"), which facility will include an approximately 29,000 square foot building, and (2) certain fixtures and other personal property related thereto (the "Equipment") (the Facility and the Equipment being collectively referred to as the "Project Facility"); (C) the funding of a debt service reserve fund for the Bonds and (D) the payment of a portion of the costs of issuing the Bonds (together with the Project Facility, the "Project").

Pursuant to the terms of the Installment Sale Agreement dated as of May 1, 2017 (the "Installment Sale Agreement"), (A) the Company will agree (1) to cause the Project to be undertaken and completed, and (2) to make certain installment purchase payments to or upon the order of the Issuer, which installment purchase payments shall include amounts equal to the debt service payments due on the Bonds, and (B) the Issuer will agree to sell the Project Facility to the Company.

As security for the Bonds and the Company's obligations under the Financing Documents, the Issuer will execute and deliver to the Trustee the pledge and assignment dated as of May 1, 2017 (the "Pledge and Assignment") from the Issuer to the Trustee, which Pledge and Assignment will assign to the Trustee certain of the Issuer's rights and remedies under the Installment Sale Agreement, including the right to collect and receive certain moneys due and to become due thereunder (except for Unassigned Rights). Pursuant to the Pledge and Assignment, installment purchase payments made by the Company under the Installment Sale Agreement are to be paid directly to the Trustee.

To further secure the Company's obligations under the Financing Documents, the Company will execute and deliver to the Issuer a Mortgage and Security Agreement, dated as of May 1, 2017 (the "Mortgage"), pursuant to which the Company will grant to the Issuer mortgage liens on and security interests in the property described in the Mortgage (the "Mortgaged Property").

To further secure the Company's obligations under the Financing Documents, the Company and the majority shareholders of the Company (together, the "Guarantors") will execute and deliver to the Issuer a Guaranty Agreement, dated as of May 1, 2017 (the "Guaranty"), pursuant to which the Guarantors will guaranty to the Issuer and the Trustee the full and timely payment, when due of the principal of, premium, if any, and interest on the Bonds and the payment and performance of the Company's obligations under the Financing Documents

The Bonds shall be dated May 16, 2017 and shall bear interest from their dated date, or from the most recent Interest Payment Date to which interest has been paid. Interest on the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2017 and shall mature on June 1 2047 and shall bear interest at the rate of 6.250% (on the basis of a 360-day year with twelve 30-day months) per annum. The Bonds are subject to redemption prior to maturity.

The purchase of Bonds involves certain special risks. See "BONDOWNERS' RISKS." The Bonds are not and shall not be a debt of the State, the County of Essex, New York and neither the State nor the County of Essex, New York shall be liable thereon. The Bonds do not give rise to a pecuniary liability or charge against the general credit or taxing powers of the State or the County of Essex, New York.

The Bonds are being issued by the Issuer and accepted by the Underwriter subject to the opinion as to their validity and certain other matters of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the Issuer by its counsel, Briggs Norfolk LLP Lake Placid, New York; and for the Company by its counsel, William H. Kissel,

Esq., Lake Placid, New York. Certain matters will be passed upon for the Underwriter by its counsel, Trespasz & Marquardt, LLP, Syracuse, New York. It is expected that the Bonds will be available for delivery to the Underwriter on May 16, 2017.



May 16, 2017

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No dealer, broker, salesperson or other person has been authorized by the Issuer or the Company to give any information or to make any representations in respect of the Bonds, the Company, or the Project Facility, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Limited Offering Memorandum has been furnished by the Company, the Issuer and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and, except in respect of the information supplied by the Issuer as described below, is not to be construed as a representation of, the Issuer. The information and expressions of opinion herein are subject to change without notice, and the delivery of this Limited Offering Memorandum shall not, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

Neither the Issuer, its counsel, nor any of its members, agents, employees or representatives have reviewed this Limited Offering Memorandum or investigated the statements or representations contained herein, except for those statements relating to the Issuer set forth under the captions "THE ISSUER" and "LITIGATION - Issuer". Except with respect to the information contained under such captions, neither the Issuer, its counsel, nor any of its members, agents, employees or representatives make any representation as to the completeness, sufficiency and truthfulness of the statements set forth in this Limited Offering Memorandum. Members of the Issuer and any other person executing the Bonds are not subject to personal liability by reason of the issuance of the Bonds.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON THE EXEMPTIONS CONTAINED IN SUCH ACTS. THE SECURITIES AND EXCHANGE COMMISSION HAS NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM. NO ATTORNEY GENERAL, STATE OFFICIAL, STATE AGENCY OR BUREAU, OR OTHER STATE OR LOCAL GOVERNMENTAL AUTHORITY OR ENTITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM OR PASSED UPON OR ENDORSED THE MERITS OF THE BONDS.

IN MAKING ANY INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

LIMITED OFFERING MEMORANDUM

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY \$4,245,000 TAX-EXEMPT REVENUE BOND, SERIES 2017 (CHAMPLAIN VALLEY MILLING, INC. PROJECT)

INTRODUCTION

Purpose of this Limited Offering Memorandum

This Limited Offering Memorandum, including the cover page and Appendices hereto, is provided to furnish information with respect to the issuance, sale and delivery by Essex County Industrial Development Agency (the "Issuer") of its \$4,245,000 aggregate principal amount of Tax-Exempt Revenue Bonds (Champlain Valley Milling, Inc. Project), Series 2017 (the "Bonds"). The Bonds are being issued pursuant to the Constitution and the laws of the State of New York, a Trust Indenture dated as of May 1, 2017 (the "Indenture") between the Issuer and ZB, National Association, as trustee (the "Trustee"), a resolution of the Issuer adopted on April 6, 2017 (the "Bond Resolution"), authorizing, among other things, the Bonds and the Indenture. Certain capitalized terms used herein are defined in APPENDIX A - "DEFINITIONS." All capitalized terms used in this Limited Offering Memorandum and not otherwise defined herein have the same meaning as in the Indenture. The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of its terms and conditions. All statements herein are qualified in their entirety by reference to each document.

Purpose of the Bonds

The proceeds of the sale of the Bonds together with certain other moneys will be used by the Champlain Valley Milling, Inc. (the "Company") for financing of all or a portion of the costs of: (A)(1) the acquisition, construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including land and fixtures, to manufacture grain into flour, to be located at 19 Myers Way all within the Town of Willsboro, New York (the "Facility"), which facility will include an approximately 29,000 square foot building, and (2) certain fixtures and other personal property related thereto (the "Equipment") (the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the funding of a debt service reserve fund for the Bonds; and (C) the payment of the costs of issuing the Bonds (together with the Project Facility, the "Project") See "THE PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS."

Risks

Certain risks are inherent in the successful operation of facilities such as the Project Facility on a basis such that sufficient cash will be available to pay interest on and to retire indebtedness. See "BONDHOLDERS' RISKS" below for a discussion of certain of these risks.

THE ISSUER

Essex County Industrial Development Agency (the "Issuer") was created pursuant to pursuant to and in accordance with the provisions of the Enabling Act, by Chapter 563 of the Laws of 1973 of the State (Section 914-a, Title 2 of Article 18-A of the General Municipal Law of the State), as amended from time to time (including without limitation Chapter 444 of the Laws of 1999 of the State) (collectively, with the Enabling Act, the "Act") and is empowered under the Act to undertake the Project in order to so advance

the job opportunities, health, general prosperity and economic welfare of the people of the State and improve their standard of living.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER PAYABLE THEREBY SOLELY OUT OF CERTAIN FUNDS PLEDGED THEREFOR. NOTHING IN THE BONDS, THE INDENTURE OR THE INSTALLMENT SALE AGREEMENT SHALL BE CONSIDERED AS PLEDGING OR COMMITTING ANY OTHER FUNDS OR ASSETS OF THE ISSUER TO THE PAYMENT OF THE BONDS OR THE SATISFACTION OF ANY OTHER OBLIGATION OF THE ISSUER UNDER THE BONDS, THE INDENTURE OR THE INSTALLMENT SALE AGREEMENT. NEITHER THE ISSUER NOR ITS MEMBERS, DIRECTORS, OFFICERS, AGENTS (OTHER THAN THE COMPANY), SERVANTS OR EMPLOYEES, NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY WITH RESPECT TO THE BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE THEREOF. ACCORDINGLY, NO FINANCIAL INFORMATION REGARDING THE ISSUER OR ITS MEMBERS, DIRECTORS OR OFFICERS HAS BEEN INCLUDED HEREIN.

NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION OF THE STATE (INCLUDING, WITHOUT LIMITATION, THE COUNTY OF ESSEX, NEW YORK) IS OR SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE, IF APPLICABLE, OF OR INTEREST ON THE BONDS, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK OR THE COUNTY OF ESSEX, NEW YORK IS PLEDGED TO SUCH PAYMENT. THE ISSUER HAS NO TAXING POWER.

THE COMPANY



Overview

Champlain Valley Milling Corp., Inc. (the “Company”) is a New York corporation formed in January, 1985 under Section 402 of the New York Business Corporations Law. The Company has been milling hand-crafted flour and grains for over 30 years and is the largest 100% Organic Flour Mill in New York State.

The Company’s products focus on organic flours and grains purchased locally in New York State, along with organic grains from South Dakota, North Dakota, Montana and Canada. A large portion of the Company’s business focuses on producing “white flour”, whole wheat flour and rye flour. The Company is NOFA Vermont organic certified and Orthodox Union Kosher certified.

The Company has continued to expand its business, from mainly producing 5 pound bags of whole four to producing pallet quantities of 50 pound bags. In the fiscal year ended April 30, 2017 the Company shipped approximately 120,000 50 lbs. bags of various milled grains to its top 15 customers. The Company now processes 16 types of grain and seeds, including, rye, spelt, barley, wheat, corn into various flours and grains. In the fiscal year ended April 30, 2017, the Company sold over 5,472,576 pounds of flour and grain.

The Company provides flour to organic bakeries, primarily in the Northeast United States, including, Wegman’s Stores Bakeshop, Hillcrest Foods, and Eli’s Bread in New York City. The organic food market continues to increase as consumers want to know what is in their food, where it comes from and have an alternative to Genetically Modified Organisms (GMO) foods. By the nature of organic

definition and certification, organic food is not GMO, and is certified with documentation back to the original farmer producer. Champlain Valley Milling has an excellent reputation with our customers and the market place as a top quality certified organic producer, but also passionate about what we have been milling since 1985 and long before the recent surge in organic consumer awareness and increased sales.

Proceeds of the Bonds will be applied to a portion of the costs of the acquisition and construction of the Project Facility at a new site in Willsboro, New York and will expand the Company's production, storage and shipping space from 10,000 to 25,000 square feet.

Regulatory Oversight

The two main agencies that oversee the milling industry as a whole are the United States Department of Agriculture (USDA) and the Food and Drug Administration (FDA). Both of these agencies oversee different regulatory aspects of the Company's business. The USDA oversees and regulates organic certification. The USDA requires third party independent certification, and the Company is proudly certified by NOFA Vermont. Organic certification is a must for the Company's customers and prospective customers. The FDA oversees and regulates the Food Safety and Modernization Act of 2010 (FSMA). While enacted in 2010, the FSMA is an ongoing process and requires certification from a third party such as the American Institute of Baking. There are different levels of Food Safety, all of which the Company believes it will satisfy in its new facility. The New York State Department of Health (NYDOH) also regulates the Company's operations as a food producer.

Management

Champlain Valley Milling has a history of long-term owners and key employees. The Company's ownership is comprised of the following: Derinda M. Sherman (50.84%), Samuel M. Sherman (35%), Herbert Savel, MD (10%) and Carl Huttig (4.16%). Two of the owners, Derinda Sherman and Sam Sherman have extensive involvement with the milling operations as detailed below. The Company is proud to be a majority Woman-Owned Business.

Sam Sherman, President and CEO, has been with the Company since its founding in 1985. Sam has extensive sales, milling operations and grain procurement expertise. Sam is able to lead the scope of the business from "beginning to end", from the farm to the customer.

Derinda Sherman, VP of Human Resources, has been with the Company since 1993. Derinda not only supports the needs of our employees, she also has the knowledge and scope to address logistics and customer service as needed.

Ayra Pettit, Director of Logistics and Customer Service, has been with the Company since 2000. Ayra's excellence in customer service has allowed CVM to not only maintain our relationships with our customers, she is responsible for much of our growth and premium customer service that our customers have come to expect.

Adam Perry, Mill Operations, has been with the Company since 2009. Adam has helped the Company become one of the premier flour millers in North America by ensuring that we have the highest quality and most consistent flour.

Michael Bittel, COO (Contracted), has over 15 years of executive milling operational and sales experience. Michael's background also includes grain procurement and farmer relationships.

Attached hereto as APPENDIX B are the financial statements of the Company for the years ended April 30, 2016 and 2015. The Company's obligation to make all installment purchase payments under the Installment Sale Agreement and to perform all obligations relating thereto will be secured by a Guaranty Agreement dated as of May 1, 2017 from the Company to the Issuer. See "SECURITY FOR THE BONDS – GUARANTY" herein.

THE PROJECT

The Project consists of: (A)(1) the acquisition, construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including land and fixtures, to manufacture grain into flour, to be located at 19 Myers Way in the Town of Willsboro, New York (the "Facility"), which facility will include an approximately 29,000 square foot building and (2) certain fixtures and other personal property related thereto (the "Equipment") (the Facility and the Equipment being collectively referred to as the "Project Facility"). The Project Facility will be owned and operated by the Company.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds:

Sources and Uses of Funds	
Sources:	
<i>Bond Proceeds:</i>	\$4,245,000.00
Par Amount	
<i>Other Sources of Funds:</i>	101,200.00
Equity Contribution for COI	
Total Sources	\$4,346,200.00
Uses:	
Project Fund	\$3,377,240.55
Loan Payoff	260,000
Debt Service Reserve Fund	325,468.76
Capitalized Interest Fund	143,710.95
Cost of Issuance	111,100.00
Underwriter's Discount	75,000.00
Other Delivery Date Expenses	53,679.74
Total Uses	\$4,346,200.00

THE BONDS

The Bonds shall be Term Bonds issued in the aggregate principal amount of \$4,245,000 and be designated "Essex County Industrial Development Agency Tax-Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017". The Bonds will be issued as fully registered bonds without coupons in the denomination of \$100,000 or any multiple of \$5,000 in excess thereof. Each Bond shall be of a single maturity. The Bonds shall initially be issued in book entry form as Book Entry Bonds.

The Bonds will be dated May 16, 2017 and shall bear interest from their dated date, or from the most recent Interest Payment Date to which interest has been paid. Interest on the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2017 and shall mature on June 1, 2047 and shall bear interest at the rate of 6.250% (on the basis of a 360-day year with twelve 30-day months) per annum. Each Bond shall bear interest on overdue principal and, to the extent permitted by law, on overdue interest at the Default Rate computed from the date of the Default or Event of Default. "Default Rate" means the rate of interest payable on overdue principal on the Bonds or ten percent (10%).

The principal or Redemption Price of the Bonds shall be payable at the principal corporate trust office of the Trustee in Pittsburgh, Pennsylvania, as Paying Agent, or at the corporate trust or any other designated office of any successor Paying Agent.

Interest on the Bonds shall be payable to the Person appearing on the registration books of the Registrar as the registered owner thereof on the Record Date (1) by check mailed on the Interest Payment Date to the registered owner, or (2) by wire transfer on the Interest Payment Date to any owner of at least \$100,000 in aggregate principal amount of Bonds upon written notice provided by the owner to the Registrar not later than ten (10) Business Days prior to the Record Date for such interest payment; except that if and to the extent there shall be a default in the payment of the interest due on any Interest Payment Date, the defaulted interest shall be paid to the owners in whose names the Bonds are registered at the close of business on the fifth (5th) Business Day next preceding the date of payment of the defaulted interest. Interest payments made by check shall be mailed to each owner at his address as it appears on the registration books of the Registrar on the applicable Record Date or at such other address as he may have filed with the Registrar for that purpose. Wire transfer payments of interest shall be made solely to accounts located in the United States of America and at such wire transfer address as the owner shall specify in his notice requesting payment by wire transfer.

Each Bond will bear interest from the dated date indicated thereon, if authenticated prior to the first Interest Payment Date. If authenticated on or after the first Interest Payment Date, in exchange for or upon the registration or transfer of Bonds, such Bond shall bear interest from and including the Interest Payment Date next preceding the date of authentication thereof, unless the date of such authentication shall be an Interest Payment Date to which interest thereon has been paid in full or duly provided for, in which case, such Bond shall bear interest from and including such Interest Payment Date. Each Bond shall bear interest on overdue principal and, to the extent permitted by law, on overdue interest at the Default Rate computed from the date of the Default or Event of Default.

Redemption of Bonds Prior to Maturity.

(A) Optional Redemption.

The Bonds shall also be subject to redemption prior to maturity at the option of the Company by exercise of its rights to prepay the installment purchase payments payable under the Installment Sale

Agreement as provided in Section 5.5 thereof, as a whole at any time or in part on any Interest Payment Date, in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, as follows:

- (1) on or after June 1, 2027 at a redemption price of one hundred and three percent (103%) of the principal amount thereof, plus accrued interest to the redemption date;
- (2) on or after June 1, 2028 at a redemption price of one hundred and two percent (102%) of the principal amount thereof, plus accrued interest to the redemption date;
- (3) on or after June 1, 2029 at a redemption price of one hundred and one percent (101%) of the principal amount thereof, plus accrued interest to the redemption date; and
- (4) on or after June 1, 2030 at a redemption price of one hundred and one percent (100%) of the principal amount thereof, plus accrued interest to the redemption date

(B) Mandatory Sinking Fund Redemption.

(1) The Bonds issued as Term Bonds maturing on June 1, 2047 are subject to mandatory Sinking Fund Redemption at a redemption price of one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date, on each June 1, and December 1 commencing December 1, 2019, in accordance with the sinking fund redemption schedule set forth below:

Sinking Fund Payment Date	Sinking Fund Payment	Sinking Fund Payment Date	Sinking Fund Payment
12/1/2019	\$25,000	06/1/2034	\$75,000
06/1/2020	35,000	12/1/2034	75,000
12/1/2020	30,000	06/1/2035	75,000
06/1/2021	30,000	12/1/2035	75,000
12/1/2021	30,000	06/1/2036	80,000
06/1/2022	35,000	12/1/2036	80,000
12/1/2022	35,000	06/1/2037	85,000
06/1/2023	35,000	12/1/2037	85,000
12/1/2023	35,000	06/1/2038	90,000
06/1/2024	40,000	12/1/2038	95,000
12/1/2024	35,000	06/1/2039	95,000
06/1/2025	45,000	12/1/2039	100,000
12/1/2025	40,000	06/1/2040	100,000
06/1/2026	45,000	12/1/2040	110,000
12/1/2026	45,000	06/1/2041	105,000
06/1/2027	45,000	12/1/2041	110,000
12/1/2027	45,000	06/1/2042	115,000
06/1/2028	50,000	12/1/2042	120,000
12/1/2028	50,000	06/1/2043	120,000
06/1/2029	50,000	12/1/2043	125,000
12/1/2029	50,000	06/1/2044	130,000
06/1/2030	60,000	12/1/2044	140,000
12/1/2030	55,000	06/1/2045	135,000
06/1/2031	60,000	12/1/2045	145,000
12/1/2031	65,000	06/1/2046	145,000
06/1/2032	60,000	12/1/2046	155,000

<u>Sinking Fund Payment Date</u>	<u>Sinking Fund Payment</u>	<u>Sinking Fund Payment Date</u>	<u>Sinking Fund Payment</u>
12/1/2032	65,000	06/1/2047*	155,000
06/1/2033	65,000		
12/1/2033	65,000		

* Maturity.

(C) Extraordinary Redemption

The Bonds are subject to redemption prior to maturity (1) as a whole, without premium, as provided in Section 406 hereof, in the event of (a) a taking in Condemnation of, or failure of title to, all or substantially all of the Project Facility, (b) damage to or destruction of part or all of the Project Facility and election by the Company to redeem the Bonds in accordance with Section 7.1 of the Installment Sale Agreement, or (c) a taking in Condemnation of part of the Project Facility and election by the Company to redeem the Bonds in accordance with Section 7.1 of the Installment Sale Agreement, or (2) as a whole, without premium, in the event that (a) the Installment Sale Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as a result of any change in the United States Constitution or legislative or administrative action (whether state or federal), or by final decree or judgment of any court of administrative body, or (b) an Authorized Representative of the Company certifies that unreasonable burdens or excessive liabilities have been imposed on such Company or its property, including, without limitation, taxes not being imposed on the date of the Installment Sale Agreement, or (3) in part, without premium, (a) as provided in Section 406(F) hereof, in the event that (i) excess moneys remain in the Insurance and Condemnation Fund following damage or condemnation of a portion of the Project Facility and completion of the repair, rebuilding or restoration of the Project Facility by the Company, and (ii) such excess moneys are not paid to the Company pursuant to Section 406(F) hereof, (b) as provided in Section 404 hereof, in the event that excess moneys remain in the Project Fund after the Completion Date, or (c) in the event that excess proceeds of recoveries from contractors are applied to redeem Bonds pursuant to Section 4.6 of the Installment Sale Agreement, in each case to the extent of such excess. In any such event, the Bonds shall be redeemed, as a whole or in part, as the case may be, in the manner provided in Article III of the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption pursuant to Section 303 hereof, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(D) Partial Redemption.

In the event of the redemption of less than all of the Outstanding Bonds of any series issued under the Indenture, the maturity or maturities and amounts within maturities to be redeemed shall be selected by the Trustee at the direction of the Company. If less than all the Outstanding Bonds of any series of the same maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the redemption date by lot or by such other method as the Trustee may determine, provided that for so long as the Bonds shall be Book-Entry Bonds, the particular Bonds or portions thereof to be redeemed within a maturity shall be selected by lot by the Depository in such manner as the Depository may determine. The Trustee shall apply any partial redemption payments made with respect to any Bonds subject to mandatory Sinking Fund Payments (other than a scheduled mandatory sinking fund redemption) to the schedule of mandatory Sinking Fund Payments for such Bonds in inverse order of maturity. Further, the Trustee may provide for the selection for redemption of portions (equal to \$5,000 or any integral multiples in excess thereof) of Bonds. In no event shall the principal amount of Bonds subject to any partial redemption be other than a whole multiple of \$5,000 thereof.

(E) Determination of Taxability

The Bonds are also subject to redemption prior to maturity upon the occurrence of a Determination of Taxability relating to such Bonds. In such event, the Bonds shall be subject to redemption, as a whole, as soon as possible after the discovery of such Determination of Taxability, at a redemption price equal to the Taxable Call Rate. If any Bonds are paid at maturity or purchased by the Trustee or redeemed subsequent to a Tax Incidence Date relating to such Series without payment of an amount at least equal to the redemption price that would have been received if such Bonds had been redeemed as a result of a Determination of Taxability, the owners of such Bonds at the time of maturity, purchase or redemption, upon establishing their then ownership thereof, shall be entitled to receive, as an additional premium thereon, an amount equal to the difference between the amounts actually received and the amounts that would have been received if such Bonds had been redeemed as a result of a Determination of Taxability.

Notice of Redemption.

Notice of the intended redemption of each Bond shall be given by the Trustee by first class mail, postage prepaid, to the registered owner at the address of such owner shown on the Bond Registrar's Bond Register. All such redemption notices shall be given not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption. The Trustee shall not give notice of any redemption of Bonds unless the Trustee shall have, at the time such notice is given, sufficient funds on hand to make such redemption.

Notices shall state the redemption date and the Redemption Price to be paid and, if less than all of the then Outstanding Bonds are called for redemption, shall state (i) the numbers of the bonds to be redeemed by giving the individual certificate of each bond to be redeemed or shall state that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption; (ii) the CUSIP numbers of all Bonds being redeemed if available, (iii) the amount of each Bond being redeemed (in the case of a partial redemption); (iv) the date of issue of the Bonds as originally issued; (v) the rate of interest borne by each of the Bonds redeemed; (vi) the maturity date of each Bond being redeemed and (vii) any other descriptive information needed to identify accurately the Bonds being redeemed. Such notice shall further state that payment of the applicable Redemption Price plus accrued interest to the date fixed for redemption will be made upon presentation and surrender of the Bonds. The notice shall require that such Bonds be surrendered at the principal corporate trust officer of the Trustee and shall state that further interest on such Bonds will not accrue from and after the redemption date.

If notice of redemption shall have been given as aforesaid, the Bonds called for redemption shall become due and payable on the redemption date, provided, however, that with respect to any optional redemption of the Bonds, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem the Bonds. In the event that such notice of optional redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of optional redemption shall be unconditional, or if the conditions of a conditional notice of optional redemption shall have been satisfied, then upon presentation and surrender of the Bonds so called for redemption at the place or places of payment, such Bonds shall be redeemed.

CUSIP number identification with appropriate dollar amounts for each CUSIP number shall also accompany each redemption payment.

In addition to providing notice of redemption as set forth above the Trustee shall send a second notice of redemption within sixty (60) days following the redemption date, by registered mail, overnight mail, overnight delivery service, or other secure means, postage prepaid to the registered owners of any Bonds called for redemption, at their addresses appearing on the Bond registration books maintained by the Trustee, who have not surrendered their Bonds for redemption within thirty (30) days following the redemption date.

Failure to give notice by mailing or any defect in the mailed notice to the registered owner of any Bond designated for redemption or to any depository or information service shall not affect the validity of the proceedings for the redemption of any other Bond if notice of such redemption shall have been mailed as herein provided.

Purchase in Lieu of Optional Redemption.

In lieu of calling the Bonds for optional redemption, the Bonds shall be subject to mandatory tender for purchase at the direction of the Issuer, upon the direction of the Company, in whole on any date on or after June 1, 2027 at a Purchase Price equal to the applicable Redemption Price for any optional redemption of such Bonds as provided in Section 301(A) of the Indenture, plus accrued interest to the purchase date. Purchases of tendered Bonds may be made without regard to any provision of this Indenture relating to the selection of Bonds in a partial optional redemption. The Bonds purchased pursuant to any mandatory tender(s) are not required to be cancelled, and if not so cancelled, shall, prior to any resale by or on behalf of the Company, not be deemed Outstanding in connection with any subsequent partial optional redemption solely for purposes of those provisions of this Indenture relating to the selection of the Bonds in a partial redemption.

Purchases in lieu of an optional redemption shall be permitted, with the consent of the Issuer, upon the delivery to the Issuer and the Trustee of (i) an opinion of Nationally Recognized Bond Counsel addressed to the Issuer and the Trustee substantially to the effect that (A) such purchases in lieu of optional redemption comply with the provisions of the Indenture and (B) neither such purchases in lieu of an optional redemption nor any transaction directly related thereto will adversely affect the exclusion from gross income of interest on the Bonds for purposes of federal income taxation, and (ii) such other opinions, certificates or documentation as the Issuer may require.

Exchange, Transfer and Certain Charges

The Trustee is designated and agrees to act as Bond Registrar and shall cause a Bond Register to be kept on behalf of the Issuer at the principal office of the Trustee for the registration and transfer of Bonds. Any Bond, upon the surrender of such Bond to the Bond Registrar, may be transferred at the expense of the transferor, but only upon delivery of an assignment duly executed by the registered owner or his duly authorized legal representative in the form imprinted on the Bond or in such other form as shall be satisfactory to the Bond Registrar. The Trustee shall not be required to make any such transfer or exchange of (1) any Bond during the fifteen (15) days next preceding a Bond Payment Date or (2) any Bond selected for redemption in whole or in part under Article III hereof; provided, however, that in the event of a Bond selected for redemption in part, nothing in this paragraph shall prohibit exchange of the remaining portion of such Bond redeemed in part for a new Bond with a reduced principal amount or the transfer or exchange of any such new Bond.

Additional Bonds

So long as the Installment Sale Agreement is in effect and no event of default exists thereunder (and no event exists which, upon notice or lapse of time or both, would become an Event of Default thereunder, the Issuer may, upon request from the Company issue one or more series of Additional Bonds

for the purpose of (i) paying or completing payment of the cost of the Project Facility, (ii) paying the cost of refinancing through prepayment or payment at maturity of all or part of the Outstanding Bonds of any series (and in each case, paying the expenses of the issuance thereof and to pay amounts required to be deposited in funds established under the Indenture), (iii) costs of making any modifications, additions or improvements to the Project Facility that the Company may deem necessary or desirable, and/or (iv) costs of issuance and sale of the Additional Bonds, capitalized interest, funding of debt service reserves, and other costs reasonably related to the foregoing.

If the Issuer determines to issue Additional Bonds, the Trustee shall, at the request of the Issuer, authenticate the Additional Bonds and deliver them as specified in the request, but only upon receipt of:

(1) an amendment to the Installment Sale Agreement, which amended Installment Sale Agreement shall provide for timely payment by the Company of installment purchase payments in an amount at least equal to the sum of the total Debt Service Payments due on the Bonds and all Additional Bonds and all other costs in connection with the Project Facility and all Additional Projects covered thereby;

(2) evidence that the Financing Documents, as amended or supplemented in connection with the issuance of the Additional Bonds, provide that (a) the Bonds referred to therein shall mean and include the Additional Bonds being issued as well as the Bonds originally issued under the Indenture and any Additional Bonds theretofore issued, and (b) the Project Facility referred to in the Financing Documents includes any Additional Facilities being financed;

(3) a copy of the resolution of the board of directors of the Company, duly certified by the secretary or assistant secretary of the Company, which approves the issuance of the Additional Bonds and authorizes the execution and delivery by the Company of the amendments to the Financing Documents described in paragraphs (1) and (2) above;

(4) a written opinion of counsel to the Company which shall state that the amendments and supplements to the Financing Documents described in paragraphs (1) and (2) above have been duly authorized, executed and delivered by the Company; that the Financing Documents, as amended and supplemented to the Closing Date for such Additional Bonds, constitute legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, subject to the standard exceptions with respect to bankruptcy laws, equitable remedies and specific performance; and that all conditions precedent provided for in the Indenture to the issuance, execution and delivery of the Additional Bonds have been complied with;

(5) a copy of the resolution of the members of the Issuer, duly certified by the secretary or assistant secretary of the Issuer, authorizing the issuance of the Additional Bonds and the execution and delivery by the Issuer of the amendments to the Financing Documents described in paragraph (2) above to be executed by the Issuer in connection therewith;

(6) an opinion of counsel to the Issuer stating that the amendments and supplements to the Financing Documents described above have been duly authorized and lawfully executed and delivered on behalf of the Issuer; and that such amendments and supplements to the Financing Documents are in full force and effect and are valid and binding upon the Issuer, subject to the standard exceptions with respect to bankruptcy laws, equitable remedies and specific performance;

(7) an opinion of Bond Counsel stating that, in the opinion of such Bond Counsel, the Issuer is duly authorized and entitled to issue such Additional Bonds and that, upon the execution, authentication and delivery thereof, such Additional Bonds will be duly and validly issued and will

constitute valid and binding special obligations of the Issuer, enforceable in accordance with their terms, subject to the standard exceptions with respect to bankruptcy laws, equitable remedies and specific performance; that the issuance of the Additional Bonds will not, in and of itself, adversely affect the validity of the Bonds originally issued under the Indenture or any Additional Bonds theretofore issued or the exclusion of the interest payable on the Bonds and any Additional Bonds theretofore issued as Tax-Exempt Bonds from the gross income of the Holders thereof for federal income tax purposes; and that all conditions precedent provided for in the Indenture to the issuance, execution and delivery of the Additional Bonds have been complied with;

(8) written evidence from each Rating Agency, if any, by which the Bonds are then rated, at the request of the Issuer, to the effect that the issuance of such Additional Bonds will not, by itself, result in a reduction or withdrawal of the rating(s) on the Outstanding Bonds applicable immediately prior to the issuance of the Additional Bonds;

(9) a written order to the Trustee executed by an Authorized Representative of the Issuer requesting that the Trustee authenticate and deliver the Additional Bonds to the purchasers therein identified; and

(10) such other documents as the Trustee may reasonably request.

Acceleration

(A) Upon (1) the occurrence of an Event of Default as provided in Section 601(A)(B) or (C) of the Indenture, the Trustee shall, or (2) the occurrence of an Event of Default under Section 601(D) through 601(E) of the Indenture and so long as such Event of Default is continuing, the Trustee may, and upon the written request of the Controlling Bondholders the Trustee shall, by notice in writing delivered to the Company, with a copy of such notice being sent to the Issuer, declare the entire principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Upon any such declaration, the Trustee shall immediately declare an amount equal to all amounts then due and payable on the Bonds to be immediately due and payable under the Installment Sale Agreement.

(B) Upon the occurrence of any declaration by the Trustee, the principal of the Bonds then Outstanding and the interest accrued thereon shall thereupon become and be immediately due and payable, and interest shall continue to accrue thereon until the date of payment.

Registration and Payment — Book-Entry System

Beneficial ownership interests in the Bonds will be available in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of beneficial ownership interests in the Bonds will not receive certificates representing their interests in the Bonds purchased.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One or more fully-registered Bond certificates will be issued and deposited with DTC for each principal amount of each series of Bonds maturing on a specified date and bearing interest at a specified interest rate, each in the aggregate principal amount of such quantity of Bonds.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of

the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017 Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bonds. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds, are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference will only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they will be sent by the Trustee to DTC only.

The Issuer and the Trustee may treat DTC (or its nominee) as the sole and exclusive registered owner of the Bonds registered in its name for the purpose of payment of the principal of, or interest on such Bonds, giving any notice permitted or required to be given to registered owners under the Indenture, registering the transfer of the Bonds, or other action to be taken by registered owners and for all other purposes whatsoever. The Issuer and the Trustee will not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Issuer (kept by the Trustee) as being a registered owner, with respect to: the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or interest on the Bonds; any notice which is permitted or required to be given to registered owners thereunder or under the conditions to transfers or exchanges provided in the Indenture; or other action taken by DTC as a registered owner. The Trustee will forward interest and principal payments to DTC, or its nominee. Disbursement of such payments to the Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the Participants or the Indirect Participants.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF ALL OF THE BONDS, REFERENCES HEREIN TO THE OWNERS, HOLDERS OR BONDHOLDERS OF THE BONDS (OTHER THAN UNDER THE CAPTIONS "TAX MATTERS" AND "SECONDARY MARKET DISCLOSURE" HEREIN) WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

For every transfer and exchange of beneficial ownership of the Bonds, a Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2017 Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2017 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

Each person for whom a Participant acquires an interest in the Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications of DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments.

NONE OF THE ISSUER, THE UNDERWRITER, OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS.

NEITHER THE ISSUER OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO HOLDERS OF THE BONDS; OR (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS.

SECURITY FOR THE BONDS

Indenture

The Bonds will be issued under and will be equally and ratably secured under the Indenture, pursuant to which the Issuer will assign and pledge to the Trustee:

- A. All right, title and interest of the Issuer in and to the Trust Revenues and the Financing Documents (other than Unassigned Rights);
- B. Any and all moneys, securities and other investment property from time to time held by the Trustee under the terms of the Indenture, except (A) moneys on deposit with or paid to the Trustee for the mandatory purchase of the Bonds, notice of which has been given, (B) moneys deposited with or

paid to the Trustee for the redemption of Bonds notice of which has been duly given, (C) moneys on deposit in the Rebate Fund, and (D) unclaimed funds held under Section 410 of the Indenture;

- C. Any and all other Property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security under the Indenture, by the Issuer or by anyone in its behalf or with its written consent in favor of the Trustee;

The Indenture is intended to constitute a security agreement under the Uniform Commercial Code of the State so that the Trustee shall have and may enforce a security interest, to secure payment of all sums due or to become due under the Bonds and the Indenture, in so much of the Property described in Clauses "A", "B" and "C" above as may be made subject to such a security interest, including, but not limited to the moneys held by the Trustee under the Indenture, such security interest to attach at the earliest moment permitted by law and also to include and attach to all additions and accessions thereto, all substitutions and replacements therefor and all proceeds thereof, and all other contract rights and general intangibles of the Issuer (except the Unassigned Rights) obtained in connection with or relating to the Project Facility, as well as any and all items of property in the foregoing classifications which are hereafter acquired;

Subject, however, to Permitted Encumbrances and excepting therefrom the Unassigned Rights. See "SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS" in APPENDIX C hereto.

Special, Limited Obligations

THE BONDS, TOGETHER WITH THE PREMIUM, IF ANY, AND THE INTEREST AND LIBOR BREAKAGE FEE, IF ANY, THEREON, ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE, WITH RESPECT TO THE ISSUER, SOLELY FROM THE TRUST REVENUES, WHICH TRUST REVENUES ARE PLEDGED AND ASSIGNED FOR THE EQUAL AND RATABLE PAYMENT OF ALL SUMS DUE UNDER THE BONDS, AND SHALL BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, ON AND INTEREST ON THE BONDS EXCEPT AS MAY BE OTHERWISE EXPRESSLY PROVIDED IN THE INDENTURE.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER AND SHALL NEVER CONSTITUTE A DEBT OF THE STATE OF NEW YORK OR ESSEX COUNTY, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR ESSEX COUNTY, NEW YORK SHALL BE LIABLE THEREON, NOR SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR.

Installment Sale Agreement

Under the Installment Sale Agreement between the Company and the Issuer and assigned to the Trustee, (A) the Company will agree (1) to cause the Project to be undertaken and completed, (2) as agent of the Issuer, to undertake and complete the Project, (3) to purchase the Project Facility from the Issuer, and (4) to make certain installment purchase payments to or upon the order of the Issuer as the purchase price for the Project Facility, which installment purchase payments shall include amounts equal to the debt service payments due on the Bonds, and (B) the Issuer will agree to (1) undertake the Project, (2) appoint the Company as agent of the Issuer to undertake and complete the Project, and (3) sell the Project Facility to the Company.

Installment Sale Agreement – Permitted Indebtedness

Permitted Indebtedness.

The Company represents, covenants and agrees that it has not and will not hereafter incur or assume (the terms “incur” and “assume”, for the purposes hereof, to mean and include the guaranteeing of, or the direct or indirect assumption of liability for, the debts of others) other than (i) a working capital credit line in the amount of up to \$300,000 and (ii) the existing unsecured bank loan in the amount of \$299,000, any Long Term Indebtedness or Parity Indebtedness after the date of closing whether secured or unsecured, unless and until the Company shall have obtained the written consent of the Controlling Bondholder. See the caption "SUMMARIES OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS" in APPENDIX C hereto.

Pledge and Assignment

As security for the Bonds, the Issuer will execute and deliver to the Trustee a pledge and assignment, dated as of May 1, 2017 (the “Pledge and Assignment”) from the Issuer to the Trustee, and acknowledged by the Company, which Pledge and Assignment will assign to the Trustee certain of the Issuer’s rights under the Installment Sale Agreement. Pursuant to the Pledge and Assignment, installment purchase payments made by the Company under the Installment Sale Agreement are to be paid directly to the Trustee. See the caption "SUMMARIES OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS" in APPENDIX C hereto.

Mortgage and Security Agreement

As further security for the Company’s obligations under the Financing Documents, the Company will execute and deliver to the Issuer a Mortgage and Security Agreement, dated as of May 1, 2017 (the “Mortgage”), pursuant to which the Company will grant to the Issuer mortgage liens on and security interests in the property described in the Mortgage (the “Mortgaged Property”). See the caption "SUMMARIES OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS" in APPENDIX C hereto.

Keyman Life Insurance

The Installment Sale Agreement provides that not later than thirty days after closing, the Company shall maintain keyman life insurance on the majority shareholders of the Company in the amount of \$500,000 per majority shareholder during the period which the Bonds are Outstanding and shall assign the policy to the Trustee for the benefit of the Bondholders and until such policy has been assigned to the Trustee, will not, after the submission of the initial requisition at closing, submit any requisition for disbursement of proceeds under the Installment Sale Agreement to the Trustee, provided that no keyman life insurance will be required if after five consecutive years, no Event of Default has occurred or is continuing. See the caption "SUMMARIES OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS" in APPENDIX C hereto.

Guaranty

To further secure the Company’s obligations under the Financing Documents, the Company and the majority shareholders of the Company (together, the “Guarantors”) will execute and deliver to the Issuer a Guaranty Agreement, dated as of May 1, 2017 (the “Guaranty”), pursuant to which the Guarantors will guaranty to the Issuer and the Trustee the full and timely payment, when due of the principal of, premium, if any, and interest on the Bonds and the payment and performance of the Company’s obligations under the

Financing Documents. See the caption "SUMMARIES OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS" in APPENDIX C hereto.

Reserve Fund

Section 101 of the Indenture provides that upon the issuance, sale and delivery of the Bonds, the Issuer shall transfer to the Trustee for deposit into the Reserve Fund, an amount equal to the Reserve Fund Requirement for the Bonds to the extent such monies are available for such purpose from the proceeds of the sale of the Bonds. Upon the issuance of any Additional Bonds, the Trustee shall deposit an amount equal to the Reserve Fund Requirement relating to such Additional Bonds into the Reserve Fund. "Reserve Fund Requirement" means \$325,468.76 with respect to the Bonds, and for any Additional Bonds, shall be as described in such supplemental indenture authorizing such Additional Bonds.

If, on the Business Day preceding any Bond Payment Date, the amount on deposit in the Bond Fund is not sufficient to pay Debt Service Payments due on such Bond Payment Date with respect to the Bonds then Outstanding, the Trustee shall transfer from the Reserve Fund and deposit into the Bond Fund an amount of money sufficient, when added to the amounts then on deposit in the Bond Fund and available to make available to make Debt Service Payments coming due on the Bonds on such Bond Payment Date.

The Trustee shall notify the Company in writing of any withdrawal from the Reserve Fund, or any deficiency on the amounts required to be on deposit to the credit of the Reserve Fund determined upon periodic valuation thereof. Pursuant to Section 5.3(B)(3) of the Installment Sale Agreement, the Company has agreed to replenish any withdrawal from the Reserve Fund in monthly payments commencing immediately succeeding receipt by the Company from the Trustee of notice of such withdrawal identified in such notice; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement. Pursuant to Section 5.3(B)(4) of the Installment Sale Agreement, the Company has agreed to replenish any deficiency in the Reserve Fund in monthly payments made prior to the next periodic valuation date, each such monthly payment to be in an amount at least equal to one-quarter of the deficiency identified in the notice of deficiency received by the Company from the Trustee; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement. See the caption "SUMMARIES OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS" in APPENDIX C hereto.

BONDHOLDERS' RISKS

The discussion herein of risks to the registered owners of the Bonds is not intended as dispositive, comprehensive or definitive, but rather is to summarize certain matters that could affect payment on the Bonds. Other sections of this Limited Offering Memorandum, as cited herein, should be referred to for a more detailed description of risks described in this section, which descriptions are qualified by reference to any documents discussed therein. Copies of all such documents are available for inspection at the principal office of the Trustee.

THE BONDS ARE NOT A DEBT OR LIABILITY OF THE COUNTY OF ESSEX, NEW YORK, THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE ISSUER, OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF NEW YORK, THE COUNTY OF ESSEX, NEW YORK, OR ANY SUCH POLITICAL SUBDIVISION OTHER THAN THE ISSUER, BUT ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE REVENUES RECEIVED BY THE ISSUER FROM THE COMPANY IN ACCORDANCE WITH THE INSTALLMENT SALE AGREEMENT, THE FUNDS AND ACCOUNTS HELD

PURSUANT TO THE TRUST INDENTURE (EXCEPT THE REBATE FUND) AND CERTAIN INVESTMENT INCOME THEREON. THE ISSUER HAS NO TAXING POWER.

Introduction

The ability of the Company to make the payments required with respect to the Bonds will depend on the ability of the Company to obtain sufficient revenues from its operations to meet such obligations. No representation or assurance is given or can be made that the Company will realize revenues in amounts sufficient to meet such obligations. These revenues are affected by and subject to conditions that may change in the future to an extent and with effects that cannot be determined at this time. The risk factors discussed below should be considered in evaluating the ability of the Company to make payments in amounts sufficient to meet its obligations with respect to the Bonds. This discussion is not exhaustive, nor is it intended to be.

Trading Market for the Bonds

There can be no assurance that there will be a secondary market for the purchase or sale of the Bonds. From time to time there may be no market for them depending upon prevailing market conditions, including the financial condition or market position of firms who may constitute the secondary market, the evaluation of the Company's capabilities and the financial condition and results of operations of the Company.

Enforceability of Remedies

The remedies available to the Trustee or the registered owners of the Bonds upon an event of default under the Bonds, the Installment Sale Agreement the Guaranty or the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including, specifically, the United States Bankruptcy Code, the remedies provided in the Trust Indenture, the Installment Sale Agreement and the Guaranty may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds and the delivery of the Bonds, the Installment Sale Agreement, the Guaranty, the Indenture and the Pledge and Assignment will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Event of Taxability

If the Company does not comply with certain covenants of the Company set forth in the Installment Sale Agreement and the Tax Regulatory Agreement generally related to restrictions on use of the facilities, arbitrage limitations, rebate of certain excess investment earnings, and restrictions on the amount of issuance costs financed with the proceeds of the Bonds, or if certain representations or warranties made by the Company in the Installment Sale Agreement, the Tax Regulatory Agreement or in certain certificates or agreements of the Company, are false or misleading, the interest payable on the Bonds may become includable in the gross income of the owners of the Bonds for purposes of federal income taxation retroactive to the date of issuance of the Bonds, regardless of the date on which such noncompliance or misrepresentation is ascertained. The Bonds are subject to redemption prior to maturity upon the occurrence of a Determination of Taxability relating to such Bonds. In such event, the Bonds shall be subject to redemption, as a whole, as soon as possible after the discovery of such Determination of Taxability, at a redemption price equal to the Taxable Call Rate. There can be no assurance, however, that sufficient funds of the Company and/or assets will be available to pay the redemption price.

Enforceability of Obligations under the United States Bankruptcy Code and under Fraudulent Conveyance Laws

The rights and remedies of Bondholders are subject to various provisions of the Federal Bankruptcy Code. A filing under the United States Bankruptcy Code would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Company, and its property, and as an automatic stay of any act or proceeding to enforce a lien upon its property.

The Company may file a plan for the adjustment of its debts in any such proceeding which could include provisions modifying or altering the rights of creditors generally, or any class of them, secured or unsecured. The plan, when confirmed by the court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the debtor provided for in the plan. No plan may be confirmed unless certain conditions are met, among which are that the plan is in the best interests of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the plan are cast in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of nonaccepting creditors impaired thereunder and does not discriminate unfairly.

LITIGATION

The Issuer

There is not now pending or, to the knowledge of the Issuer, threatened any litigation restraining or enjoining the issuance or delivery of the Bonds or the execution and delivery by the Issuer of the Indenture and the Installment Sale Agreement or questioning or affecting the validity of the Bonds or the security therefor or the proceedings or authority under which they are or are to be issued, respectively.

The Company

There is no litigation pending or, to the Company's knowledge, threatened against the Company, wherein an unfavorable decision would adversely affect the ability of the Company to construct the Project Facility or to operate its facilities or to carry out its obligations under the Indenture, the Mortgage, the Guaranty or the Installment Sale Agreement or would have a material adverse impact on the financial position or results of operations of the Company.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the tax exempt status of the interest thereon are subject to the approving legal opinion of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel. A signed copy of such opinion, dated and speaking as of the date of original delivery of the Bonds will be delivered at the time of such original delivery, in substantially the form set forth in APPENDIX E hereto.

Certain legal matters will be passed upon for the Issuer by Briggs Norfolk LLP Glens Falls, New York, counsel for the Issuer. Certain legal matters will be passed upon for the Company by William H. Kissel, Esq., Lake Placid, New York., counsel to the Company. Certain matters will be passed upon for the Underwriter by its counsel, Trespasz & Marquardt, LLP, Syracuse, New York.

TAX MATTERS

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), except interest on any Bond for any period during which it is held by a “substantial user” of the facilities financed or a “related person,” as those terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the “Code”), and is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) interest on the Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers. Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Issuer and the Company contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the Issuer’s and the Company’s certifications and representations or the continuing compliance with the Issuer’s and the Company’s covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel’s legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (“IRS”) or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Issuer or the Company may cause loss of such status and result in the interest on the Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Company and, subject to certain limitations, the Issuer have each covenanted to take the actions required of it for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel’s attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the market value of the Bonds.

Interest on the Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer, the Company or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Issuer as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Prospective purchasers of the Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Limited Offering Memorandum, and prospective purchasers of the Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, recent proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the Bonds should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Form of Opinion of Bond Counsel

The form of the approving opinion of Bond Counsel is attached hereto as APPENDIX E.

ALL PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE BONDS.

FINANCIAL STATEMENTS

The Financial Statements of the Company as of and for the fiscal years ended April 30, 2016 and 2015 are included in APPENDIX B of this Limited Offering Memorandum have been reviewed by independent auditors, as stated in their reports appearing therein.

UNDERWRITING

Janney Montgomery Scott LLC (the "Underwriter") under a Purchase Contract between the Issuer and the Underwriter (the "Purchase Contract"), has agreed, subject to certain conditions, to purchase the Bonds from the Issuer at a purchase price of \$4,170,000, being the par amount of the Bonds less an underwriter's discount of \$75,000, and to make a limited offering of the Bonds. The Underwriter will be obligated to purchase all such Bonds if any are purchased. In connection with the limited offering of the Bonds, the Underwriter will be receiving compensation in the amount of the Underwriter's discount.

The Underwriter's obligation under the Purchase Contract to accept delivery of the Bonds is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The public offering price set forth on the cover page hereof may be changed from time to time at the discretion of the Underwriter.

Pursuant to the Purchase Contract, the Company has agreed to indemnify the Underwriter and the Issuer against certain liabilities.

SECONDARY MARKET DISCLOSURE

In order to assist the Underwriter in complying with the provisions of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule"), the Company will undertake in a written agreement for the benefit of the holders and beneficial owners of the Bonds (the "Continuing Disclosure Agreement") to electronically file with the Municipal Securities Rulemaking Board ("MSRB"), as the sole nationally recognized securities repository through the MSRB's Electronic Municipal Market Access ("EMMA") System, on an annual basis no later than one calendar year after the end of each respective Fiscal Year of the Company, commencing with the Fiscal Year ending April 30, 2017, certain financial and operating data concerning the Company of the type included in this Limited Offering Memorandum and as specified in the Continuing Disclosure Agreement. In addition, the Company will undertake for the benefit of the holders and beneficial owners of the Bonds, to electronically file with the MSRB through EMMA, in a timely manner, not in excess of ten (10) business days after the occurrence, notices of any of the events enumerated in the Rule. Any filing to be made under the Continuing Disclosure Agreement may be made solely by transmitting such filing to the MSRB through EMMA as provided at <http://emma.msrb.org>. See APPENDIX D — "Form of Continuing Disclosure Agreement."

MISCELLANEOUS

The references herein to the Indenture, the Installment Sale Agreement, the Pledge and Assignment, the Mortgage, the Guaranty, and other materials are only brief outlines of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials, copies of which will be furnished by the Trustee upon request for further information.

Any statements in this Limited Offering Memorandum involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The attached Appendices A through F are integral parts of this Limited Offering Memorandum and should be read in their entirety together with all of the foregoing statements.

The information assembled in this Limited Offering Memorandum has been supplied by the Company and other sources believed to be reliable, and, except for the statements under the heading "THE ISSUER" herein and information relating to the Issuer under the heading "LITIGATION - The Issuer," the Issuer makes no representations with respect to nor warrants the accuracy of such information. The Company has agreed to indemnify the Issuer against certain liabilities relating to the Limited Offering Memorandum.

**ESSEX COUNTY INDUSTRIAL DEVELOPMENT
AGENCY**

By: 
Chairperson

APPROVED:

CHAMPLAIN VALLEY MILLING, INC.

By: _____
Samuel Sherman, President

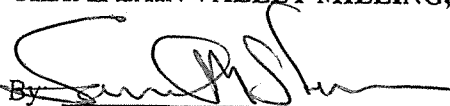
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**ESSEX COUNTY INDUSTRIAL DEVELOPMENT
AGENCY**

By: _____
Chairperson

APPROVED:

CHAMPLAIN VALLEY MILLING, INC.

By: 
Samuel Sherman, President

APPENDIX A

DEFINITION OF CERTAIN TERMS

The following words and terms shall have the respective meanings set forth below unless the context or use indicates another or different meaning or intent:

“Act” means Chapter 563 of the Laws of 1973 of the State (Section 914-a, Title 2 of Article 18-A of the General Municipal Law of the State), as amended from time to time (including without limitation Chapter 444 of the Laws of 1999 of the State together with the Enabling Act.

“Acting Party” means the Trustee.

“Account” means, with respect to any series of Bonds, an account created within any Fund designated and created pursuant to Section 401 of the Indenture.

“Accountant” means an independent certified public accountant or a firm of independent certified public accountants selected by the Company.

“Additional Bonds” means any bonds issued by the Issuer pursuant to Section 213 of the Indenture.

“Additional Facilities” means any project financed with the proceeds of Additional Bonds.

“Annual Report” means the Financial Statements.

“Applicable Laws” means all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all Governmental Authorities, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to or affect the Project Facility or any part thereof or the conduct of work on the Project Facility or any part thereof or to the operation, use, manner of use or condition of the Project Facility or any part thereof (the applicability of such statutes, codes, laws, acts, ordinances, orders, rules, regulations, directions and requirements to be determined both as if the Issuer were the owner of the Project Facility and as if the Company and not the Issuer were the owner of the Project Facility), including but not limited to (1) applicable building, zoning, environmental, planning and subdivision laws, ordinances, rules and regulations of Governmental Authorities having jurisdiction over the Project Facility, (2) restrictions, conditions or other requirements applicable to any permits, licenses or other governmental authorizations issued with respect to the foregoing, and (3) judgments, decrees or injunctions issued by any court or other judicial or quasi-judicial Governmental Authority.

“Authorized Denominations” means \$100,000 or any integral multiple of \$5,000 in excess thereof.

“Authorized Investments” means any of the following: (A) Government Obligations; (B) obligations of the Federal National Mortgage Association; (C) obligations of the Federal Intermediate Credit Banks; (D) obligations of the Federal Banks for Cooperatives; (E) obligations of the Federal Home Land Banks; (F) obligations of Federal Home Loan Banks; (G) obligations of the Export-Import Bank of the United States; (H) obligations of the U.S. Postal Service; (I) obligations of the Government National Mortgage Association; (J) obligations of the Federal Home Loan Mortgage Corporation; (K) obligations of the Private Export Funding Corporation; (L) obligations of a state, territory or possession of the United States or any political subdivision of the foregoing, the interest on which is not included in gross income

for federal income taxation purposes and which bear a rating in one of the two highest rating categories by a Rating Agency; (M) obligations described in clause (L) above which have been advance refunded and are secured by obligations described in clause (A) above; (N) interest bearing accounts, interest bearing deposits or certificates of deposit issued by, or bankers' acceptances drawn or accepted by, banks or trust companies, including the Trustee, organized under the laws of the United States or any state thereof whose long term debt and bank deposits bear ratings of "A" (or its equivalent) or better by a Rating Agency; (O) commercial paper rated AP-1" (or its equivalent) or better by a Rating Agency or units of a commercial paper portfolio or fund comprised thereof; (P) notes of bank holding companies and banking institutions, organized under the laws of the United States or any state thereof, bearing a rating in one of the two highest categories by a Rating Agency; (Q) units of any government money-market portfolio restricted to obligations issued or guaranteed as to payment of principal and interest by the full faith and credit of the United States or repurchase agreements collateralized by such obligations; (R) certificates of deposit issued by a nationally or state-chartered bank, including the Trustee or any of its affiliates, or a savings and loan association whose long term debt and bank deposits do not bear ratings of "A" (or its equivalent) or better by a Rating Agency, provided that the principal amount of any such certificate of deposit in excess of the amount insured by the FDIC shall be fully secured and collateralized by the pledge and deposit of securities described in (A) above with a market value equal to one hundred percent (100%) of such uninsured excess principal amount; (S) (1) demand and time deposits in, certificates of deposits of, bankers' acceptances issued by, or federal funds sold by any depository institution or trust company (including the Trustee) incorporated under the laws of the United States of America, any state thereof or the District of Columbia or any foreign depository institution with a branch or agency licensed under the laws of the United States of America or any state, subject to supervision and examination by Federal and/or State banking authorities and having an approved rating at the time of such investment or contractual commitment providing for such investment of "A" (or its equivalent) or better by a Rating Agency or (2) any other demand or time deposit certificate of deposit which is fully insured by the Federal Deposit Insurance Corporation or any successor therefor; and (T) investment agreements or repurchase agreements with any bank, trust company, national banking association (which may include the Trustee) or any other financial institution or insurance company or guaranteed thereby, provided that the institution providing such investment agreements or repurchase agreements shall be rated "A" (or its equivalent) or better by a Rating Agency, or the principal amount of such investment agreements or repurchase agreements then outstanding shall be fully secured and collateralized by the pledge and deposit of securities (including wireable securities) described in (A) and (B) above with a market value equal to one hundred two and one-half percent (102 1/2%) of such principal amount, that the Trustee has a perfected first security interest in the collateral, that the Trustee or any agent has possession of the collateral, and that such obligations are free and clear of claims by third parties, (U) guaranteed investment contracts with a provider rated in one of the two highest long-term rating categories by Standard & Poor's and by Moody's, and (V) guaranteed investment contracts with a provider rated in one of the two highest long-term rating categories by Moody's and Standard & Poor's. Any of the items described in (N), (P), (R), (S) and (T) of the Indenture shall be only of institutions whose capital surplus (or in the case of financial institutions other than banks, net worth) is in excess of \$50,000,000.

"Authorized Representative" means the Person or Persons at the time designated to act on behalf of the Issuer or the Company, as the case may be, by written certificate furnished to the Trustee containing the specimen signature of each such Person and signed on behalf of (A) the Issuer by its Chairperson, or such other person as may be authorized by resolution of the Issuer, and (B) the Company by such person as may be authorized by resolution of the board of trustees of the Company.

"Bankruptcy Code" means the United States Bankruptcy Code.

"Beneficial Owner" means, with respect to the Bonds, a Person owning a Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Trustee.

“Beneficial Ownership Interest” means the beneficial right to receive payments and notices with respect to the Bonds which are held by the Depository under a book entry system.

“Bill of Sale” means the Bill of Sale from the Company to the Issuer dated May 16, 2017.

“Bond” or “Bonds” means, with respect to the Indenture, the Essex Industrial Development Agency Tax-Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), and any Additional Bonds issued under the Indenture.

“Bond Counsel” means the law firm of Squire Patton Boggs (US) LLP, New York, New York or such other attorney or firm of attorneys located in the State whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and who are acceptable to the Issuer.

“Bondholder” or “Holder” or “holder” or “Owner” or “owner”, when used with respect to a Bond, means the registered owner of such Bond, as indicated on the bond register maintained by the Bond Registrar.

“Bond Payment Date” means each Interest Payment Date and each date on which principal or interest or premium, if any, or a Sinking Fund Payment, shall be payable on the Bonds according to their terms and the terms of the Indenture, including without limitation scheduled mandatory redemption dates, unscheduled mandatory redemption dates, dates of acceleration of the Bonds pursuant to Section 602 of the Indenture, optional redemption dates and Stated Maturity, so long as any Bonds are Outstanding.

“Bond Proceeds” means the proceeds of the sale of the Bonds, including any accrued interest, paid to the Trustee on behalf of the Issuer by the purchasers of the Bonds as the purchase price of the Bonds.

“Bond Purchase Agreement” means the bond purchase agreement dated May 10, 2017 by and among the Issuer, the Company and the Underwriter, relating to the purchase of the Bonds by the Underwriter as said bond purchase agreement may be amended or supplemented from time to time.

“Bond Register” means the register maintained by the Bond Registrar in which, subject to such reasonable regulations as the Issuer, the Trustee or the Bond Registrar may prescribe, will provide for the registration of the Bonds and for the registration of transfers of the Bonds.

“Bond Registrar” means the Trustee, acting in its capacity as bond registrar under the Indenture, and its successors and assigns as bond registrar under the Indenture.

“Bond Resolution” means the resolution of the Issuer dated April 6, 2017 authorizing the issuance of the Bonds.

“Bond Year” means each one (1) year period ending on the anniversary of the Closing Date, or such other bond year as the Company may select from time to time in a manner complying with the Code.

“Bondholder” means a Holder.

“Book Entry Bonds” means the Bonds with respect to which the procedures relating to the Book-Entry System set forth in the Indenture apply.

“Book Entry Form” or “Book Entry System” means, with respect to the Bonds, a form or system, as applicable, under which (A) the Beneficial Ownership Interests may be transferred only through a book

entry and (B) physical Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Bondholder, with the physical Bond certificates “immobilized” in the custody of the Depository. The Book Entry System maintained by and the responsibility of the Depository and not maintained by or the responsibility of the Issuer or the Trustee is the record that identifies, and records the transfer of the interests of, the owners of book entry interests in the Bonds.

“Business Day” means any day of the year other than (A) a Saturday or Sunday, (B) a day on which the New York Stock Exchange is closed or (C) a day on which commercial banks in New York, New York, or the city or cities in which the Office of the Trustee is located, are authorized or required by law, regulation or executive order to close.

“Closing Date” means the date on which authenticated Bonds are delivered to or upon the order of the Underwriter and payment is received therefor by the Trustee on behalf of the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended, including, when appropriate, the statutory predecessor of said Code, and the applicable regulations (whether proposed, temporary or final) of the United States Treasury Department promulgated under said Code and the statutory predecessor of said Code, and any official rulings and judicial determinations under the foregoing applicable to the Bonds.

“Collection of Pledged Revenues” means a collection by the Acting Party of its security interest in the Pledged Revenues.

“Company” means the Champlain Valley Milling Corp., Inc., a New York corporation.

“Company Documents” means the Installment Sale Agreement, the Bond Purchase Agreement, the Mortgage, the Deed, the Bill of Sale, the Tax Certificate, the Guaranty, the Pledge and Assignment, the Continuing Disclosure Agreement and the Indenture.

“Condemnation” means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any Governmental Authority.

“Construction Period” means the period to and including May 16, 2017 through November 16, 2018.

“Consultant” means an independent consulting firm which is appointed by the Company for the purpose of passing on questions relating to the financial affairs, management or operations of the Company, has a favorable reputation for skill and experience in performing similar services in respect of entities of a comparable size and nature and is not unsatisfactory to the Trustee or the Issuer.

“Continuing Disclosure Agreement” means the agreement, dated May 16, 2017, between the Company and the Trustee.

“Controlling Bondholders” means, as of any date, the Holders of not less than fifty-one (51%) percent of the aggregate principal amount of Bonds then Outstanding under the Indenture; provided, however, that if such calculation is pertinent only to a particular series of Bonds issued under the Indenture, then such calculation shall include only the Holders of such series of Bonds.

“Cost of the Project” means all those costs and items of expense enumerated in the Installment Sale Agreement.

“Debt Service Payment” means, with respect to any Bond Payment Date, (A) the interest payable on the Bonds on such Bond Payment Date, plus (B) the principal, if any, payable on the Bonds on such Bond Payment Date, plus (C) the premium, if any, payable on the Bonds on such Bond Payment Date, plus (D) the Sinking Fund Payments, if any, payable on the Bonds on such Bond Payment Date.

“Debt Service Requirement” means, with reference to a specified period: (i) interest accruing on Bonds or any other Long-Term Indebtedness during the period, except to the extent such interest is treated as a capital expense or is payable from the proceeds of such Bonds or Long-Term Indebtedness; (ii) amounts required to be deposited in the Bond Fund during such period to pay the principal amount of such Bonds becoming due at maturity or by mandatory redemption; (iii) amounts required to be paid during the period with respect to the principal or sinking fund requirements on such Long-Term Indebtedness; and (iii) all installment payments which are required to be capitalized under generally accepted accounting principles.

For the purpose of determining the interest rate on any Bonds or other Long-Term Indebtedness which bears interest at a variable rate, such interest rate shall be assumed to be: (1) for the purpose of determining whether such Bonds may be issued or such Long-Term Indebtedness may be incurred, the rate estimated by the Investment Banker or a Consultant to be in effect on debt of comparable terms and creditworthiness at the time of such issuance or incurrence, plus 1% per annum; or (2) for the purpose of Bonds or Long-Term Indebtedness Outstanding, the higher of the rate determined pursuant to clause (1) above, or the rate then in effect on such Bonds or other Long-Term Indebtedness.

The Debt Service Requirements on that portion of Long-Term Indebtedness which constitutes Balloon Indebtedness may, at the option of the Company, be deemed to be those if such Long-Term Indebtedness were amortized over a term of 30 years, based on level payments of principal and interest, using an interest rate estimated by the Investment Banker or a Consultant to be in effect on debt of comparable terms and creditworthiness; provided that if the Company has received an enforceable commitment for funding new Long-Term Indebtedness to refinance such Balloon Indebtedness (and the refinancing commitment is not itself Balloon Indebtedness), the Debt Service Requirements shall be deemed to be those of the new Long-Term Indebtedness.

“Debt Service Reserve Fund” or “Reserve Fund” means the fund created pursuant to Article IV of the Indenture.

“Deed” means the Deed from the Company to the Issuer dated May 16, 2017.

“Defaulted Interest” shall have the meaning ascribed to such term in the Indenture.

“Default Rate” means the rate of interest payable on overdue principal on the Bonds or ten percent (10%).

“Depository” or “DTC” means, initially, The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other securities depository designated in any supplemental resolution of the Issuer to serve as securities depository for the Bonds that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a Book Entry System to record ownership of book entry interests in Bonds, and to effect transfers of book entry interests in Book Entry Bonds.

“Determination of Taxability” means, with respect to the Bonds, (A) the enactment of a statute or promulgation of a regulation eliminating, in whole or in part, the applicable exemption, as such exists on the Closing Date, from gross income for federal income tax purposes for interest payable under such Series of the Bonds, (B) a “final determination by decision or ruling by a duly constituted administrative authority”

to the effect that such exemption for interest payable under such Bonds is not available, is no longer available or is contrary to law, (C) the expiration of the right to further administrative review of any determination, decision or ruling to the effect that such exemption for interest payable under such Bonds is not available, is no longer available or is contrary to law, or (D) receipt by the Trustee of a written opinion of Bond Counsel that there is no longer a basis for the Holders of such Bonds (or any former Holder, other than a Holder who is or was a Substantial User of the Project Facility or a Related Person thereto) to claim that any interest paid and payable on such Bonds is not excluded from gross income for federal income tax purposes; provided that no decision by any court or decision, ruling or technical advice by any administrative authority shall be considered final (1) unless the Bondholder involved in the proceeding or action giving rise to such decision, ruling or technical advice (a) gives the Company and the Trustee prompt notice of the commencement thereof and (b) offers the Company the opportunity to control the contest thereof, provided the Company shall have agreed to bear all expenses in connection therewith and to indemnify that Bondholder against all liabilities in connection therewith, and (2) until the expiration of all periods for judicial review or appeal.

“Enabling Act” means Title 1 of Article 18-A of the General Municipal Law of the State.

“Equipment” means all materials, machinery, equipment, fixtures or furnishings intended to be acquired with the proceeds of the Bonds or any payment made by the Company pursuant to the Installment Sale Agreement, and such substitutions and replacements therefor as may be made from time to time pursuant to the Installment Sale Agreement.

“Escrowed Interest” means amounts of interest on Long-Term Indebtedness for which moneys or Defeasance Obligations have been deposited in escrow (the “Escrowed Interest Deposit”) which Escrowed Interest Deposit has been determined by an independent accounting firm to be sufficient to pay such Escrowed Interest.

“Event of Default” means (A) with respect to the Indenture, any of those events defined as an Event of Default by the terms of Article VI of the Indenture, (B) with respect to the Installment Sale Agreement, any of those events defined as an Event of Default by the terms of Article X of the Installment Sale Agreement, and (C) with respect to any other Financing Document, any of those events defined as an Event of Default by the terms thereof.

“Extraordinary Services” and “Extraordinary Expenses” means all reasonable services rendered and all reasonable expenses incurred by the Trustee or any paying agent under the Indenture, other than Ordinary Services and Ordinary Expenses, including, but not limited to, reasonable attorneys’ fees and any services rendered and any expenses incurred with respect to an Event of Default or with respect to the occurrence of an event which upon the giving of notice or the passage of time would ripen into an Event of Default under any of the Financing Documents.

“Federal Superfund Act” means the federal Comprehensive Environmental Response, Compensation and Liability Act.

“Financial Statements” means annual financial statements prepared in accordance with generally accepted accounting principles and audited by a certified public accountant, together with a letter from such accountant to the effect that in the course of such audit nothing came to its attention to lead it to believe that any default had occurred under the Installment Sale Agreement, or specifying the nature of such default.

“Financing Documents” means the Bonds, the Indenture, the Installment Sale Agreement, the Pledge and Assignment, the Guaranty, the Mortgage, the Tax Compliance Certificate, the Tax Certificate, the Limited Offering Memorandum, the Continuing Disclosure Agreement and the Bond Purchase

Agreement and any other document now or hereafter executed by the Issuer or the Company in favor of the Bondholders or the Trustee which affects the rights of the Bondholders or the Trustee in or to the Project Facility, in whole or in part, or which secures or guarantees any sum due under the Bonds or any other Financing Document, each as amended from time to time, and all documents related thereto and executed in connection therewith.

“Forecast” means a written report setting forth: (i) forecasted financial statements prepared on the same basis as the Company’s audited financial statements; and (ii) a full explanation of the assumptions and rationale used in preparing such forecasts, including that such forecasts have taken into account the projected utilization of the Company’s facilities, and such other data and information as may be necessary to support the forecasted financial statements; which shall be accompanied by an opinion of the signer of such report that the underlying assumptions provide a reasonable basis for such forecast.

“Foreclose” or “Foreclosure” means to foreclose upon or to exercise any power of sale or otherwise to foreclose or realize upon the Mortgage or any part thereof.

“Fund” means, with respect to any series of Bonds, any Fund designated and created pursuant to Section 401 of the Indenture.

“Governmental Authority” means the United States of America, the State, any other state and any political subdivision thereof, and any agency, department, commission, board, bureau or instrumentality of any of them.

“Government Obligations” means direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as full faith and credit obligations by, the United States of America which are not subject to redemption by the issuer thereof prior to their stated maturity.

“Gross Proceeds” means one hundred percent (100%) of the proceeds of the transaction with respect to which such term is used, including, but not limited to, the settlement of any insurance claim or Condemnation award.

“Guaranty” means the Guaranty Agreement from the majority owners of the Company to the Issuer and the Trustee, dated May 1, 2017.

“Hazardous Materials” means all hazardous materials including, without limitation, any flammable explosives, radioactive materials, radon, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials as set forth in or regulated under or defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), Articles 15 or 27 of the State Environmental Conservation Law, or in the regulations adopted and publications promulgated pursuant thereto, or any other Federal, state or local environmental law, ordinance, rule or regulation.

“Indebtedness” means (A) the payment of the Debt Service Payments on the Bonds according to their tenor and effect, (B) all other payments due from an Issuer or the Company to the Trustee pursuant to any Financing Document, (C) the performance and observance by an Issuer and the Company of all of the covenants, agreements, representations and warranties made for the benefit of the Trustee pursuant to any Financing Document, (D) the monetary obligations of the Company to the Issuer and their members,

officers, agents, servants and employees under the Installment Sale Agreement and the other Financing Documents, and (E) all interest accruing on any of the foregoing.

“Indenture” means, the Indenture, dated May 1, 2017, between the Issuer and the Trustee for the benefit of the Company.

“Independent Counsel” means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and not a full-time employee of the Company or the Issuer.

“Inducement Date” means, April 19, 2016.

“Inducement Resolution” means the resolution of the Issuer dated April 19, 2016 inducing the Project.

“Installment Sale Agreement” means

“Interest Payment Date” means March 1, June 1, September 1, and December 1 of each year, commencing June 1, 2017.

“Issuer” means, the Essex County Industrial Development Agency.

“Issuer Documents” means the Bonds, the Installment Sale Agreement, the Bond Purchase Agreement, the Mortgage, the Tax Compliance Certificate, the Guaranty, the Pledge and Assignment, the PILOT Agreement and the Indenture.

“Lien” means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including but not limited to a security interest arising from a mortgage, security agreement, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” includes reservations, exceptions, encroachments, projections, easements, rights of way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics’, materialmen’s, warehousemen’s and carriers’ liens and other similar encumbrances affecting real property. For purposes hereof, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

“Limited Offering Memorandum” means the Limited Offering Memorandum dated May 16, 2017.

“Long-Term Indebtedness” means any obligation of the Company for the payment of money, which matures or is payable at the option of the obligee more than 365 days after it is incurred, including without limitation (i) indebtedness for money borrowed, (ii) purchase money obligations, (iii) leases evidencing the acquisition of capital assets, (iv) reimbursement obligations and (v) guarantees of any such obligation of a third party, but excluding (a) obligations under contracts for supplies, services and pensions allocable to current operating expenses during the current or future fiscal years in which the supplies are to be delivered, the services rendered or the pensions paid, and (b) payments payable in the current or future fiscal years under leases not intended to evidence the acquisitions of capital assets.

“Majority Bondholders” means, as of any date, the Holders of not less than of a majority in aggregate principal amount of the Bonds then Outstanding under the Indenture; provided, however, that if such calculation is pertinent only to a particular series of Bonds issued under the Indenture, then such calculation shall include only the Holders of such series of Bonds.

“Maturity Date” means, with respect to any Bond, the final Stated Maturity of the principal of such Bond.

“Maximum Annual Debt Service” means the highest Debt Service Requirement for any succeeding fiscal year.

“Mortgage” means the Mortgage and Security Agreement, dated as of the date of issuance of the Bonds, granted by the Company to the Issuer as security for the performance of the Company’s obligations under the Installment Sale Agreement.

“Mortgaged Property” means the land or interest therein owned by the Company described in the Mortgage and the buildings and improvements thereon or hereafter erected thereon and the fixtures, furnishings and equipment owned by the Company and now or hereafter located therein or thereon.

“MSRB” means the Municipal Securities Rulemaking Board.

“Net Proceeds” means so much of the Gross Proceeds with respect to which that term is used as remain after payment of all fees for services, expenses, costs and taxes (including attorneys’ fees and expenses) incurred in obtaining such Gross Proceeds.

“Net Property, Plant and Equipment” means the net book value of the property, plant and equipment of the Company (after deduction of accumulated depreciation) as shown on the Company’s audited financial statement for the most recent fiscal year.

“Net Revenues Available for Debt Service” means for any fiscal year, the Company’s excess of revenues over expenses before depreciation, amortization and interest expense on Long-Term Indebtedness, as determined in accordance with generally accepted accounting principles consistently applied; provided, however, that (1) no determination thereof shall take into account (a) any gain or loss resulting from either the extinguishment of Indebtedness or the sale, exchange or other disposition of capital assets not made in the ordinary course of business or (b) unrealized gains and losses on investments, and (2) revenues shall not include earnings from the investment of Escrowed Interest or earnings constituting Escrowed Interest to the extent that such earnings are applied to the payment of principal or interest on Long-Term Indebtedness which is excluded from the determination of Debt Service Requirement or secured by such Long-Term Indebtedness

“Officer’s Certificate” means a certificate or report, in form and substance satisfactory to the Issuer and the Trustee, executed by an authorized officer of the Company and the chief financial officer of the Company. Any Officer’s Certificate of the Company which relates to any financial test or ratio shall set forth in reasonable detail the computations involved in showing compliance with such test or ratio and the assumptions or evidence used as a basis for the figures used in making such computation.

“Ordinary Services” and “Ordinary Expenses” means those reasonable services normally rendered with those reasonable expenses, including reasonable attorneys’ fees and expenses, normally incurred by a trustee or a paying agent, as the case may be, under instruments similar to the Indenture.

“Outstanding” means, when used with reference to the Bonds as of any date, all Bonds which have been duly authenticated and delivered by the Trustee under the Indenture, except:

- (A) Bonds theretofore canceled or deemed canceled by the Trustee or theretofore delivered to the Trustee for cancellation;

(B) Bonds for the payment or redemption of which moneys or Government Obligations shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form and substance to the Trustee shall have been filed with the Trustee; and

(C) Bonds in lieu of or in substitution for which other Bonds have been authenticated and delivered under the Indenture.

If the Indenture shall be discharged pursuant to Article X thereof, no Bonds shall be deemed to be Outstanding within the meaning of this provision.

“Paying Agent” means any national banking association, federal savings bank, bank and trust company or trust company appointed by the Company and meeting the qualifications of, and subject to the obligations of, the Trustee in Article XI of the Indenture. “Principal Office” of any Paying Agent shall mean the office thereof designated in writing to the Trustee.

“Payment Event of Default” means the occurrence and continuance of a payment default, beyond any applicable cure period, under the Installment Sale Agreement.

“Permitted Encumbrances” means (A) utility, access and other easements, rights of way, restrictions, encroachments and exceptions that benefit or do not materially impair the utility or the value of the Property affected thereby for the purposes for which it is intended, (B) mechanics’, materialmen’s, warehousemen’s, carriers’ and other similar Liens to the extent permitted by the Installment Sale Agreement, (C) Liens for taxes, assessments and utility charges (1) to the extent permitted by the Loan Agreements, or (2) at the time not delinquent, (D) any Lien on the Project Facility obtained through any Financing Document, or (E) as set forth in the Installment Sale Agreement.

“Permitted Indebtedness” shall have the meaning ascribed to it in Article 8 of the Installment Sale Agreement.

“Person” means an individual, partnership, corporation, limited liability company, trust, unincorporated organization or Governmental Authority.

“PILOT Agreement” means the Payment in Lieu of Taxes Agreement dated May 1, 2017 between the Issuer, the County and the Town of Willsboro.

“Pledge and Assignment” means the Pledge and Assignment Agreement between the Issuer and the Trustee, dated as of May 1, 2017.

“Pledged Revenues” means those certain revenues of the Company in which the Company granted a security interest to the Issuer pursuant to the Installment Sale Agreement.

“Principal Payment Date” means each Interest Payment Date on which a Sinking Fund Payment is due on the Bonds, and the Maturity Date of the Bonds.

“Project” has the meaning assigned to such term in the 2nd recital clause to the Indenture and the Installment Sale Agreement.

“Project Facility” has the meaning assigned to such term in the 2nd recital clause to the Indenture and the Installment Sale Agreement.

“Project Fund” is a fund created pursuant to Article IV of the Indenture, which shall have the meaning assigned to such term therein.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“Purchaser” means Oppenheimer Funds, as Purchaser of the Bonds.

“Rating Agency” means Moody’s Investors Service, Inc. or S&P Global Ratings or any such other nationally recognized securities rating agency designated by the Trustee with the consent of the Company.

“Rebate Amount” shall have the meaning assigned to such term in the Tax Compliance Certificate and the Tax Certificate.

“Rebate Fund” means a fund created pursuant to Article IV of the Indenture, which shall have the meaning assigned to such term therein.

“Record Date” means either a Regular Record Date or a Special Record Date.

“Redemption Price” means, when used with respect to a Bond, the principal amount thereof plus the applicable premium, if any, payable upon the prior redemption thereof pursuant to the provisions of the Indenture and such Bond.

“Regular Record Date” means, with respect to the interest due on the Bonds on or prior to maturity payable on any Bond on any Interest Payment Date, the fifteenth (15th) day (whether or not a Business Day) of the calendar month preceding the calendar month in which such Interest Payment Date occurs.

“Related Person” means any Person constituting a “related person” within the meaning ascribed to such quoted term in Section 144(a)(3) of the Code, except when used in connection with the phrase “substantial user”, in which case the phrase “Related Person” shall have the meaning set forth in Section 147(a) of the Code.

“Remedial Actions” means the commencement of an action or proceeding by the Acting Party upon the occurrence and continuance of any Event of Default under any of the Financing Documents for Foreclosure or for Collection of Pledged Revenues.

“Reserve Fund Requirement” means \$325,468.76 with respect to the Bonds, and for any Additional Bonds, shall be as described in such supplemental indenture authorizing such Additional Bonds.

“Rule” means Rule 15c2-12(b)(5) of the Securities Exchange Act of 1934.

“Sinking Fund Payments” means the sinking fund redemption payments due on the Bonds pursuant to the Indenture.

“Special Record Date” means a date for the payment of any Defaulted Interest on the Bonds fixed by the Trustee pursuant to Section 208(C) of the Indenture.

“Standard & Poor’s” means S&P Global Ratings, a division of the McGraw-Hill Companies, Inc., and its successors and assigns.

“State” means the State of New York.

“Stated Maturity” means, when used with respect to any Bond or any installment of interest thereon, the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest on such Bond is due and payable.

“Substantial User” means any Person constituting a “substantial user” within the meaning ascribed to such term in Section 147(a) of the Code.

“Taxable Call Rate” means the Redemption Price applicable to Bonds redeemed in the event of a Determination of Taxability or 108%.

“Tax Certificate” means the Tax Compliance Certificate of the Company, dated the Closing Date for the Bonds, executed by an Authorized Representative of the Company.

“Tax Compliance Certificate” means the Tax Compliance Certificate of the Issuer, dated the Closing Date for the Bonds, executed by an Authorized Representative of the Issuer.

“Tax Incidence Date” means, with respect to any recipient of interest paid or payable on any Bond, the first such date of the period for which any interest paid or payable on such Bond was or is includable in the gross income of such recipient thereof for purposes of income taxation under the laws of the United States, without regard to whether or not any such recipient exercised any or all of the rights or remedies granted such recipient by the Financing Documents or by law.

“TEFRA Approval” means public approval from the Applicable Elected Representative (as such term is defined in the rules and regulations promulgated under the Code) regarding the Bonds.

“Term Bonds” means Bonds having a single stated maturity for which Sinking Fund Payments are specified in the Indenture (or, if such Bonds are Additional Bonds, in the supplemental indenture authorizing the issuance of such Bonds).

“Total Revenue” means, for any period, the aggregate of all operating and non-operating revenues of the Company less applicable deductions from operating revenues (but before deduction of operating expenses) as determined in accordance with generally accepted accounting principles consistently applied.

“Trust Estate” means all Property which may from time to time be subject to a Lien in favor of the Trustee created by the Indenture or any other Financing Document.

“Trust Revenues” means (A) all loan payments made or to be made by or on behalf of the Company under the Installment Sale Agreement (except payments made with respect to the Unassigned Rights), (B) all other amounts (including the Pledged Revenues) pledged to the Trustee by the Issuer or the Company to secure the Bonds or performance of their respective obligations under the Installment Sale Agreement and the Indenture, (C) the Net Proceeds (except proceeds with respect to the Unassigned Rights) of insurance settlements and Condemnation awards with respect to the Project Facility, (D) moneys and investments held from time to time in each fund and account established under the Indenture and all investment income thereon, except (1) moneys and investments held in the Rebate Fund, (2) moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, and (3) as specifically otherwise provided, and (F) all other moneys received or held by the Trustee for the benefit of the Bondholders pursuant to the Indenture. Notwithstanding anything to the contrary, amounts held in the Rebate Fund shall not be considered Trust Revenues and shall not be subject to the Lien of the Indenture, and amounts held therein shall not secure any amount payable on the Bonds.

“Trustee” means ZB, National Association, a national banking association organized under the laws of the United States of America.

“Unassigned Rights” means (A) the rights of the Issuer granted pursuant to the Installment Sale Agreement including, but not limited to those relating to construction and operation of the Project, indemnification, receipt of notices, compliance with laws and environmental matters, (B) the moneys due and to become due to the Issuer for its own account or the members, officers, agents (other than the Company) and employees of the Issuer for their own account pursuant to the Installment Sale Agreement and (C) the right to enforce the foregoing pursuant to the Installment Sale Agreement. Notwithstanding the preceding sentence, to the extent the obligations of the Company under the Installment Sale Agreement constituting Unassigned Rights do not relate to the payment of moneys to the Issuer for its own account or to the members, officers, directors, agents (other than the Company) and employees of the Issuer for their own account, such obligations, upon assignment of the Installment Sale Agreement by the Issuer to the Trustee pursuant to the Mortgage, shall be deemed to and shall constitute obligations of the Company to the Issuer and the Trustee, jointly and severally, and either the Issuer or the Trustee may commence an action to enforce such obligations under the Installment Sale Agreement.

“Underwriter” means Janney Montgomery Scott LLC.

APPENDIX B

**Financial Statements of Champlain Valley Milling Corp., Inc.
for the years ended April 30, 2016 and 2015**

CHAMPLAIN VALLEY MILLING CORP.
FINANCIAL STATEMENTS
APRIL 30, 2016 AND 2015

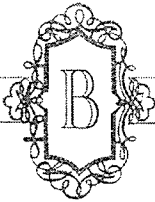
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May 23, 2016

To the Board of Directors
Champlain Valley Milling Corp.

We have reviewed the accompanying statements of financial position of Champlain Valley Milling Corp. as of April 30, 2016 and 2015, and the related statements of income and retained earnings and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Boushie & Associates

CHAMPLAIN VALLEY MILLING CORP.
STATEMENTS OF FINANCIAL POSITION

	APRIL 30,	
	2016	2015
ASSETS		
Current assets:		
Cash in bank	\$ 188,349	\$ 33,229
Accounts receivable, trade (note 2B)	241,298	350,289
Inventory (note 2C)	317,383	400,917
Prepaid income taxes and refunds receivable (note 2F)	1,100	-
Other prepaid and deferred expenses	24,054	17,515
Total current assets	772,184	801,950
Fixed assets (note 2D):		
Land	42,711	7,711
Building and improvements	757,135	505,576
Equipment and furnishings	1,091,189	1,067,256
Total fixed assets	1,891,035	1,580,543
Less: accumulated depreciation	(1,147,394)	(1,072,678)
Net fixed assets	743,641	507,865
Intangible assets (note 2E):		
Organization costs	3,417	3,417
Covenants not to compete	34,600	34,600
Loan acquisition costs	16,703	16,703
Software	4,260	4,260
Trademark	15,900	15,900
Total intangible assets	74,880	74,880
Less: accumulated amortization	(73,459)	(73,072)
Net intangible assets	1,421	1,809
Other assets:		
New York State Seed Improvement Cooperative, Inc. stock	25	25
TOTAL ASSETS	\$ 1,517,271	\$ 1,311,649

(continued on succeeding page)

See accountants' review report and notes to the financial statements.

CHAMPLAIN VALLEY MILLING CORP.
STATEMENTS OF FINANCIAL POSITION

(continued from preceding page)

	APRIL 30,	
	2016	2015
LIABILITIES		
Current liabilities:		
Accounts payable, trade	\$ 193,091	\$ 267,269
Accrued and withheld pension contributions	2,868	2,162
Accrued and withheld payroll taxes	1,948	8,325
Accrued income taxes (note 2F)	179	13,032
Lease contract payable, portion due within one year (note 3B)	-	8,655
Mortgage notes payable, portion due within one year (note 3A)	40,129	38,231
Note payable (note 3C)	295,397	-
Total current liabilities	533,612	337,673
Long-term liabilities:		
Lease contract payable (note 3B)	-	721
Mortgage notes payable, less portion due within one year (note 3A)	56,065	96,077
Deferred income taxes (note 2F)	133,184	149,312
Total long-term liabilities	189,249	246,110
TOTAL LIABILITIES	722,861	583,783
STOCKHOLDERS' EQUITY		
Common stock of no par value - 200 shares authorized; 186 shares issued; 120 shares outstanding	59,435	59,435
Retained earnings	810,775	744,231
Treasury stock, at cost (note 1)	(75,800)	(75,800)
TOTAL STOCKHOLDERS' EQUITY	\$ 794,410	\$ 727,866

See accountants' review report and notes to the financial statements.

CHAMPLAIN VALLEY MILLING CORP.
STATEMENTS OF INCOME AND RETAINED EARNINGS

	YEAR ENDED APRIL 30,	
	2016	2015
Net sales	\$ 4,369,165	\$ 4,510,074
Cost of goods sold:		
Commodities	3,134,955	3,183,877
Bags and packaging	54,111	53,305
Freight and trucking	341,305	475,723
Total cost of goods sold	3,530,370	3,712,906
Gross profit	838,794	797,168
General and administrative expenses:		
Accounting and legal	6,972	7,217
Advertising and promotion	580	614
Amortization (note 2E)	388	388
Depreciation (note 2D)	74,716	68,734
Electricity	28,523	37,431
Employee benefits	104,447	95,143
Gas and fuel	4,715	2,299
Insurance	53,898	38,206
Interest	18,766	7,720
Licenses, dues and fees	8,450	6,545
Maintenance	47,419	28,823
Miscellaneous	5,176	3,557
Office supplies and postage	5,946	4,785
Outside services	869	2,159
Payroll - officers	196,197	154,019
Payroll - other	129,903	191,370
Payroll taxes	26,612	27,748
Property taxes	14,718	4,993
Supplies	4,364	4,762
Telephone	6,524	7,078
Travel and entertainment	3,841	5,982
Total general and administrative expenses	743,023	699,572
Profit from operations (carried forward)	\$ 95,771	\$ 97,596

(continued on succeeding page)

See accountants' review report and notes to the financial statements.

CHAMPLAIN VALLEY MILLING CORP.
STATEMENTS OF INCOME AND RETAINED EARNINGS

(continued from preceding page)

	YEAR ENDED APRIL 30,	
	2016	2015
Profit from operations (brought forward)	\$ 95,771	\$ 97,596
Other income:		
Interest income	123	47
Other income	3,001	-
	98,895	97,644
Income before income taxes	98,895	97,644
Provision for income taxes (expense) benefit (note 2F)	(32,351)	(49,611)
	66,544	48,033
Net income for the year	66,544	48,033
Retained earnings, beginning of year	744,231	696,198
	744,231	696,198
Retained earnings, end of year	\$ 810,775	\$ 744,231

See accountants' review report and notes to the financial statements.

CHAMPLAIN VALLEY MILLING CORP.
STATEMENTS OF CASH FLOWS

	YEAR ENDED APRIL 30,	
	2016	2015
OPERATING ACTIVITIES		
Net income for the year	\$ 66,544	\$ 48,033
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Amortization and depreciation	75,104	69,122
Accrued, deferred and prepaid income taxes	(30,081)	8,773
Decrease (increase) in operating assets:		
Accounts receivable, trade	108,992	67,589
Inventory	83,534	(43,655)
Prepaid and deferred expenses	(6,539)	(3,751)
Increase (decrease) in operating liabilities:		
Accounts payable	(74,178)	(124,901)
Accrued expenses and employee withholdings	(5,671)	215
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	217,705	21,425
INVESTING ACTIVITIES		
Purchase of and improvements to real property	(286,559)	(24,664)
Purchase of equipment and furnishings	(23,933)	(3,802)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(310,492)	(28,465)
FINANCING ACTIVITIES		
Proceeds from note financing real estate purchase	300,000	-
Principal payments on lease contract payable	(9,376)	(8,655)
Principal payments on mortgage notes payable	(38,113)	(36,224)
Principal payments on note payable	(4,603)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	247,908	(44,879)
NET INCREASE (DECREASE) IN CASH	155,120	(51,920)
Cash, beginning of year	33,229	85,148
CASH, END OF YEAR	\$ 188,349	\$ 33,229
SUPPLEMENTAL DISCLOSURES:		
Cash paid (received) during the year for:		
Income taxes	\$ 62,432	\$ 40,838
Interest expense	18,766	7,720

See accountants' review report and notes to the financial statements.

CHAMPLAIN VALLEY MILLING CORP.
 NOTES TO THE FINANCIAL STATEMENTS
 APRIL 30, 2016 AND 2015

NOTE 1 ORGANIZATION

Champlain Valley Milling Corp. was incorporated on January 30, 1985 under the name of Champ Mills, Inc. and subsequently changed its name on May 7, 1985. The Corporation is the successor-in-interest to Champlain Valley Seed Growers Cooperative, Inc. The Corporation is a manufacturer of certified organic products including spring and winter wheat flour, durum, rye and corn meal. Its products are sold to bakeries along the eastern coast of the United States and Canada.

Its present officers are:

Samuel Sherman	President
Derinda Sherman	Treasurer
Ayra Pettit	Secretary

Its present stockholders are:

Samuel Sherman	42 shs.	35.00%
Derinda Sherman	61 shs.	50.84%
Herbert Savell	12 shs.	10.00%
Carl Huttig	5 shs.	4.16%

The Corporation purchased its own stock, totaling \$75,800, in three separate transactions during the years 1993 and 1995. In January 1993, the Corporation redeemed 8 shares of common stock for \$12,000. In June 1993, 41 shares were redeemed for \$45,100. In September 1995, 17 shares were redeemed for \$18,700.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of accounting

The Corporation uses the accrual method of accounting, which recognizes income and expense when earned or incurred regardless of when received or paid.

(B) Accounts receivable, trade

Accounts receivable are recorded net of an estimated allowance for uncollectible accounts determined by a specific identification method.

The aging of accounts receivable are as follows:

	April 30, 2016	April 30, 2015
0-30 days	\$ 239,298 100.00%	\$ 345,123 98.53%
31-60 days	0 0.00%	1,728 0.49%
61-120 days	0 0.00%	1,438 0.41%
over 120 days	0 0.00%	2,000 0.57%

(C) Inventory

Inventory has been determined by a physical count valued at lower of average cost or market. Current year-end inventory consists of \$311,550 in commodities and \$5,833 in packaging materials.

CHAMPLAIN VALLEY MILLING CORP.
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2016 AND 2015

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(D) Fixed assets and depreciation

Fixed assets are recorded at cost. A portion of the cost of fixed assets is charged against operations each year as depreciation expense. For financial statement purposes, depreciation is computed using the straight-line method, which charges an equal amount of cost each year during the estimated useful life of the asset. Buildings and improvements are depreciated using a 35-year term while equipment and furnishings are expensed using 5- and 12-year terms. Milling production machinery and equipment is depreciated over 17 years. For income tax purposes, prescribed methods and lives are used (see note 2F).

(E) Intangible assets and amortization

Intangible assets are recorded at cost. A portion of the cost of intangible assets is charged against operations each year as amortization expense. For both financial statement and income tax purposes amortization is computed using the straight-line method, which charges an equal amount of cost each year during the estimated useful life of the asset. Computer software is being amortized over 3 years. All other intangible assets are being amortized over a 15-year period, unless contractual terms specify an alternative term.

(F) Income taxes

The provision for income taxes includes those currently assessed and those, which are deferred to future periods determined from differences between the bases of assets and liabilities for financial statement purposes and the bases for income tax purposes, which differences are of a temporary nature and subject to reversal in future periods. Accumulated depreciation for income tax purposes exceeds that for financial statement purposes because of the use of accelerated methods for income tax purposes. Net operating tax losses and unused investment tax credits are recognized only to the extent they reduce deferred tax liabilities and can be applied within their prescribed carryforward periods.

The provision for income taxes consists of the following components:

	Year ended April 30,	
	2016	2015
Current taxes -		
Gross federal and state taxes	\$ 64,024	\$ 61,455
Investment and employment credits	(15,545)	(12,145)
Net current taxes	48,479	49,310
Deferred taxes -		
Gross federal and state taxes (benefit)	(30,876)	(27,405)
Investment and employment credits	14,748	27,706
Net deferred taxes (benefit)	(16,128)	301
Total provision for income taxes (benefit)	32,351	49,611

CHAMPLAIN VALLEY MILLING CORP.
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2016 AND 2015

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(F) Income taxes (continued)

New York State Empire Zone investment tax credits of \$17,260 and \$39,125 were obtained in fiscal years ended April 30, 2005 and April 30, 2006, respectively. \$10,123 was utilized in the current year. The remaining credits of \$14,748 have an unlimited carryover period.

(G) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 LONG-TERM DEBT

Year ended April 30,

2016	2015
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Note 3A Mortgage notes payable

A commercial promissory note, in the original amount of \$182,000, dated December 27, 2004, is payable to Champlain National Bank in 180 monthly installments of \$1,455 including interest at the variable rate of prime plus 1.00%, adjusted annually. This note is secured by a first mortgage lien on the real property located at 6679 Main Street, Westport, NY and a first security interest in all inventory, machinery and equipment.

\$ 59,126	\$ 73,639
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A commercial promissory note, in the original amount of \$114,994.73, dated November 16, 2013, is payable to Champlain National Bank in 60 monthly installments of \$2,187 including interest at the fixed rate of 5.25%. This note is secured by a security interest in all accounts receivable, inventory, machinery, equipment, general intangibles, deposit accounts and the personal guarantees of Samuel M. Sherman and Derinda M. Sherman.

37,069	60,669
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CHAMPLAIN VALLEY MILLING CORP.
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2016 AND 2015

NOTE 3 LONG-TERM DEBT (continued)

	Year ended April 30,	
	2016	2015
Note 3B Lease purchase contract		
An Equipment Lease for a Ford F-250 truck, dated June 15, 2011, is payable to Samuel Sherman in the monthly amount of \$721 for a term of 72 months.	-	9,376
Note 3C Lease purchase contract		
A Promissory Note, the proceeds of which were used to purchase real property located at 19 Myers Way in the Town of Willsboro, dated May 15, 2015, is payable to Champlain National Bank on June 15, 2016. The Note is secured by a life insurance policy of owner Samuel M. Sherman and the personal guaranties of Samuel M. Sherman and Derinda M. Sherman.	295,397	-
Totals	\$ 391,592	\$ 143,684

The aggregate future maturities of all long-term debt are as follows:

Year ending April 30, 2016	\$ -	\$ 46,886
2017	335,526	40,855
2018	28,075	28,055
2019	16,586	16,591
2020	11,405	22,297
2021	-	-
2022 and thereafter	-	-
Total	\$ 391,592	\$ 143,684

NOTE 4 SUBSEQUENT EVENT

On May 15, 2015, the Corporation purchased the real property known as the Old Adirondack building at 19 Myers Way in the Town of Willsboro. The Corporation contemplates moving its primary offices and operations to this new location in the near term. The planned investment in land and building improvements and mill machinery and equipment is expected to exceed 4 million dollars. The current location may be used as a secondary base of operations.

APPENDIX C

SUMMARIES OF CERTAIN PROVISIONS OF THE FINANCING DOCUMENTS

Certain material features of certain Financing Documents are discussed below. This discussion does not purport to be complete and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Financing Documents. The definitions of certain terms used in those documents are summarized in Appendix A to this Limited Offering Memorandum. Words or terms that are capitalized, unless defined below or elsewhere in this Limited Offering Memorandum, have the meanings assigned to them in the document in which they are defined.

INDENTURE

Pledge And Assignment. In order to secure the payment of the principal of, premium, if any, and interest on the Bonds issued under the Indenture either at their maturity or prior redemption according to their tenor and effect and to secure the performance and observance by the Issuer of all the covenants and obligations expressed or implied in the Indenture and in the Bonds, the Issuer conveys, transfers, assigns and pledges to the Trustee and its successors and assigns the following Trust Estate (excepting therefrom Unassigned Rights and subject to Permitted Encumbrances): (i) All right, title and interest of the Issuer in and to the Trust Revenues and the Financing Documents; (ii) Any and all moneys, securities and other investment property from time to time held by the Trustee under the terms of the Indenture, except (A) moneys on deposit with or paid to the Trustee for the mandatory purchase of the Bonds, notice of which has been given, (B) moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of which has been duly given, (C) moneys on deposit in the Rebate Fund (as described in the Indenture), and (D) unclaimed funds held under the Indenture; and (iii) any and all other Property of every name and nature from time to time after the effective date of the Indenture by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security under the Indenture, by the Issuer or by anyone on its behalf or with its written consent in favor of the Trustee.

(Granting Clause)

Transfer And Exchange. The Trustee is designated and agrees to act as Bond Registrar and shall cause a Bond Register to be kept on behalf of the Issuer at the principal office of the Trustee for the registration and transfer of Bonds. The Bonds, upon surrender, may be transferred and exchanged as provided in the Indenture, provided that the Trustee and Bond Registrar is not required to transfer or exchange of any Bonds or any portion thereof (i) during the fifteen (15) days next preceding a Bond Payment Date or (ii) that have been selected for redemption in whole or in part under the Indenture; provided, however, that in the event of a Bond selected for redemption in part, nothing in the Indenture prohibits exchange of the remaining portion of such Bond redeemed in part for a new Bond with a reduced principal amount or the transfer or exchange of any such new Bond.

(Section 207)

Replacement Bonds. Upon the termination of the services of a Depository with respect to a Book Entry Bond, or upon the resignation of a Depository with respect to a Book Entry Bond, the Issuer may attempt to have established a securities depository/book entry system relationship with another Depository under the Indenture. If the Issuer does not or is unable to do so, the Issuer and the Trustee, after the Trustee has made provision for notification of the Beneficial Owners by appropriate notice to the then Depository, shall permit withdrawal of the Bonds from the Depository and will authenticate and deliver Bond certificates in fully registered form to the assignees of the Depository or its nominee or to the Beneficial Owners. Such withdrawal, authentication and delivery will be at the cost and expense (including costs of printing or otherwise preparing and delivering such replacement Bonds) of the Borrowers. Such replacement Bonds will be in the denominations of \$5,000 or integral multiples thereof. Upon registration

of a Bond in the name of the Beneficial Owner thereof as aforesaid, the Beneficial Owner of such Bond will become the Holder of such Bond.

(Section 212)

Additional Bonds. So long as the Installment Sale Agreement is in effect and no event of default exists thereunder or under the Indenture (and no event exists which, upon notice or lapse of time or both, would become an Event of Default thereunder or under the Indenture, the Issuer may, upon request from the Company [(in compliance with the provisions of the Indenture and the requirements of the Installment Sale Agreement)], issue one or more series of Additional Bonds for the purpose of (i) paying or completing payment of the cost of the Project Facility, (ii) paying the cost of refinancing through prepayment or payment at maturity of all or part of the Outstanding Bonds of any series (and in each case, paying the expenses of the issuance thereof and to pay amounts required to be deposited in funds established under the Indenture), (iii) costs of making any modifications, additions or improvements to the Project Facility that the Company may deem necessary or desirable, and/or (iv) costs of issuance and sale of the Additional Bonds, capitalized interest, funding of debt service reserves, and other costs reasonably related to the foregoing.

(Section 213)

Bonds Are Limited Obligations Of The Issuer. The Bonds, together with the premium, if any, and the interest thereon, shall be special and limited obligations of the Issuer payable, with respect to the Issuer, solely from Trust Revenues, which, except as otherwise set forth in the Indenture, are pledged and assigned by the Indenture for the equal and ratable payment of all sums due under the Bonds, and shall be used for no other purpose than to pay the principal of, premium, if any, on and interest on the Bonds, except as may be otherwise expressly provided in the Indenture.

The Bonds shall not be in any way a debt or liability of Essex County or of the State or any political subdivision of the State and shall not create or constitute an indebtedness, liability or obligation of Essex County or of the State or of any political subdivision thereof, moral or otherwise, but the Bonds shall be payable solely from the funds provided therefor as set forth in the Indenture. Neither the general credit of the Issuer nor the general credit or taxing power of Essex County or of the State or any political subdivision of the State is pledged to the payment of the principal of the Bonds, or the interest or any premium thereon or other costs incident thereto. The Issuer has no taxing power.

(Section 214)

Redemption Of Bonds Prior To Maturity

(B) Optional Redemption.

The Bonds shall also be subject to redemption prior to maturity, at the option of the Company by exercise of its rights to prepay the installment purchase payments payable under the Installment Sale Agreement as provided therein, as a whole at any time or in part on any Interest Payment Date, in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, as follows:

- (1) on or after June 1, 2027 at a redemption price of one hundred and three percent (103%) of the principal amount thereof, plus accrued interest to the redemption date;
- (2) on or after June 1, 2028 at a redemption price of one hundred and two percent (102%) of the principal amount thereof, plus accrued interest to the redemption date;

(3) on or after June 1, 2029 at a redemption price of one hundred and one percent (101%) of the principal amount thereof, plus accrued interest to the redemption date; and

(4) on or after June 1, 2030 at a redemption price of one hundred and one percent (100%) of the principal amount thereof, plus accrued interest to the redemption date

(C) Mandatory Sinking Fund Redemption.

(1) The Bonds are subject to mandatory Sinking Fund Redemption at a redemption price of one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date, on each June 1, and December 1 commencing December 1, 2019, in accordance with the sinking fund redemption schedule set forth below:

<u>Sinking Fund Payment Date</u>	<u>Sinking Fund Payment</u>	<u>Sinking Fund Payment Date</u>	<u>Sinking Fund Payment</u>
12/1/2019	\$25,000	06/1/2034	\$75,000
06/1/2020	35,000	12/1/2034	75,000
12/1/2020	30,000	06/1/2035	75,000
06/1/2021	30,000	12/1/2035	75,000
12/1/2021	30,000	06/1/2036	80,000
06/1/2022	35,000	12/1/2036	80,000
12/1/2022	35,000	06/1/2037	85,000
06/1/2023	35,000	12/1/2037	85,000
12/1/2023	35,000	06/1/2038	90,000
06/1/2024	40,000	12/1/2038	95,000
12/1/2024	35,000	06/1/2039	95,000
06/1/2025	45,000	12/1/2039	100,000
12/1/2025	40,000	06/1/2040	100,000
06/1/2026	45,000	12/1/2040	110,000
12/1/2026	45,000	06/1/2041	105,000
06/1/2027	45,000	12/1/2041	110,000
12/1/2027	45,000	06/1/2042	115,000
06/1/2028	50,000	12/1/2042	120,000
12/1/2028	50,000	06/1/2043	120,000
06/1/2029	50,000	12/1/2043	125,000
12/1/2029	50,000	06/1/2044	130,000
06/1/2030	60,000	12/1/2044	140,000
12/1/2030	55,000	06/1/2045	135,000
06/1/2031	60,000	12/1/2045	145,000
12/1/2031	65,000	06/1/2046	145,000
06/1/2032	60,000	12/1/2046	155,000
12/1/2032	65,000	06/1/2047*	155,000
06/1/2033	65,000		
12/1/2033	65,000		

* Maturity.

(D) Extraordinary Redemption

The Bonds are subject to redemption prior to maturity (1) as a whole, without premium, as provided in the section under the heading **“Insurance and Condemnation Fund,”** in the event of (a) a taking in Condemnation of, or failure of title to, all or substantially all of the Project Facility, (b) damage to or destruction of part or all of the Project Facility and election by the Company to redeem the Bonds in accordance with the Installment Sale Agreement, or (c) a taking in Condemnation of part of the Project Facility and election by the Company to redeem the Bonds in accordance with Installment Sale Agreement, or (2) as a whole, without premium, in the event that (a) the Installment Sale Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as a result of any change in the United States Constitution or legislative or administrative action (whether state or federal), or by final decree or judgment of any court of administrative body, or (b) an Authorized Representative of the Company certifies that unreasonable burdens or excessive liabilities have been imposed on such Company or its property, including, without limitation, taxes not being imposed on the date of the Installment Sale Agreement, or (3) in part, without premium, (a) as provided in the section under the heading **“Insurance and Condemnation Fund,”** in the event that (i) excess moneys remain in the Insurance and Condemnation Fund following damage or condemnation of a portion of the Project Facility and completion of the repair, rebuilding or restoration of the Project Facility by the Company, and (ii) such excess moneys are not paid to the Company pursuant to the section under the heading **“Insurance and Condemnation Fund,”** (b) as provided in the section under the heading **“Project Fund,”** in the event that excess moneys remain in the Project Fund after the Completion Date, or (c) in the event that excess proceeds of recoveries from contractors are applied to redeem Bonds pursuant to the Installment Sale Agreement, in each case to the extent of such excess. In any such event, the Bonds shall be redeemed, as a whole or in part, as the case may be, in the manner provided in Article III of the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption pursuant to the section under the heading **“Notice of Redemption,”** at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(E) Partial Redemption.

In the event of the redemption of less than all of the Outstanding Bonds of any series issued under the Indenture, the maturity or maturities and amounts within maturities to be redeemed shall be selected by the Trustee at the direction of the Company. If less than all the Outstanding Bonds of any series of the same maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the redemption date by lot or by such other method as the Trustee may determine, provided that for so long as the Bonds shall be Book-Entry Bonds, the particular Bonds or portions thereof to be redeemed within a maturity shall be selected by lot by the Depository in such manner as the Depository may determine. The Trustee shall apply any partial redemption payments made with respect to any Bonds subject to mandatory Sinking Fund Payments (other than a scheduled mandatory sinking fund redemption) to the schedule of mandatory Sinking Fund Payments for such Bonds in inverse order of maturity. Further, the Trustee may provide for the selection for redemption of portions (equal to \$100,000 or any integral multiples in excess thereof) of Bonds. In no event shall the principal amount of Bonds subject to any partial redemption be other than a whole multiple of \$5,000 thereof.

(F) Determination of Taxability

The Bonds are also subject to redemption prior to maturity upon the occurrence of a Determination of Taxability relating to such Bonds. In such event, the Bonds shall be subject to redemption, as a whole, as soon as possible after the discovery of such Determination of Taxability, at a redemption price equal to the Taxable Call Rate. If any Bonds are paid at maturity or purchased by the Trustee or redeemed subsequent to a Tax Incidence Date relating to such Series without payment of an amount at least equal to the redemption price that would have been received if such Bonds had been redeemed as a result of a Determination of Taxability, the owners of such Bonds at the time of maturity, purchase or redemption,

upon establishing their then ownership thereof, shall be entitled to receive, as an additional premium thereon, an amount equal to the difference between the amounts actually received and the amounts that would have been received if such Bonds had been redeemed as a result of a Determination of Taxability.

(Section 301)

Company's Election To Redeem

(A) The Company shall give written notice to the Trustee and the Issuer of its election to cause redemption of Bonds prior to maturity pursuant to paragraph (A) under the heading "**Redemption of Bonds Prior to Maturity**" and of the redemption date.

(B) In the event of an election by the Company to prepay the Bonds and such redemption of the Bonds is pursuant to paragraph (B) under the heading "**Redemption of Bonds Prior to Maturity**," such notice shall be given at the time the Company delivers to the Trustee the prepayment of installment purchase payments with which the Bonds are to be redeemed, as described in the Installment Sale Agreement, and the redemption date specified in such notice shall be deemed to be (notwithstanding the actual date set forth therein) the first Interest Payment Date occurring more than sixty (60) days after such payment is received by the Trustee.

(Section 302)

Notice of Redemption. Notice of the intended redemption of each Bond shall be given by the Trustee by first class mail, postage prepaid, to the registered owner at the address of such owner shown on the Bond Registrar's Bond Register. All such redemption notices shall be given not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption. The Trustee shall not give notice of any redemption of Bonds unless the Trustee shall have, at the time such notice is given, sufficient funds on hand to make such redemption.

Notices shall state the redemption date and the Redemption Price to be paid and, if less than all of the then Outstanding Bonds are called for redemption, shall state (i) the numbers of the bonds to be redeemed by giving the individual certificate of each bond to be redeemed or shall state that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption; (ii) the CUSIP numbers of all Bonds being redeemed if available, (iii) the amount of each Bond being redeemed (in the case of a partial redemption); (iv) the date of issue of the Bonds as originally issued; (v) the rate of interest borne by each of the Bonds redeemed; (vi) the maturity date of each Bond being redeemed and (vii) any other descriptive information needed to identify accurately the Bonds being redeemed. Such notice shall further state that payment of the applicable Redemption Price plus accrued interest to the date fixed for redemption will be made upon presentation and surrender of the Bonds. The notice shall require that such Bonds be surrendered at the principal corporate trust officer of the Trustee and shall state that further interest on such Bonds will not accrue from and after the redemption date.

If notice of redemption shall have been given as aforesaid, the Bonds called for redemption shall become due and payable on the redemption date, provided, however, that with respect to any optional redemption of the Bonds, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem the Bonds. In the event that such notice of optional redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys

were not so received. If a notice of optional redemption shall be unconditional, or if the conditions of a conditional notice of optional redemption shall have been satisfied, then upon presentation and surrender of the Bonds so called for redemption at the place or places of payment, such Bonds shall be redeemed.

In addition to providing notice of redemption as set forth above the Trustee shall send a second notice of redemption within sixty (60) days following the redemption date, by registered mail, overnight mail, overnight delivery service, or other secure means, postage prepaid to the registered owners of any Bonds called for redemption, at their addresses appearing on the Bond registration books maintained by the Trustee, who have not surrendered their Bonds for redemption within thirty (30) days following the redemption date.

Failure to give notice by mailing or any defect in the mailed notice to the registered owner of any Bond designated for redemption or to any depository or information service shall not affect the validity of the proceedings for the redemption of any other Bond if notice of such redemption shall have been mailed as provided in the Indenture.

(Section 303)

Purchase In Lieu Of Optional Redemption. In lieu of calling the Bonds for optional redemption, the Bonds shall be subject to mandatory tender for purchase at the direction of the Issuer, upon the direction of the Company, in whole on any date on or after June 1, 2027 at a Purchase Price equal to the applicable Redemption Price for any optional redemption of such Bonds as provided in paragraph (A) under the heading “**Redemption of Bonds Prior to Maturity,**” plus accrued interest to the purchase date. Purchases of tendered Bonds may be made without regard to any provision of the Indenture relating to the selection of Bonds in a partial optional redemption. The Bonds purchased pursuant to any mandatory tender(s) are not required to be cancelled, and if not so cancelled, shall, prior to any resale by or on behalf of the Company, not be deemed Outstanding in connection with any subsequent partial optional redemption solely for purposes of those provisions of the Indenture relating to the selection of the Bonds in a partial redemption.

Purchases in lieu of an optional redemption shall be permitted, with the consent of the Issuer, upon the delivery to the Issuer and the Trustee of (i) an opinion of Nationally Recognized Bond Counsel addressed to the Issuer and the Trustee substantially to the effect that (A) such purchases in lieu of optional redemption comply with the provisions of the Indenture and (B) neither such purchases in lieu of an optional redemption nor any transaction directly related thereto will adversely affect the exclusion from gross income of interest on the Bonds for purposes of federal income taxation, and (ii) such other opinions, certificates or documentation as the Issuer may require.

(Section 305)

Establishment Of Funds

(C) The Issuer establishes and creates the following special trust funds and accounts comprising such funds:

- (1) Project Fund
 - (i) Project Account
 - (ii) Capitalized Interest Account;
- (2) Costs of Issuance Fund;

- (3) Bond Fund;
- (4) Insurance and Condemnation Fund;
- (5) Rebate Fund
 - (i) Rebate Fund Principal Account
 - (ii) Rebate Fund Earnings Account; and
- (6) Reserve Fund.

(D) The Funds created under the Indenture shall be maintained by the Trustee and shall be held in the custody of the Trustee. The Issuer authorizes and directs the Trustee to withdraw moneys from said funds for the purposes specified in the Indenture, which authorization and direction the Trustee accepts. All moneys required to be deposited with or paid to the Trustee under any provision of the Indenture (1) shall be held by the Trustee in trust, and (2) except for moneys held by the Trustee (a) for the redemption of Bonds, notice of redemption of which has been duly given, or (b) as unclaimed monies in Section 410 of the Indenture, or (c) in the Rebate Fund, shall, while held by the Trustee, constitute part of the Trust Revenues and be subject to the Lien of the Indenture. Moneys which have been deposited with, paid to or received by the Trustee for the redemption of a portion of the Bonds or for the payment of Bonds or interest thereon due and payable otherwise than upon acceleration by declaration, shall be held in trust for and be subject to a Lien in favor of only the Holders of such Bonds so redeemed or so due and payable.

(C) Moneys held in the Rebate Fund shall not be subject to a security interest, pledge, assignment, Lien or charge in favor of the Trustee or any other Person, but shall be used solely for the purposes provided in the Indenture.

(Section 401)

Project Fund. In addition to moneys deposited in the Project Fund from the proceeds of the sale of the Bonds pursuant to the Indenture, there shall be deposited in the Project Fund any and all moneys received by the Trustee under or pursuant to the Indenture or the other Financing Documents which, by terms thereof, are to be deposited in the Project Fund. Moneys on deposit in the Project Fund shall be disbursed and applied by the Trustee to pay the Costs of the Project pursuant to the provisions of the Indenture and the Installment Sale Agreement

The Trustee is authorized to disburse from the Capitalized Interest Subaccount of the Project Fund, on the third Business Day prior to a Bond Payment Date, for deposit into the Bond Fund, such amount, together with amounts already available as is sufficient to pay the interest on the Bonds coming due on such Bond Payment Date (or, if sufficient funds are then on deposit, the balance in the Capitalized Interest Subaccount).

The Trustee is authorized and directed to disburse moneys from the Project Account Subaccount of the Project Fund upon receipt by the Trustee of a Request for Disbursement, in substantially the form required by the Indenture (if such request relates to the portion of the Project intended to be funded out the Project Account Subaccount), certified by an Authorized Representative of the Company in accordance with the applicable provisions of the Indenture and the Installment Sale Agreement. The Trustee shall have no obligation whatsoever to independently verify any of the information on any Request for Disbursement and shall not be responsible for any disbursement made in accordance with the Indenture.

Moneys on deposit in the Project Fund may be invested in Authorized Investments in accordance with the Indenture. All interest and other income accrued and earned on amounts held in the Project Fund will be deposited by the Trustee into the appropriate account of the Project Fund related to such monies and may be used to pay the Costs of the Project related to such account.

Except for any amount retained for a payment of incurred and unpaid items of the Cost of the Project, after the Completion Date, all moneys in the Project Fund (in excess of any amount required to be transferred to the Rebate Fund pursuant to the Indenture and the Tax Documents) will be transferred from the Project Fund to the Bond Fund and be applied as soon as possible to the redemption of the Bonds in accordance with the Indenture.

In the event that the unpaid principal amount of the Bonds is accelerated upon the occurrence of an Event of Default, the balance in the Project Fund (in excess of any amount required to be transferred to the Rebate Fund pursuant to the Indenture and the Tax Documents) will be transferred from the Project Fund to the Bond Fund as soon as possible and will be used to pay the principal of, premium, if any, and interest on the Bonds.

The Trustee will maintain adequate records pertaining to the Project Fund and all disbursements therefrom, and will, upon request of the Issuer or the Company and within sixty (60) days after the Completion Date, file an accounting thereof with the Issuer and the Company.

(Section 404)

Bond Fund. In addition to the moneys deposited to the Bond Fund, from the proceeds of the Bonds pursuant to the Indenture, there shall be deposited in the Bond Fund (a) all installment purchase payments received from the Company under the Installment Sale Agreement (except payments made with respect to the Unassigned Rights, which shall be paid to the Issuer), (b) any amount in the Insurance and Condemnation Fund directed to be paid into the Bond Fund, (c) any amounts received from the Company pursuant to the Installment Sale Agreement, (d) all prepayments by the Company in accordance with the Installment Sale Agreement in connection with which notice has been given to the Trustee pursuant to the Indenture, (e) all moneys held in the Accounts in the Reserve Fund which are in excess of the amount required to be held in the Reserve Fund as of such date, and (f) all other moneys received by the Trustee under and pursuant to the Indenture or the other Financing Documents which by the terms thereof are to be deposited into the Bond Fund, or are accompanied by directions from the Company or the Issuer that such moneys are to be paid into the Bond Fund.

Moneys on deposit in the Bond Fund may be invested in Authorized Investments in accordance with the Indenture. All interest and other income accrued and earned on moneys on deposit in the Bond Fund will be deposited by the Trustee into the Bond Fund. Moneys on deposit in the Bond Fund will, subject to the next paragraph below, be applied by the Trustee to pay the principal of, premium, if any, and interest on the Bonds as the same become due, whether at Stated Maturity, upon acceleration of the Bonds or upon redemption of the Bonds, except as provided in the Indenture.

On the Business Day immediately following a Bond Payment Date, if any amounts remain the Bond Fund, such amounts will be transferred, to the extent necessary, to the Reserve Fund, until the amount held in the Reserve Fund is at least equal to the Reserve Fund Requirement with respect to the Bonds.

On the Business Day immediately following a Bond Payment Date, if any amounts remain in the Bond Fund after the Trustee has made the transfers required by the immediately preceding paragraph above, the Trustee will inform the Company of the amount remaining in the Bond Fund, and such moneys will be applied by the Trustee to the Debt Service Payments due on the following Bond Payment Date.

Notwithstanding anything in the Indenture to the contrary, except as otherwise provided in the Tax Documents, in no event will moneys deposited in the Bond Fund be retained for a period in excess of one (1) year.

(Section 405)

Insurance And Condemnation Fund. The Net Proceeds of any insurance settlement or Condemnation award received by the Trustee in connection with damage to or destruction of or the taking of part or all of the Project Facility will be deposited into the Insurance and Condemnation Fund. Pursuant to the Installment Sale Agreement, all such moneys will be disbursed for the restoration or repair of the damage to all or part of the Project Facility.

If, pursuant to the Installment Sale Agreement, following damage to or Condemnation of all or a portion of the Project Facility, (1) the Company exercises its option not to repair, rebuild or restore the Project Facility and to require the redemption of the Bonds, or (2) if a taking in Condemnation as described in the Installment Sale Agreement occurs, the Trustee will, after any transfer to the Rebate Fund required by the Tax Documents and the Indenture is made, transfer all moneys held in the Insurance and Condemnation Fund to the Bond Fund to be applied to the redemption of the Bonds then Outstanding pursuant to Indenture.

In the event the Company undertakes to repair, rebuild or restore the Project Facility, and provided no Event of Default has occurred and is continuing, moneys held in the Insurance and Condemnation Fund and attributable to the damage to or the destruction of or taking of the Project Facility will, after any transfer to the Rebate Fund required by the Tax Documents and the Indenture is made, be applied to pay the costs of such repairs, rebuilding or restoration in accordance with the terms and conditions set forth in next succeeding paragraph.

The Trustee is authorized to and will make such disbursements, at the Company's request, either upon the completion of such repairs, rebuilding or restoration or periodically as such repairs, rebuilding or restoration progress, upon receipt by the Trustee of a certificate of Authorized Representative of the Company, stating, with respect to each payment to be made (1) the amount or amounts to be paid, the Person or Persons (which may include the Issuer and the Company for reimbursement of such costs) to whom an amount is to be paid and the total amount sum of all such amounts; (2) that the Company has expended, or is expending, concurrently with the delivery of such certificate, such amount or amounts on account of costs incurred in connection with the repair, rebuilding or restoration of the Project Facility; (3) that all contractors, workmen and suppliers have been or will be paid through the date of such certificate from the funds to be disbursed; (4) that there exists no Event of Default and no condition, event or act which, with notice or the lapse of time or both, would constitute an Event of Default; (5) that no certificate with respect to such expenditures has previously been delivered to the Trustee. Each such certificate shall be accompanied by bills, invoices, releases of liens, or other evidences reasonably satisfactory to the Trustee. The Trustee shall be entitled to rely on such certificate.

Upon completion of the repair, rebuilding or restoration of the Project Facility, an Authorized Representative of the Company shall deliver to the Trustee a certificate stating (1) the date of such completion, (2) that all labor, services, materials and supplies used therefor and all costs and expenses in connection therewith have been paid, (3) that the Project Facility has been restored to substantially its condition immediately prior to the damage or as a complete architectural unit of substantially the same usefulness, design and condition as existed immediately prior to the Condemnation thereof, or to a condition of at least equivalent value, operating efficiency and function, (4) that the Issuer has good and valid title to all Property constituting part of the restored Project Facility and that the Project Facility is subject to the Loan Agreement and the Liens and security interests of the Indenture and of the Mortgage, (5) the Rebate

Amount with respect to the Net Proceeds of the insurance settlement or Condemnation award and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Trustee of any required transfer to the Rebate Fund), and (6) that the restored Project Facility is ready for occupancy, use and operation for its intended purposes. Notwithstanding the foregoing, such certificate may state (a) that it is given without prejudice to any rights of the Company against third parties which exist at the date of such certificate or which may subsequently come into being, (b) that it is given only for the purposes of the Indenture and (c) that no Person other than the Issuer or the Trustee may benefit therefrom. Such certificate shall be accompanied by a certificate of an Independent Engineer as to items (3) and (6) above, a certificate of occupancy, if required, and any and all permissions, licenses or consents required of Governmental Authorities for the occupancy, operation and use of the Project Facility for its intended purposes.

All earnings on amounts held in the Insurance and Condemnation Proceeds Fund will be deposited by the Trustee into the Insurance and Condemnation Fund. All moneys which remain in the Insurance and Condemnation Fund following the date on which the Company shall have no further right to draw on the same shall be transferred to the Bond Fund pursuant to the Indenture.

If the cost of the repairs, rebuilding or restoration of the Project Facility effected by the Company shall be less than the amount in the Insurance and Condemnation Fund, then on the completion of such repairs, rebuilding or restoration as evidenced to the Trustee pursuant to the Indenture, the Trustee shall transfer such difference to the Company for its purposes if (1) the Company so requests, and (2) the Trustee obtains, at the Company's expense, an opinion of Bond Counsel that such transfer will not cause the Bonds to be "arbitrage bonds" as defined in Section 148 of the Code; otherwise such difference shall be deposited by the Trustee in the Bond Fund and applied to redeem the Bonds in accordance with Article III of the Indenture.

If the cost of the repair, rebuilding or restoration of the Project Facility is in excess of the moneys held in the Insurance and Condemnation Fund, the Company will expend such additional moneys as necessary to pay the cost of completing such repair, rebuilding or restoration. Prior to making any disbursement pursuant to the Indenture, the Trustee shall be entitled (but not obligated) to receive from the Company evidence as to the cost of repair, rebuilding or restoration of the Project Facility and the proposed sources of repayment thereof.

(Section 406)

Costs Of Issuance Fund. A Cost of Issuance Fund will be established from which the Trustee will disburse all amounts required to pay the Costs of Issuance then due and payable as directed by the Company in writing.

(Section 409)

Reserve Fund. Upon the issuance, sale and delivery of the Bonds, the Issuer shall transfer to the Trustee for deposit into the Reserve Fund, an amount equal to the Reserve Fund Requirement for the Bonds to the extent such monies are available for such purpose from the proceeds of the sale of the Bonds. Upon the issuance of any Additional Bonds, the Trustee shall deposit an amount equal to the Reserve Fund Requirement relating to such Additional Bonds into the Reserve Fund.

If, on the Business Day preceding any Bond Payment Date, the amount on deposit in the Bond Fund is not sufficient to pay Debt Service Payments due on such Bond Payment Date with respect to the Bonds then Outstanding, the Trustee shall transfer from the Reserve Fund and deposit into the Bond Fund an amount of money sufficient, when added to the amounts then on deposit in the Bond Fund and available to make available to make Debt Service Payments coming due on the Bonds on such Bond Payment Date.

All earnings on amounts held in the Reserve Fund which, pursuant to the Indenture, are deposited by the Trustee into the Bond Fund, may be used to pay Debt Service Payments due on the Bonds. On the seventh Business Day prior to each Bond Payment Date during the term of the Bonds, the Trustee shall ensure that any such investment earnings on money on deposit in the Reserve Fund have been transferred to the Bond Fund, as provided in the Indenture. If the principal of all the Bonds shall have become due and payable, whether by maturity, by redemption or otherwise, the Trustee shall transfer from the Reserve Fund and deposit into the Bond Fund any balance remaining within the Reserve Fund.

The Trustee shall notify the Company in writing of any withdrawal from the Reserve Fund (if any), or any deficiency on the amounts required to be on deposit to the credit of the Reserve Fund determined upon periodic valuation thereof pursuant to the Indenture. Pursuant to the Installment Sale Agreement, the Company has agreed to replenish any withdrawal from the Reserve Fund in monthly payments commencing immediately succeeding receipt by the Company from the Trustee of notice of such withdrawal identified in such notice; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement. Pursuant to the Installment Sale Agreement, each Borrower has agreed to replenish any deficiency in the Reserve Fund in monthly payments made prior to the next periodic valuation date, each such monthly payment to be in an amount at least equal to one-quarter of the deficiency identified in the notice of deficiency received by the Company from the Trustee; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement.

Quarterly, at least fifteen Business Days prior to each Interest Payment Date, the amounts in the Reserve Fund shall be valued by the Trustee as provided in the Indenture. If the amounts held in the Reserve Fund together with any interest and other income received by the investment of moneys therein shall exceed therein over the Reserve Fund Requirement as of such date of withdrawal and such excess shall be first used by the Trustee to pay its fees and expenses for Ordinary and Extraordinary Services and any other amounts owed to the Trustee under the Indenture and under the other Financing Documents and the balance shall be transferred by the Trustee to the Bond Fund and used to pay Debt Service Payments due on the Bonds on the next succeeding Bond Payment Date and credited to the Company's obligation to make installment purchase payments relating to such Bond Payment Date.

In the event the amount held in the Reserve Fund on the fifteenth Business Day prior to any Bond Payment Date exceeds the principal amount of Bonds which will be Outstanding after such Bond Payment Date, the Trustee shall, after being reasonably satisfied that its fees and expenses for the performance of its services under the Indenture and any other amounts owed to the Trustee under the Indenture and under the other Financing Documents will be paid, transfer such excess amounts from the Reserve Fund to the Bond Fund to be applied to the Debt Service Payments on the Bonds on such Bond Payment Date.

In computing the amount in the Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at the par amount of such obligations or the market value thereof, whichever is lower. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be made not less often than semiannually. The Trustee shall notify the Company in writing of any deficiency in the amounts required to be on deposit in the Reserve Fund.

(Section 408)

Investment Of Funds. Any moneys held as part of any fund created under the Indenture shall be continuously invested and reinvested, from time to time, by the Trustee in Authorized Investments at the written direction of the Company or, in the absence of such direction, in cash uninvested.

(Section 411)

Performance Of Covenants Of The Issuer; Representations. The Issuer and the Trustee each will at all times faithfully perform any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in any and every Bond executed, authenticated and delivered under the Indenture, and in all proceedings pertaining to the Bonds.

(Section 504)

Priority Of Lien Of Indenture. The Issuer represents, warrants and covenants that the Indenture is and will be a first Lien upon the Trust Revenues and the Issuer agrees not to create or suffer to be created any Lien having priority or preference over the Lien of the Indenture upon the Trust Revenues or any part thereof, except as otherwise specifically provided in the Indenture.

(Section 505)

No Disposition Of Trust Estate. The Issuer covenants that it will not, without the written consent of the Trustee, alter, modify or cancel, or agree to alter, modify or cancel, the Installment Sale Agreement or any other Financing Document to which the Issuer is a party, or which has been assigned to the Issuer and which relates to or affects the security for the Bonds, except as contemplated by the Indenture or pursuant to the terms of such document. The Issuer further covenants that, except for the Financing Documents and other Permitted Encumbrances, the Issuer will not incur, or suffer to be incurred, any mortgage, Lien, charge or encumbrance on or pledge of any of the Trust Revenues prior to or on a parity with the Lien of the Indenture.

(Section 508)

Removal Of The Trustee. The Trustee may be removed at any time, with thirty (30) days' notice, by an instrument or concurrent instruments in writing delivered to the Trustee, the Issuer and the Company, and signed by an Authorized Representative of the Company or by the owners of a majority in aggregate principal amount of all Bonds then Outstanding. Such notice shall specify the date that such removal shall take effect.

No removal of the Trustee under the Indenture shall be effective until a successor Trustee shall have been appointed and shall have accepted the terms and conditions imposed by the Indenture.

(Section 707)

Events Of Default. Each of the following will be an "Event of Default" with respect to the Bonds under the Indenture:

(A) default in the due and punctual payment of any interest on any Bond; or

(B) default in the due and punctual payment of the principal of or premium, if any, on any Bond whether at the Stated Maturity thereof, or on proceedings for redemption thereof, or on the maturity thereof by declaration; or

(C) an event of default on the part of the Company has occurred under the Installment Sale Agreement or the Mortgage and shall be continuing and all sums payable by the Company thereunder shall have been declared to be immediately due and payable; or

(D) subject to the Indenture, and subject to any right to waive the same as set forth in the Financing Documents, receipt by the Trustee of notice of the occurrence of an Event of Default under any of the other Financing Documents or default (other than Events of Default referenced in paragraphs (A) through (C) above), and the continuation thereof for a period of 30 days following written notice to the Issuer from the Trustee or the registered owners of at least 100% of the Bonds Outstanding at such time specifying such default and requiring the same to be remedied; or

(E) subject to Indenture, default in the performance or observance of any other covenant, agreement or condition on the part of the Issuer in the Indenture or in any Bond to be performed or observed and the continuance thereof be a period of thirty (30) days after written notice thereof is given to the Issuer and the Company by the Trustee or by the Controlling Bondholders.

(Section 601)

Acceleration. Upon (1) the occurrence of an Event of Default as provided in subparagraphs (A), (B) or (C), the Trustee shall, or (2) the occurrence of an Event of Default under subparagraph (D) and (E) above and so long as such Event of Default is continuing, the Trustee may, and upon the written request of the Controlling Bondholders the Trustee shall, by notice in writing delivered to the Company, with a copy of such notice being sent to the Issuer, declare the entire principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Upon any such declaration, the Trustee shall immediately declare an amount equal to all amounts then due and payable on the Bonds to be immediately due and payable under the Installment Sale Agreement.

(Section 602)

Right Of Bondholders To Obligate Trustee To Protect Bondholders. If an Event of Default shall have occurred and is continuing, and if requested in writing so to do by the Controlling Bondholders, and if secured and indemnified as provided in the Indenture, the Trustee shall be obligated to proceed to protect its rights and the rights of Bondholders under applicable law, the Installment Sale Agreement, the Bonds, the Indenture and the other Financing Documents, as the Trustee, being advised by Independent Counsel, shall deem most expedient in the interest of the Bondholders.

(Section 605)

Application Of Money. All moneys received by the Trustee, pursuant to any right given or action taken under the provisions of Article VI of the Indenture will be transferred to the Bond Fund and all such moneys and other moneys transferred into the Bond Fund pursuant to Article IV of the Indenture and upon the acceleration of the Bonds, will, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and the fees of and the expenses, liabilities and advances incurred or made by the Trustee including attorney's fees and incurred or made by the Trustee, all of which shall be considered administration fees, be applied, together with other moneys held by the Trustee under the Indenture (other than amounts in the Rebate Fund and unclaimed funds held pursuant to the Indenture), as follows :

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys will be applied:

FIRST: To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto without any discrimination or privilege;

SECOND: To the payment to the Persons entitled thereto of the unpaid principal of and premium, if any, on the Bonds (including Sinking Fund Payments) which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture) which shall have become due, in the order of their maturities, with interest from the date upon which became due, and, if the amount available shall not be sufficient to pay in full the principal of and premium on Bonds due on any particular date, then to the payment ratably, according to the amount of principal due to the Persons entitled thereto, without any discrimination or privilege;

THIRD: To the payment to the Persons entitled thereto of the principal of, premium, if any and interest on the Bonds which may thereafter become due and payable, and, if the amount available shall not be sufficient to pay in full the principal of and premium on Bonds due on any particular date, then to the payment ratably, according to the amount of principal due to the Persons entitled thereto, without any discrimination or privilege;

FOURTH: To the payment to the Persons entitled thereto of all other amounts constituting Indebtedness due under the Financing Documents.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal of, premium, if any, and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege

(Section 609)

Remedies Of Bondholders. No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or any other Financing Document or for the execution of any trust under the Indenture or for the appointment of a receiver or any other remedy under the Indenture, unless (i) a default shall have occurred of which the Trustee shall have been notified as provided in the Indenture; (ii) such default shall have become an Event of Default; (iii) the Controlling Bondholders with respect to which there is an Event of Default shall have made written request to the Trustee and shall have offered reasonable opportunity to the Trustee either to proceed to exercise the powers granted under the Indenture or to institute such action, suit or proceeding in its own name; (iv) such Holders shall have offered to the Trustee indemnity as provided in the Indenture; and (v) the Trustee shall within 60 days thereafter fail or refuse to exercise the powers granted under the Indenture, or to institute such action, suit or proceeding; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture or the rights of any other Holders of Bonds or to obtain priority or preference over any other Holders or to enforce any right under the Indenture. Nothing contained in the Indenture shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, the premium, if any, and interest on any Bond at the maturity thereof or the obligation of the Company to pay the principal of, premium, if any, and interest on the Bonds issued under the Indenture to the respective Holders thereof, at the time, in the place, from the sources and in the manner expressed in said Bonds.

(Section 611)

Waivers of Events of Default. The Trustee shall waive any Event of Default with respect to the Bonds and its consequences and rescind any declaration of maturity or principal of and interest on the Bonds upon the written request of the Controlling Bondholders; provided, however, that there shall not be waived (A) any Event of Default in the payment of the principal of any Bonds at the date of maturity specified therein, or upon proceedings for mandatory redemption, (B) any default in the payment when due of the interest or premium on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all expenses of the Trustee (including attorney's fees), in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

(Section 613)

Supplemental Indentures And Amendments Not Requiring Bondholder Consent. The Issuer and the Trustee may without the consent of, or notice to, any of the Bondholders enter into an indenture or Indenture supplemental to the Indenture as will not be inconsistent with the terms and provisions of the Indenture or materially adverse to the Holders of the Bonds for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission therein;
- (b) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or either of them;
- (c) to subject to the lien and pledge of the Indenture additional revenues, properties or collateral;
- (d) to modify, amend or supplement the Indenture or any indenture supplemental to the Indenture in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar Federal statute in effect after the effective date of the Indenture or under any state Blue Sky Law;
- (e) to authorize the issuance of and to secure one or more series of Additional Bonds as provided in and upon compliance with the Indenture; or
- (f) to modify, alter, amend or supplement the Indenture in any other respect which is not materially adverse to the Bondholders and which does not involve certain changes described in the immediately following section under the heading "**Supplemental Indentures and Amendments Requiring Bondholder Consent**" and which, in judgment of the Trustee, the Paying Agent, the Registrar and the Trustee, as applicable, is not to the prejudice of the Trustee, the Paying Agent and the Registrar.

Before the Issuer and the Trustee shall enter into any Supplemental Indenture pursuant to this section, there shall have been filed with the Trustee an Opinion of Bond Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Issuer in accordance with its terms, and that such Supplemental Indenture will not adversely affect the exclusion from federal income taxation of interest on any Series of Tax-Exempt Bonds Outstanding or the validity of any of the Bonds.

In determining whether any amendment, consent or other action to be taken, or any failure to act, under the Indenture would adversely affect the rights of the Holders of any Series of Bonds, the Trustee shall consider the effect of such amendment, consent, action or inaction to the security of such Bonds and may rely on a written opinion of counsel in connection therewith.

(Section 801)

Supplemental Indentures And Amendments Requiring Bondholder Consent. The Holders of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental to the Indenture and to any amendment of the Indenture or any supplemental indenture as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture; provided, however, that nothing in this paragraph shall permit, or, be construed as permitting (a) an extension of the Stated Maturity or reduction in the principal amount or reduction in the rate, or extension of the time of payment, of interest on, or reduction of any premium payable on the redemption of, any Bonds, without the consent of the Holders of all such Bonds, or (b) the creation of any lien prior to or on a parity with the lien of the Indenture except as provided in the Indenture with respect to Additional Bonds, or (c) a reduction in the aforesaid aggregate principal amount of Bonds the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of all the Bonds at the time Outstanding which would be affected by the action to be taken, or (d) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (e) a privilege or priority of any Bond over any other Bonds.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture or any such amendment for any of the purposes of this section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture or any such amendment to be mailed, postage prepaid, to all registered Bondholders. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be prescribed by the Issuer following the mailing of such notice, the Holders of not less than two-thirds in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture or any such amendment shall have consented to and approved the execution thereof as provided in the Indenture, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture or any such amendment as in this section permitted and provided, the Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture has been effected in compliance with the provisions of the Indenture.

(Section 802)

Supplemental Indentures; Consent Of Company

(E) Notwithstanding anything contained in the Indenture to the contrary, no supplemental indenture which affects any rights or liabilities of the Company shall become effective unless or until the Company shall have consented in writing to the execution and delivery of such supplemental indenture. In this regard, the trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture to be mailed by certified or registered mail to the Company at least fifteen (15) days

prior to the proposed date of execution and delivery of any supplemental indenture if the Trustee has not received a letter of protest or objection signed by the Company within fifteen (15) days after the mailing of said notice and a cop of the supplemental indenture.

(B) The Issuer and the Trustee may rely upon an opinion of Independent Counsel as conclusive evidence whether or not a supplemental indenture affects any rights or liabilities of the Company within the meaning of, and for the purposes of, this section.

(Section 803)

Amendments To Installment Sale Agreement Or Other Financing Documents Not Requiring Consent Of Bondholders. The Issuer, the Company and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Installment Sale Agreement or any other Financing Document (other than the Indenture) as may be required (1) by the provisions of any Financing Document, (2) the purpose of curing any ambiguity or formal defect or omission therein, (3) so as to identify more precisely the Project Facility described in the Installment Sale Agreement, (4) in connection with any supplemental indenture entered into pursuant to the Indenture or (5) to obtain or maintain a rating on the Bonds from any Rating Agency then rating the Bonds at the Issuer 's request , (6) to comply with the provisions of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes, or (7) in connection with any other supplemental indenture.

(Section 901)

Amendments To Installment Sale Agreement Or Other Financing Documents Requiring Consent Of Bondholders. Except for the amendments, changes or modifications as provided in the section under the heading “**Amendments To Installment Sale Agreement Or Other Financing Documents Not Requiring Consent Of Bondholders**” above, neither the Issuer, the Company nor the Trustee shall consent to any other amendment, change or modification of the Installment Sale Agreement or any other Financing Document (other than the Indenture) without mailing of notice and the written approval or consent of the holders of not less than two-thirds in aggregate principal amount of the Bonds at the time Outstanding given as provided in this section. If at any time the Issuer and the Company shall request the consent of the Trustee to any such proposed amendment, change or modification of the Installment Sale Agreement or any other Financing Document (other than the Indenture) not authorized by the section under the heading “**Amendments To Installment Sale Agreement Or Other Financing Documents Not Requiring Consent Of Bondholders**” above, the Trustee shall, upon being satisfactorily secured and indemnified as provided in in the Indenture with respect to fees, costs and expenses including, but not limited to, reasonable attorneys’ fees, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by in the Indenture with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal office of the Trustee for inspection by all Bondholders.

(Section 902)

Satisfaction And Discharge Of Lien. If the Issuer (1) shall pay or cause to be paid, to the holders and owners of the Bonds, the principal of the Bonds and premium, if any, due on the Bonds, at the times and in the manner stipulated therein and in the Indenture, (2) shall pay or cause to be paid from any source, to the holders and owners of Bonds, the interest to become due on the Bonds, at the times and in the manner stipulated therein and in the Indenture, (3) shall have paid all fees, costs and expenses including, but not limited to, reasonable attorney’s fees of the Trustee and each paying agent, and (4) shall pay or cause to be paid the entire Rebate Amount to the United States in accordance with the Tax Compliance Certificate and the Indenture, then these presents and the trust and rights granted by the Indenture shall cease, terminate

and be void, and thereupon the Trustee shall (a) cancel and discharge the Lien of the Indenture upon the Trust Revenues and the Trustee's rights under the other Financing Documents and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy same, (b) reconvey to the Issuer the Installment Sale Agreement and the trust conveyed by the Indenture, and (c) assign and deliver to the Company any interest in Property at the time subject to the Lien of the Indenture which may then be in its possession, except amounts held by the Trustee for the payment of principal of, interest and premium, if any, on the Bonds.

All Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the immediately preceding paragraph if, under circumstances which do not adversely affect the exclusion under the Code of interest on the Bonds from gross income for Federal income tax purposes, the following conditions shall have been fulfilled (1) in case any of the Bonds are to be redeemed on any date prior to their maturity, the provisions in Article III of the Indenture relating to such redemption shall have been satisfied; or (2) there shall be on deposit with the Trustee moneys, which shall be either cash or non-callable Government Obligations, in an amount sufficient, without the need for further investment or reinvestment, but including any scheduled interest on or increment to such obligations, pay when due the principal, premium, if any, and interest due and to become due on the Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and to pay the Trustee for its Ordinary Services and Ordinary Expenses and for its Extraordinary Services and Extraordinary Expenses under the Indenture. The Trustee may rely upon an opinion of an Accountant as to the sufficiency of the cash or such Government Obligations on deposit.

(Section 1001)

INSTALLMENT SALE AGREEMENT

Representations, Warranties and Covenants of Issuer. The Issuer makes the following representations, warranties and covenants as the basis for the undertakings on its part contained in the Installment Sale Agreement:

(A) The Issuer is duly established under the provisions of the Act and has the power to enter into the Installment Sale Agreement and to carry out its obligations under the Installment Sale Agreement. Based upon the representations of the Company as to the utilization of the Project Facility, the Project Facility will constitute a "project," as such quoted term is defined in the Act. By proper official action, the Issuer has been duly authorized to execute, deliver and perform the Installment Sale Agreement and the other Financing Documents to which the Issuer is a party (the "Issuer Documents").

(B) Neither the execution and delivery of the Installment Sale Agreement, the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions of the other Issuer Documents will conflict with or result in a breach or constitute a default by the Issuer of any of the terms, conditions or provisions of the Act, the by-laws of the Issuer or any order, judgment, restriction, agreement or instrument to which the Issuer is a party or by which the Issuer is bound, or will constitute a default by the Issuer under any of the foregoing.

(C) The Issuer will cause the Project Facility to be acquired, constructed, reconstructed and equipped and will sell the Project Facility to the Company pursuant to the Installment Sale Agreement, all for the purpose of advancing the job opportunities, health, general prosperity and economic welfare of the people of the State and improving their standard of living.

(D) The Issuer, to the extent of its interest therein, shall not sell, assign, transfer, encumber or pledge as security the Project Facility or any part thereof and shall maintain the Project Facility free and

clear of all Liens or encumbrances, except for Permitted Encumbrances and as allowed by the terms of the Installment Sale Agreement and the other Financing Documents.

(E) To finance certain of the Costs of the Project Facility, the Issuer will issue and sell the Bonds in the aggregate principal amount of \$[4,125,000]. The Bonds will be issued, mature, bear interest, be redeemable and have other terms and provisions as provided for in the Indenture.

(F) In no event will the Issuer issue and sell additional obligations to pay the Cost of the Project Facility if the issuance and sale of such further obligations would cause interest on the Bonds to be or become included in gross income for federal income tax purposes under the Code. The Issuer shall cooperate with the Company in the filing by the Company, as agent of the Issuer, of such returns and other information with the Internal Revenue Service as the Trustee or the Company requests in writing and which Bond Counsel advises the Issuer in writing is necessary to preserve the tax-exempt status of the interest payable on the Bonds, provided the Company shall bear all costs of preparing, gathering and/or filing such returns and other information. In addition, the Issuer, at the request of the Company, shall cooperate with the Company in the filing by the Company, as agent of the Issuer, of such returns and other information with the State and Essex County, New York.

(G) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service that the Issuer is a bond issuer whose arbitrage certifications may not be relied upon.

(H) The Issuer Documents constitute, or upon their execution and delivery in accordance with the terms thereof will constitute valid and legally binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting the enforceability of creditors' rights generally and except as such enforceability is subject to the application of the principles of equity (regardless of whether the issue of enforceability is considered in a proceeding in equity or law) including, without limitation (i) the possible unavailability of specific performance, injunctive relief or any other equitable remedy, and (ii) concepts of materiality, reasonableness, good faith and fair dealing.

(I) So long as any Bond shall be Outstanding, the Issuer will not take any action (or omit to take any action required by any of the Financing Documents, or which the Trustee or the Company, together with Bond Counsel, advise the Issuer in writing should be taken) or, to the extent within its control, allow any action to be taken, which action (or omission) would in any way (1) cause the proceeds from the sale of the Bonds to be applied in a manner contrary to that provided in the Financing Documents, or (2) adversely affect the exclusion of the interest payable on any Bond from gross income for federal income tax purposes. Notwithstanding the foregoing, there shall be no such obligation upon the Issuer with respect to the use or investment of its administrative fee, provided, however, that if the Company is required to rebate any amount with respect to such administrative fee, the Issuer shall provide, upon the reasonable request of the Company, such information concerning the investment of such administrative fee as shall be requested by the Company and as shall be reasonably available to the Issuer.

(J) The Issuer will comply with all of the terms, conditions and provisions of the Tax Compliance Certificate.

(Section 2.1)

Representations, Warranties And Covenants Of Company

The Company makes the following representations, warranties and covenants as the basis for the undertakings on its part contained in the Installment Sale Agreement:

(F) The Company is a corporation organized and existing under the laws of the State, is duly authorized to do business in the State, has the power to enter into the Installment Sale Agreement and the other Company Documents and to carry out its obligations under the Installment Sale Agreement and thereunder, has been duly authorized to execute the Installment Sale Agreement and the other Company Documents and is qualified to do business in all jurisdictions in which its operations or ownership of Properties so require. The Installment Sale Agreement and the other Company Documents and the transactions contemplated by the Installment Sale Agreement and thereby, have been duly authorized by all necessary action on the part of the Company's board of trustees.

(G) Neither the execution and delivery of the Installment Sale Agreement or any of the other Company Documents, the consummation of the transactions contemplated by the Installment Sale Agreement and thereby nor the fulfillment of or compliance with the provisions of the Installment Sale Agreement or thereof will (1) conflict with or result in a breach of or default under any of the terms, conditions or provisions of the Certificate of Incorporation or bylaws of the Company or any other corporate restriction, order, judgment, agreement or instrument to which the Company is a party or by which the Company or any of its Property is bound, or constitute a default under any of the foregoing, or result in the creation or imposition of any Lien of any nature upon the Project Facility under the terms of any such instrument or agreement, other than the Mortgage and other Permitted Encumbrances, or (2) require consent under (which has not been previously received) any corporate restriction, agreement or instrument to which the Company is a party or by which the Company or any of its Property may be bound or affected, or (3) require consent under (which has not been previously received or if not received is not yet required to be obtained), conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction or decree of any government, governmental instrumentality or court (domestic or foreign) having jurisdiction over the Company or any of the Property of the Company.

(H) The completion of the Project Facility by the Issuer and the transfer of its interest therein by the Issuer to the Company will not result in the removal of a commercial, manufacturing or industrial plant of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State.

(I) The Company Documents constitute, or upon their execution and delivery in accordance with the terms thereof will constitute, valid and legally binding obligations of the Company, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights and by restrictions on the availability of equitable remedies.

(J) The Project Facility is, and so long as any Bond shall be Outstanding, the Project Facility will continue to be a "project", as such quoted term is defined in the Act, and the Company will not take any action (or omit to take any action required by the Financing Documents or which the Trustee or the Issuer, together with Bond Counsel, advise the Company in writing should be taken), or allow any action to be taken, which action (or omission) would in any way (1) cause the Project Facility not to constitute a "project", as such quoted term is defined in the Act, (2) adversely affect the exclusion of the interest paid or payable on any Bond from gross income for federal income tax purposes, or (3) cause the proceeds of the Bonds to be applied in a manner contrary to that provided in the Financing Documents.

(K) The Project Facility and the operation thereof will comply in all material respects with all Applicable Laws, and the Company will defend and save the Issuer and its officers, members, agents and employees harmless from all fines and penalties due to failure to comply therewith. The Company shall cause all notices required by all Applicable Laws to be given, and shall comply or cause compliance with all Applicable Laws, and the Company will defend and save the Issuer and its officers, members, agents, directors and employees harmless from all fines and penalties due to the failure to comply therewith.

(L) The Project will not have a “significant impact on the environment”: (within the meaning of such term as used in the New York State Environmental Quality Review Act (“SEQRA”)), and the Company covenants to comply with all mitigation measures, requirements and conditions, if any, enumerated in the negative declaration issued by the Issuer on April 6, 2017 under SEQRA applicable to the construction, reconstruction, equipping and operation of the Project Facility and in any other approvals issued by any other Governmental Authority with respect to the Project Facility. No material changes with respect to any aspect of the Project Facility have arisen from the date of the issuance of such determination which would cause the determinations contained therein to be untrue.

(M) The Project Facility and the use, occupancy and operation thereof in the manner presently contemplated by the Financing Documents will comply in all material respects with all Applicable Laws.

(N) The Company will comply with all of the terms, conditions and provisions of the Tax Certificate.

(O) All proceeds of the Bonds shall be used to pay the Cost of the Project, and such total Cost of the Project, including all costs related to the issuance of the Bonds, shall not be less than the total Bond Proceeds advanced by the Trustee under the Indenture. In no event will “costs of issuance” (within the meaning of Section 147(g) of the Code) paid from the proceeds of the Bonds exceed two percent (2%) of the proceeds of the Bonds.

(P) There are no actions, suits or proceedings pending, or to the knowledge of the Company, threatened against or affecting it or the Project Facility or involving the validity or enforceability of the Installment Sale Agreement or any of the other Financing Documents, at law or in equity or before or by any governmental authority, except actions, suits and proceedings fully covered by insurance or which, if adversely determined, would not materially impair the ability of the Company to pay when due any amounts which may become payable in respect of the Installment Sale Agreement; and to the Company’s knowledge it is not in default with respect to any order, writ, injunction, decree or demand of any court or any governmental authority.

(Q) No assessments of any nature will remain unpaid after the final construction disbursement, including but not limited to assessments relating to streets, roads, entrances, waterlines, sanitary and storm sewers, gas lines and all other utilities including acreage fees and trunk sewers.

(R) The Company agrees to give promptly notice in writing to the Trustee of the occurrence or existence of any material litigation, labor dispute or governmental proceeding or investigation affecting the Company which could reasonably be expected to interfere substantially with its normal operations or materially and adversely affect its financial conditions.

(S) The Company agrees to pay or to reimburse the Trustee for any Rebate Fee and related expenses incurred in connection with calculations of any required Rebate Amount.

(T) The Project is located within Essex County, New York.

(U) Except for the Interim Loan to pay a portion of the costs of the Project, which will be partially paid with proceeds of the Bonds, the Company has no material liabilities, direct or contingent, except those disclosed to the Issuer and the Trustee or in the Company's financial statements and there is no fact presently known to the Company which materially adversely affects or in the future may materially adversely affect the business, operations, properties or assets of the Company, which have not been set forth in the Installment Sale Agreement or in a document, certificate or other writing delivered to the Issuer and the Trustee prior to the Closing Date.

(V) No Collateral for the Bonds shall be applied to secure the Interim Loan or any outstanding or future loan secured from any source in which the Company or any Guarantor is an obligor or guarantor.

(W) Except in the normal course of its business, the Company has not made any investments in, advances to, or guarantees of the obligations of any company, individual or other entity outstanding other than those disclosed to the Issuer and the Trustee.

(X) The Company has filed all required federal, State and local tax returns as they have become due and no claims have been assessed by any federal, State or local authorities with respect to such taxes.

(Y) The Company will comply with all requirements imposed upon it by any Rating Agency providing a rating on the Bonds in order to maintain a rating on the Bonds.

(Z) The statements made in the final Limited Offering Memorandum relating to the Bonds that are descriptive of the Company or the Project Facility have been prepared or reviewed by the Company and did not on the date thereof, do not on the date of the Indenture and will not on the date of initial delivery of the Bonds contain any untrue statement of a material fact or omit to state any material fact necessary in order to make such statements, in light of the circumstances under which they were made, not misleading.

(AA) The Company will prepare or cause to be prepared an annual audit of the Company and of the Project Facility to be provided to the purchaser of the Bonds within 120 days of the end of each fiscal year of the Company during the period which the Bonds are Outstanding.

(BB) The Company will prepare or cause to be prepared unaudited financial statements of the Company to be provided to the purchaser of the Bonds within forty-five (45) days of the end of each quarterly period during the first three years the Bonds are Outstanding.

(CC) The Company will maintain keyman life insurance on the majority owners of the Company in the amount of \$500,000 per majority owner during the period which the Bonds are Outstanding, provided that no keyman life insurance will be required if after five consecutive years, no Event of Default has occurred or is continuing.

(DD) The Company and the Guarantors will guaranty to the Issuer and the Trustee the full and timely payment, when due of the principal of, premium, if any, and interest on the Bonds and the payment and performance of the Company's obligations under the Installment Sale Agreement and the other Financing Documents pursuant to the Guaranty.

(Section 2.2)

Transfer And Use Of Project Facility By Company. The Company has or will transfer, or will cause to be transferred, to the Issuer the Company's interest in the Project Facility pursuant to the Deed to the Issuer and the Bill of Sale to the Issuer. The Company has or will convey to the Issuer good and marketable title to the portions of the Project Facility that exist on the Closing Date, free and clear of all Liens except for Permitted Encumbrances, and it will defend, indemnify and hold the Issuer and the Trustee harmless from any expense or liability due to any defect in title thereto.

(Section 3.1)

Use Of Project Facility. Subsequent to the Closing Date, (A) unless an Event of Default has occurred and is continuing, the Company shall have sole and exclusive (as between the Company and the Issuer) possession and use of the Project Facility and (B) the Company shall not use the Project Facility, or permit the Project Facility to be used, by any Nonexempt Person or in any "unrelated trade or business", within the meaning of Section 513(a) of the Code, in such manner or to such extent as would cause the interest paid or payable on the Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes.

(Section 3.3)

Acquisition, Construction, Reconstruction And Equipping Of Project Facility. The Company shall, on behalf of the Issuer, promptly acquire, construct, reconstruct and equip the Project Facility, or cause the acquisition, construction, reconstruction and equipping of the Project Facility, all in accordance with the Plans and Specifications.

(Section 4.1)

Issuance Of The Bonds . The Issuer will issue the Bonds for the purpose of financing the costs of undertaking the Project. The Bonds are to be issued under the Bond Resolution and the Indenture and delivered to the purchaser in order to finance (i) the Costs of the Project Facility, and (ii) certain other payments and incidental expenses incurred in connection with the issuance of the Bonds.

(Recitals, Section 4.2)

Application Of Proceeds Of Bonds. The Bond Proceeds shall be deposited by the Issuer with the Trustee as provided in the Indenture and, upon submission to the Trustee of a Request for Disbursement certified by an Authorized Representative of the Company complying with the requirements of the Indenture, shall be applied to pay items of cost and expense incurred in connection with the Project Facility as provided in the Installment Sale Agreement.

(Section 4.3)

Completion Of Project Facility. The Company will proceed with due diligence to complete the acquisition, construction, reconstruction, equipping and installation of the Project Facility. Completion shall be evidenced by a certificate signed by an Authorized Representative of the Company to the Issuer and Trustee stating (A) the date of such completion, (B) that all labor, services, materials and supplies used for the acquisition, construction, reconstruction, equipping and installation of the Project Facility and all costs and expenses in connection therewith have been paid, (C) that the acquisition, construction, reconstruction, equipping and installation of the Project Facility have been completed, with the exception of ordinary punchlist items and work awaiting seasonal opportunity, (D) that the Company or the Issuer has good and valid title to all Property constituting the Project Facility, free and clear of all Liens and encumbrances except Permitted Encumbrances, and that the Project Facility is subject to the Installment Sale Agreement, (E) the applicable Rebate Amount with respect to the Net Proceeds of the Project Fund and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Trustee relating to any required transfer to the Rebate Fund), and (F) that the Project Facility is ready

for occupancy, use and operation for its intended purposes. Notwithstanding the foregoing, such certificate may state (1) that it is given without prejudice to any rights of the Company against third parties which exist at the date of such certificate or which may subsequently come into being, (2) that it is given only for the purposes of this section, and (3) that no Person other than the Issuer and the Trustee may benefit therefrom. Such certificate shall be accompanied by a certificate of occupancy, or a letter from the local Governmental Authority stating no certificate of occupancy is required, and any and all permissions, licenses or consents required of Governmental Authorities for the occupancy, operation and use of the Project Facility for its intended purposes.

(Section 4.4)

Completion By Company

(EE) In the event that the Bond Proceeds are not sufficient to pay in full all costs of acquiring, constructing, reconstructing and installing the Project Facility, in accordance with the Plans and Specifications, the Company agrees, for the benefit of the Issuer, to complete such acquisition, construction, reconstruction, equipping and installation and to pay all such sums as may be in excess of the available Bond Proceeds. Title to portions of the Project Facility acquired, constructed, reconstructed and installed at the Company's cost shall immediately upon such acquisition, construction, reconstruction or installing vest in the Issuer. The Company shall execute, deliver and record or file such instruments as the Issuer or the Trustee may request in order to perfect or protect the Issuer's title to such portions of the Project Facility and to all equipment purchased with the Bond Proceeds.

(B) No payment by the Company pursuant to this section shall entitle the Company to any reimbursement for any such expenditure from the Issuer or the Trustee or to any diminution or abatement of any amounts payable by the Company under the Installment Sale Agreement or under any other Financing Document.

(Section 4.5)

Installment Sale. In consideration of the Company's covenant to make installment purchase payments, and in consideration of the other covenants of the Company contained in the Installment Sale Agreement, including the covenant to make additional and other payments required by the Installment Sale Agreement, the Issuer agrees to transfer the Project Facility, and the Company agrees to purchase and acquire the Project Facility from the Issuer, subject only to Permitted Encumbrances and the terms of the Financing Documents.

(Section 5.1)

Transfer Of Interest; Instrument Survival

(FF) The Issuer's interest in the Project Facility shall be conveyed (subject to Permitted Encumbrances and the terms of the Financing Documents) from the Issuer to the Company on or after the date on which the Bonds are no longer Outstanding.

(GG) The transfer of the Issuer's right, title and interest in and to the Facility shall be affected by the delivery of the Deed to the Company (in substantially the form as required by the Installment Sale Agreement). The sale and conveyance of the Issuer's right, title and interest in and to the Equipment shall be effected by the delivery to the Company of the Bill of Sale to the Company (in substantially the form as required by the Installment Sale Agreement).

(HH) The Company agrees to prepare the Deed to the Company and/or the Bill of Sale to the Company and all schedules thereto, together with all the necessary documentation, and to forward

same to the Issuer at least thirty (30) days prior to the date that the Issuer's interest in the Project Facility or any portion thereof is to be conveyed to the Company.

(II) The Company agrees to pay all expenses and taxes, if any, applicable to or arising from the transfers contemplated by the Installment Sale Agreement.

(JJ) The Installment Sale Agreement shall survive the transfer of the Issuer's interest in the Project Facility to the Company pursuant to the Installment Sale Agreement and shall remain in full force and effect until all of the Indebtedness shall have been paid in full, and thereafter the obligations of the Company shall survive as set forth in the Installment Sale Agreement.

(KK) Upon the payment in full of all the Indebtedness, and notwithstanding the survival of certain obligations of the Company as described in the Installment Sale Agreement, the Issuer and the Trustee shall upon the request of the Company execute and deliver to the Company such documents as the Company may reasonably request, in recordable form if so requested, to evidence the termination and release of all Liens granted to the Issuer and the Trustee under the Installment Sale Agreement.

(Section 5.2)

Installment Purchase Payments and Other Amounts Payable

(LL) The Company shall pay installment purchase payments for the Project Facility as follows.

(1) on or before the Business Day immediately preceding each Bond Payment Date, the Company shall make available moneys to the Trustee for deposit into the Bond Fund, in an amount which, when added to any amounts then held in the Bond Fund, shall equal the amount payable as principal, interest and premium, if any, on the Bonds on such Bond Payment Date; and

The Company shall pay as additional installment purchase payments under the Installment Sale Agreement any premium due on the Bonds and the following:

(1) within thirty (30) days after receipt of a demand therefor from the Trustee, the Company shall pay to the Trustee the following amounts: (a) the reasonable fees and expenses of the Trustee in connection with the carrying out of the Trustee's duties and obligations under the Indenture or any of the other Financing Documents, (b) the sum of the expenses of the Trustee reasonably incurred in performing the obligations of (i) the Company under the Installment Sale Agreement, or (ii) the Issuer under the Bonds, the Installment Sale Agreement, and (c) the Trustee's reasonable attorneys' fees incurred in connection with the foregoing and other moneys due to the Trustee pursuant to the provisions of any of the Financing Documents.

(2) within thirty (30) days after receipt of a demand therefor from the Issuer, the Company shall pay the reasonable fees and expenses of the Issuer at the request of the Issuer in writing related to the issuance of the Bonds and the ownership, financing or sale of the Project Facility or in connection with the carrying out of the Issuer's duties and obligations under the Installment Sale Agreement or any of the other Financing Documents, and any other fee or expense of the Issuer with respect to the Project Facility, the sale of the Project Facility to the Company, the Bonds or any of the other Financing Documents, the payment of which is not otherwise provided for under the Installment Sale Agreement.

(3) upon receipt of notice from the Trustee pursuant to the Indenture that a withdrawal has been made from the Reserve Fund, the Company will make available to the Trustee

for deposit in the Reserve Fund moneys to replenish such withdrawal from the Reserve Fund in monthly payments commencing immediately succeeding the date of receipt by the Company from the Trustee of notice of such withdrawal, each such monthly payment to be in an amount at least equal to one-twelfth of the withdrawal identified in such notice; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement.

(4) upon receipt of notice from the Trustee pursuant to the Indenture that the periodic valuation of the Reserve Fund has determined that a deficiency exists in the amount required to be on deposit to the credit of the Reserve Fund, the Company will make available to the Trustee for deposit in the Reserve Fund moneys to replenish such deficiency in the Reserve Fund in monthly payments made prior to the next periodic valuation date, each such monthly payment to be in an amount at least equal to one quarter of the deficiency identified in such notice; provided that no further payments shall be required as a result of such notice if and when the amount on deposit in the Reserve Fund is at least equal to the Reserve Fund Requirement.

(MM) The Company, under the provisions of the Installment Sale Agreement, agrees to make the above-mentioned payments in immediately available funds and without any further notice in lawful money of the United States of America. In the event the Company shall fail to timely make any payments required in the Installment Sale Agreement for a period of more than ten (10) days from the date such payment is due, the Company shall pay the same together with interest thereon, at the rates borne by the Bonds. In the event the Company shall fail to timely make any payments required in the Installment Sale Agreement a period of more than ten (10) days, the Company shall pay the same together with interest on such payments at the Default Rate but in no event at a rate higher than the maximum lawful prevailing rate, from the date on which such payment was due until the date on which such payment is made.

(NN) In the event of an application of moneys in the Project Fund toward prepayment of the principal of the Bonds pursuant to the Indenture, there shall be no abatement or reduction in the amounts payable by the Company under the Installment Sale Agreement.

(OO) The Company shall be entitled to a credit against the installment purchase payments next required to be made under the Installment Sale Agreement to the extent that the balance of the Bond Fund is then in excess of amounts required (1) for payment of Bonds theretofore matured or theretofore called for redemption, (2) for payment of interest for which checks or drafts have been drawn and mailed by the Trustee, and (3) for deposit in the Bond Fund for use other than for the payment of Debt Service Payments on the Interest Payment Date next following the applicable date such installment purchase payments are due pursuant to the Installment Sale Agreement. In any event, however, if on any Interest Payment Date, the balance in the Bond Fund is insufficient to make required payments of Debt Service Payments on the Bonds, the Company forthwith will pay to the Trustee, for the account of the Issuer and for deposit in into the Bond Fund.

(Section 5.3)

Nature of Obligations of Company. The obligations of the Company to make the payments required by the Installment Sale Agreement and to perform and observe any and all of the other covenants and agreements on its part contained in the Installment Sale Agreement shall be general obligations of the Company and shall be absolute and unconditional irrespective of any defense or any rights of set-off, recoupment or counterclaim the Company may otherwise have against the Issuer or the Trustee.

(Section 5.4)

Prepayment of Installment Purchase Payments. At any time that the Bonds are subject to redemption under Article III of the Indenture, the Company may, at its option, prepay, in whole or in part, the installment purchase payments payable under the Installment Sale Agreement by: (i) causing there to be moneys in an amount equal to the Redemption Price of the Bonds being redeemed on deposit with the Trustee sixty (60) days prior to the date such moneys are to be applied to the redemption of such Bonds under the Indenture; or (ii) if the notice of redemption given pursuant to the Indenture states that it is conditional upon the receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds to be redeemed, the Company may pay such amount to the Trustee not later than five business days prior to the date fixed for redemption. In no event will prepayment be permitted unless the Company gives to the Trustee the notice required by the Indenture.

(Section 5.5)

Grant of Security Interest. The Company grants the Issuer a security interest in all of the right, title and interest of the Company in the Project Facility and in all additions and accessions thereto, all replacements and substitutions therefore and all proceeds thereof, all books, records and accounts of the Company pertaining to the Project Facility and all proceeds thereof as security for payment of the installment purchase payments and all other payments and obligations of the Company under the Installment Sale Agreement.

(Section 5.7)

Maintenance Of And Modifications To Project Facility

(PP) *Maintenance.* So long as any of the Bonds are Outstanding and during the term of the Installment Sale Agreement, the Company shall, (1) keep and maintain the Project Facility, including all appurtenances thereto and any personal property therein or thereon, in good repair and good operating condition and preserve the same against waste, loss, damage and depreciation, ordinary wear and tear excepted, (2) make all necessary repairs and replacements to the Project Facility or any part thereof (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen), and (3) operate the Project Facility in a sound and economic manner.

(QQ) *Additions, Modifications and Improvements to the Project Facility.* The Company shall have the right from time to time may make any additions, modifications or improvements to the Project Facility which it may deem desirable so long as the Project Facility remains a “project” under the Act and the provisions of SEQRA are complied with and any such addition, modification, or improvement does not reduce the fair market value of the Project Facility. All additions, modifications or improvements shall become a part of the Project Facility.

(Section 6.1)

Taxes, Assessments And Utility Charges; Liens

(RR) The Company shall pay or cause to be paid, as the same respectively become due, (1) all taxes, payments in lieu of taxes, and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Project Facility, (2) all utility and other charges, including “service charges”, incurred or imposed for the operation, maintenance, use, occupancy, upkeep and improvement of the Project Facility, and (3) all assessments, and charges of any kind whatsoever lawfully made by any Governmental Authority for public improvements; provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated under the Installment Sale Agreement to pay only

such installments as are required to be paid during all periods that any Bond shall be Outstanding and/or during the term of the Installment Sale Agreement or any other Financing Document.

(SS) Notwithstanding the provisions of the immediately preceding paragraph (A), after prior notice to the Trustee, in the case of any material item, the Company, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or the application in whole or in part any such taxes, assessments and other charges, provided that (1) no default shall have occurred and shall be continuing under any of the Financing Documents, (2) the Company is permitted to do so under the provisions of any mortgage or deed of trust superior in lien to the Financing Documents, (3) such proceedings shall suspend the collection of the contested taxes, assessments or charges from the Company and from the Project Facility, (4) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which the Company or the Project Facility is subject and shall not constitute a default thereunder, (5) neither the Project Facility nor any part thereof nor any interest therein (including, without limitation, the Liens of the Financing Documents) will be in danger of being sold, forfeited, terminated, cancelled or lost, and (6) the Company shall have set aside in an interest-bearing account with the Trustee, and otherwise in a manner satisfactory to the Trustee, adequate cash reserves for the payment of the contested taxes, assessments and charges, together with all interest and penalties thereon, and, provided further, that if at any time the Trustee determines, in its sole and absolute discretion, that payment of any tax, assessment or other charge shall become necessary to prevent the delivery of a tax deed conveying the Project Facility or any portion thereof because of non-payment of any such sums, then the Company shall pay or cause to be paid the sums in sufficient time to prevent the delivery of such tax deed.

(Section 6.2)

Insurance Required. So long as the Bonds are Outstanding and during the term of the Installment Sale Agreement, the Company shall maintain insurance with respect to the Project Facility against such risks and for such amounts as are customarily insured against by businesses of like size and type, paying, as the same become due and payable, all premiums with respect thereto, including but not necessarily limited to:

(TT) “All Risk” Property Insurance against loss or damage by fire, lightning and other casualties customarily insured against, such insurance to be in an amount not less than the full replacement value of the completed Improvements, exclusive of footings and foundations, as determined by the Company.

(UU) Insurance protecting the Issuer, the Company, the Trustee and against loss or losses from liability imposed by law or assumed in any written contract and arising from personal injury, including bodily injury or death, or damage to the property of others, caused by an accident or occurrence with a limit of liability of not less than \$1,000,000 per occurrence for Bodily Injury, Personal Injury and Property Damage and with Excess Liability Coverage in an amount not less than \$5,000,000 protecting the Issuer, the Company and the Trustee against any loss or liability or damage for personal injury, bodily injury or death, or property damage.

(VV) A policy or policies of flood insurance in an amount not less than the aggregate principal amount of the bonds or the maximum amount of flood insurance available with respect to the Project Facility under the Flood Disaster Protection Act of 1973, as amended, whichever is less. This requirement will be waived upon presentation of evidence that no portion of the Land is located within an area identified by the U.S. Department of Housing and Urban Development as having special flood hazards.

(Section 6.3)

Damage, Destruction Or Condemnation. If, as a result of fire or other casualty, the Project Facility, or any material part thereof, is damaged or destroyed, or the Project Facility, or any material part thereof, shall be condemned or acquired for public use, the Trustee shall within thirty (30) after receiving actual notice of such damage, destruction or Condemnation, and after written notice to the Issuer, shall take the course of action set forth below:

(A) If the Project Facility can be repaired or restored to substantially the same condition as it existed prior to the event causing such damage or destruction, or the effect of the Condemnation can be relieved so that the status of the Project Facility will be restored to substantially the same status as it existed prior to the event causing such Condemnation, without, in either case, jeopardizing repayment of the principal of and interest on the Bonds, all in accordance with the opinion of an expert or experts selected by the Company as referred to below, then, upon receipt by the Trustee of the written consent of the Company, the Company shall so repair and restore the Project Facility and the Company may and/or the Trustee shall apply the Net Proceeds of any insurance relating to such damage, destruction or Condemnation or any Condemnation award to the payment or the reimbursement of the costs of such repair or restoration. Such reimbursement of the costs of repair or restoration shall be paid to the Company by the Trustee periodically as construction progresses pursuant to the Installment Sale Agreement and the Indenture. The Trustee may rely on the advice of architects, engineers, accountants, financial consultants, attorneys and other experts reasonably selected by the Company in the foregoing matters.

(B) Notwithstanding anything to the contrary contained in paragraph (A) above, in the event that the Net Proceeds for insurance covering the damage to the Project Facility or the Net Proceeds received from Condemnation exceeds the sum of all Indebtedness then secured by a Lien on the Project Facility or any part thereof, the Company shall not be obligated to replace, repair, rebuild or restore the Project Facility, and the Net Proceeds of any insurance settlement or Condemnation shall not be applied as provided in paragraph (A) above, if the Company shall notify the Issuer and the Trustee that it elects to cause the Bonds to be redeemed, which notice shall state that the Company is entitled under the Installment Sale Agreement to make such election. In such event, or if an Event of Default shall have occurred and be continuing (or if an event exists which with the passage of time or notice or both would become an Event of Default), the lesser of (1) the total amount of the Net Proceeds collected under any and all policies of insurance covering the damage to or destruction of the Project Facility or the Total Net Proceeds of Condemnation, or (2) the amount necessary to redeem the Bonds in whole and all interest accrued thereon, together with any other sums payable to the Issuer or the Trustee pursuant to the Installment Sale Agreement, shall be transferred by the Trustee from the Insurance and Condemnation Fund to the Bond Fund to be applied to the redemption of the Bonds and payment of all such amounts to the Issuer and the Trustee. If the Net Proceeds collected under any and all policies of insurance or from Condemnation and deposited by the Company with the Trustee are less than the amount necessary to redeem the Bonds in full and pay any and all amounts payable to the Issuer and the Trustee, the Company shall pay the difference between such amounts and the Net Proceeds of all insurance settlements so deposited by the Company with the Trustee, so that all of the Bonds then Outstanding shall be redeemed and any and all amounts payable under the Financing Documents to the Issuer and the Trustee shall be paid in full.

(Section 7.1)

Hold Harmless Provisions

(WW) The Company releases the Issuer and its members, officers, agents (other than the Company) and employees from, agrees that the Issuer and its members, officers, agents (other than the Company) and employees shall not be liable for and agrees to indemnify, defend and hold the Issuer and its members, officers, agents (other than the Company) and employees harmless from and against any and all claims, causes of action, judgments, liabilities, damages, losses, costs and expenses arising as a result of

the Issuer's undertaking the Project, including, but not limited to, (1) liability for loss or damage to Property or bodily injury to or death of any and all Persons that may be occasioned, directly or indirectly, by any cause whatsoever pertaining to the Project 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 Project Facility, (2) liability arising from or expense incurred by the Issuer's financing, acquiring, constructing, reconstructing, equipping, installing, owning or selling the Project Facility, including, without limiting the generality of the foregoing, any sales or use taxes which may be payable with respect to goods supplied or services rendered with respect to the Project Facility, all liabilities or claims arising as a result of the Issuer's obligations under the Installment Sale Agreement or any of the other Financing Documents or the enforcement of or defense of validity of any provision of any Financing Documents, and all liabilities or claims arising as a result of or in connection with the offering, issuance, sale or resale of the Bonds, (3) all claims arising from the exercise by the Company of the authority conferred on it pursuant to the Installment Sale Agreement, and (4) all causes of action and attorneys' fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing; provided that any such claims, causes of action, judgments, liabilities, damages, losses, costs or expenses of the Issuer are not incurred or do not result from the intentional wrongdoing of the Issuer or any of its members, officers, agents (other than the Company) or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Issuer or any of its officers, members, agents or employees and notwithstanding the breach of any statutory obligation or any rule of comparative or apportioned liability.

(XX) In the event of any claim against the Issuer or its members, officers, agents (other than the Company) or employees by any employee of the Company or any contractor of the 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 the Company under the Installment Sale Agreement shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Company or such contractor under workers' compensation laws, disability benefits laws or other employee benefit laws.

(YY) Notwithstanding any other provisions of the Installment Sale Agreement, the obligations of the Company pursuant to this section shall remain in full force and effect after the termination of the Installment Sale 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 in the Installment Sale Agreement described may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses, charges and costs incurred by the Issuer, or its officers, members, agents (other than the Company) or employees, relating thereto.

(Section 8.2)

Company Not To Terminate Existence Or Dispose Of Assets; Conditions Under Which Exceptions Permitted. The Company agrees that, so long as the Bonds are Outstanding, it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation, or permit one or more corporations to consolidate with or merge into it; provided, however, that, if no Event of Default specified in Article X of the Installment Sale Agreement shall have occurred and be continuing, the Company may consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided:

(ZZ) that either the surviving, resulting or transferee corporation (the "Survivor") is a public corporation organized under the laws of the State;

(AAA) that the Survivor assumes in writing all of the obligations of and restrictions on the Company under the Installment Sale Agreement and the other Financing Documents;

(BBB) that such transaction will not adversely affect the tax exempt status of the interest paid or payable on the Bonds;

(CCC) that as of the date of such transaction, the Trustee and the Issuer shall be furnished with (i) an opinion of counsel to the Company as to compliance with paragraphs (a), (b) and (e) of this section, (ii) an opinion of Bond Counsel as to the compliance with paragraph (c) of this section, and (iii) a certificate, dated the effective date of such transaction, signed by an Authorized Representative of the Company and of the Survivor to the effect that immediately after the consummation of the transaction and after giving effect thereto, no Event of Default exists under the Installment Sale Agreement and no event exists which, with notice or lapse of time or both, would become such an Event of Default;

(DDD) the Survivor has met all licensing requirements to which the Company is subject.

(Section 8.4)

Discharge Of Liens And Encumbrances

(EEE) The Company, throughout the term of the Installment Sale Agreement, shall not permit or create or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Project Facility or any part thereof by reason of any labor, services or materials rendered or supplied or claimed to be rendered or supplied with respect to the Project Facility or any part thereof. The Company will not enter into a “lockbox” or similar arrangement, whereby the revenues of the Company, or any portion thereof, are required to be deposited into an account which is subject to control or restrictions on the priority of payments therefrom by a lender or other third party.

(FFF) For the purposes of the Installment Sale Agreement, Permitted Encumbrances shall include the following:

(1) any lien or security interest granted in accordance the Installment Sale Agreement to secure Long-Term Indebtedness permitted by the Installment Sale Agreement;

(2) any lien or security interest which is existing on the date of the Installment Sale Agreement, provided that (i) no such lien or security interest may attach or extend to the Company’s accounts receivable and (ii) no lien or security interest so described or the indebtedness secured thereby may be extended or renewed (which terms shall not apply to the filing of any continuation statements under the Uniform Commercial Code) or modified to spread to any Property not subject to such lien or security interest on the date of the Indenture, except to the extent that such lien or security interest, as so extended, renewed or modified could have been granted or created under any provision of the Installment Sale Agreement;

(3) any lien or encumbrance granted to the Issuer or the Trustee to secure the Company’s obligations under the Installment Sale Agreement;

(4) any lease which, in the judgment of the Company whose property is subject thereto, is reasonably necessary or appropriate for or incidental to the proper and economical operation of such property, taking into account the nature and terms of the lease and the nature and purposes of the property subject thereto; provided that prior to granting any lease with respect to any portion of the Project Facility, the Company shall deliver to the Trustee an

opinion of Bond Counsel that such lease will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes;

(5) utility, access and other easements, rights-of-way, restrictions and other minor defects, encumbrances, and irregularities in the title to any property which do not materially impair the use of such property for its intended purpose or materially and adversely affect the value thereof;

(6) any judgment lien against the Company so long as (i) the finality of such judgment is being contested in good faith and execution thereon is stayed, or (ii) in the absence of such a contest and stay, no other property of the Company will be materially impaired or subject to material loss or forfeiture;

(7) any liens on any property for taxes, assessments, levies, fees, water and sewer rents, and other governmental and similar charges and any liens of mechanics, materialmen and laborers for work or services performed for materials furnished in connection with such property (i) which are not due and payable or are not delinquent, (ii) the amount or validity of which are being contested in good faith and on which execution is stayed, or (iii) the existence of which will not subject any property of the Company to loss or forfeiture;

(8) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law, affecting any property, to (i) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such right would not materially impair the use of such property for its intended purpose or materially and adversely affect the value thereof, or (ii) purchase, condemn, appropriate or recapture, or designate a purchaser of such property;

(9) rights reserved to or vested in any municipality or public authority to control or regulate any property or to use such property in any manner, which rights have not been violated and do not materially impair the use of such property for its intended purposes or materially and adversely affect the value thereof;

(10) liens arising under state or federal laws or regulations governing third-party reimbursement programs, in favor of residents in the Project Facility with respect to moneys deposited with the Company;

(11) any lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license;

(12) any lien arising by reason of deposits with, or the giving of any form of security to enable the Company to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with worker's compensation, unemployment insurance, old age pensions or other social security, or to share in the privileges or benefits required for institutions participating in such arrangements; and

(13) liens arising by reason of good faith deposits by the Company in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Company to secure public or statutory obligations, or to secure or in

lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges.

(C) Notwithstanding the provisions of subsection (A) above, the Company may in good faith contest any such Lien. In such event, the Company may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Company certifies to the Issuer and the Trustee that by nonpayment of any such item or items, the Lien on the Project Facility or any part thereof may be subject to loss or forfeiture, in which event the Company shall promptly secure payment of all such unpaid items by filing a bond, in form and substance satisfactory to the Issuer, thereby causing such Lien to be removed or by taking such other actions as may be satisfactory to the Issuer to protect its interests. Notwithstanding the foregoing, mechanics' and public improvement Liens shall be discharged or bonded within thirty (30) days of the filing or perfection thereof.

(Section 8.8)

Indemnification Of Trustee

(GGG) The Company releases the Trustee and its directors, officers, agents and employees from, agrees that the Trustee and its directors, officers, agents and employees shall not be liable for and agrees to indemnify, defend and hold the Trustee and its directors, officers, agents and employees harmless from and against any and all claims, causes of action, judgments, liabilities, damages, losses, costs and expenses arising as a result of the Trustee's involvement in the Project, including, but not limited to, (1) liability for loss or damage to Property or bodily injury to or death of any and all Persons that may be occasioned, directly or indirectly, by any cause whatsoever pertaining to the Project 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 Project Facility, (2) liability arising from or expense incurred by the Trustee's participation in the financing the Project Facility, including, without limiting the generality of the foregoing, all liabilities or claims arising as a result of the Trustee's obligations under the Installment Sale Agreement or any of the other Financing Documents or the enforcement of or defense of validity of any provision of any Financing Documents, and all liabilities or claims arising as a result of or in connection with the offering, issuance, sale or resale of the Bond, (3) all causes of action and attorneys' fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing; provided that any such claims, causes of action, judgments, liabilities, damages, losses, costs or expenses of the Trustee are not incurred or do not result from the negligence or intentional wrongdoing of the Trustee or any of its directors, officers, agents or employees.

(HHH) Notwithstanding any other provisions of the Installment Sale Agreement, the obligations of the Company pursuant to this section shall remain in full force and effect after the termination of the Installment Sale 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 in the Installment Sale Agreement described may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all reasonable fees, expenses and charges paid or incurred by the Trustee, or its directors, officers, agents or employees, relating thereto.

(Section 8.13)

Permitted Indebtedness. The Company covenants and agrees that it will not incur or assume (the terms "incur" and "assume", for the purposes of the Installment Sale Agreement, to mean and include the guaranteeing of, or the direct or indirect assumption of liability for, the debts of others) other than (i) a working capital credit line in the amount of up to \$300,000 and (ii) the existing unsecured bank loan in the amount of \$299,000, any Long-Term Indebtedness or Parity Indebtedness after the date of closing, whether

secured or unsecured, unless and until the Company shall have obtained the written consent of the Controlling Bondholder.

(Section 8.14)

Restriction On Sale Of Project Facility

(III) Except as otherwise specifically provided in Article IX and in Article X of the Installment Sale Agreement, the Issuer shall not sell, convey, transfer, encumber or otherwise dispose of the Project Facility or any part thereof or any of its rights under the Installment Sale Agreement, without the prior written consent of the Company.

(JJJ) No conveyance of any part of, or interest in, the Project Facility or the Land affected under the provisions of this section shall entitle the Company to any abatement or diminution of the amounts payable by it under the Installment Sale Agreement.

(KKK) Except as otherwise permitted by the Installment Sale Agreement, the Company may not remove, sell, lease, loan, assign, grant or otherwise dispose of its property, including without limitation, cash, marketable securities, accounts receivable, or any property, structures, improvements, fixtures or equipment, provided that the foregoing shall not be construed to limit or prevent (i) payments for goods and services in arm's length transactions or (ii) investments in marketable securities.

(LLL) So long as no Event of Default has occurred and is continuing, the Company may from time to time sell or otherwise dispose of any real property, tangible personal property, fixtures or equipment (other than the Project Facility) for fair market value in an arm's length transaction.

(MMM) So long as no Event of Default has occurred and is continuing, the Company may from time to time sell or otherwise dispose of any tangible personal property, fixtures or equipment provided, however, that the book value of the same shall not exceed three percent (3%) of Net Property, Plant and Equipment in any fiscal year; and provided, further, that the book value of property subject to such transfers for any three consecutive fiscal years shall not exceed seven and one-half percent (7.5%) of Net Property, Plant and Equipment.

(NNN) The Company shall not sell, lease, donate, tend, exchange or otherwise dispose of any of its intangible assets, including cash and investments to any entity, unless an Accountant certifies to the Trustee that, immediately following such transfer, the Company will have at least 60 Days' cash on hand.

(Section 9.1)

Assignment, Sale And Leasing

(OOO) The Installment Sale Agreement may not be assigned, in whole or in part, and the Project Facility may not be sold or leased, in whole or in part, without the prior written consent of the Issuer in each instance. Any assignment, sale or lease shall be on the following conditions:

- (i) no assignment, sale or lease shall relieve the Company from primary liability for any of its obligations under the Installment Sale Agreement and the Company shall remain as fully bound as though no sale or lease has been made;
- (ii) the assignee, buyer or lessee shall assume the obligations of the Company under the Installment Sale Agreement to the extent of the interest assigned, sold or leased

and performance by any buyer or lessee shall be considered as performance by the Company;

- (iii) the Company shall, within thirty (30) days prior to the delivery thereof, furnish or cause to be furnished to the Issuer and to the Trustee a true and complete copy of such sale or lease. The Net Proceeds resulting from the sale of the Project Facility shall be used to redeem the Bonds as provided in the Indenture as soon as practicable unless the Company delivers an opinion of Bond Counsel to the Issuer and the Trustee authorizing a different disposition of such proceeds and stating that such alternate disposition of the proceeds will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes;
- (iv) neither the validity nor the enforceability of the Bond or any Bond Document shall be adversely affected thereby;
- (v) the tax-exempt status of the interest on the Bond will not be adversely affected; and
- (vi) the Project Facility shall continue to constitute a “project” as such quoted term is defined in the Act.

(B) Fifteen (15) days prior to the effective date of any assignment, sale or lease pursuant to subsection (a) of this section, the Company at its cost shall furnish the Trustee and the Issuer, with an opinion, in form and substance satisfactory to the Trustee and the Issuer (i) of Bond Counsel as to paragraphs (v) and (vi) above and (ii) of Independent Counsel as to paragraphs (i), (ii) and (iv) above.

(Section 9.3)

Pledge Of Issuer’s Interests To Trustee. The Issuer shall pledge and assign its rights to and interest in the Installment Sale Agreement and in all amounts payable by the Company pursuant to all provisions of the Installment Sale Agreement (other than Unassigned Rights), to the Trustee as security for the payment of the principal of, and premium, if any, and interest on the Bond. The Company acknowledges and consents to such pledge and assignment by the Issuer. Notwithstanding the foregoing, all indemnities contained in the Installment Sale Agreement shall, subsequent to such pledge and assignment, continue to run to the Issuer for its benefit as well as for the benefit of the Trustee.

(Section 9.4)

Events Of Default Defined

(PPP) The following shall be “Events of Default” under the Installment Sale Agreement, and the terms “Event of Default” or “Default” shall mean, whenever they are used in the Installment Sale Agreement, any one or more of the following events:

- (i) the failure by the Company to pay or cause to be paid on the date due, the amounts (i) due under the Indenture, (ii) owed to the Trustee or (iii) owed to the Issuer, all as specified to be paid pursuant to the Installment Sale Agreement;
- (ii) the failure by the Company to observe and perform any covenant contained in the Installment Sale Agreement;

(iii) any representation or warranty of the Company in the Installment Sale Agreement shall prove to have been false or misleading in any material respect;

(iv) the failure by the Company to observe and perform any covenant, condition or agreement under the Installment Sale Agreement on its part to be observed or performed (except obligations referred to in paragraphs (A)(i), (ii) and (iii) of this section) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, given to the Company by the Issuer or the Trustee; except, if the covenant, condition or agreement which the Company has failed to observe or perform is of such a nature that it cannot reasonably be fully cured within such thirty (30) days, the Company shall not be in default if the Company commences a cure within such thirty (30) days and thereafter diligently proceeds with all action required to complete the cure, and, in any event, completes such cure within sixty (60) days of such written notice from the Issuer or the Trustee, unless the Trustee, at the written direction of the holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, or the Issuer shall give its written consent to a longer period;

(v) the dissolution or liquidation of the Company; or the failure by the Company to release, stay, discharge, lift or bond within thirty (30) days any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Company generally to pay its debts as they become due; or an assignment by the Company for the benefit of creditors; the commencement by the Company (as the debtor) of a case in bankruptcy or any proceeding under any other insolvency law; or the commencement of a case in bankruptcy or any proceeding under any other insolvency law against the Company (as the debtor) and a court having jurisdiction in the premises enters a decree or order for relief against the Company as the debtor in such case or proceeding, or such case or proceeding is consented to by the Company or remains undismissed for sixty (60) days, or the Company consents to or admits the material allegations against it in any such case or proceeding; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the Property of the Company for the purpose of enforcing a lien against such Property or for the purpose of general administration of such Property for the benefit of creditors (the term "dissolution or liquidation of the Company" as used in this paragraph shall not be construed to include any transaction permitted by the section under the heading "**Company Not To Terminate Existence Or Dispose Of Assets; Conditions Under Which Exceptions Permitted**");

(vi) an Event of Default under the Indenture shall have occurred and be continuing;

(vii) the invalidity, illegality or unenforceability of any of the other Financing Documents.

(QQQ) Notwithstanding the provisions of paragraph (A) of this section, if by reason of *force majeure* any party to the Installment Sale Agreement shall be unable in whole or in part to carry out its obligations under the Installment Sale Agreement and if such party shall give notice and full particulars of such *force majeure* in writing to the other party and to the Trustee, within a reasonable time after the occurrence of the event or cause relied upon, such obligations under the Installment Sale Agreement of the party giving such notice (and only such obligations), so far as they are affected by such *force majeure*, shall be suspended during continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The term "*force majeure*" as used in the Installment Sale Agreement shall include,

without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, acts, failures to act, priorities or orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, governmental subdivisions, or officials, any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, shortages of labor or materials or delays of carriers, partial or entire failure of utilities, shortage of energy or any other cause or event not reasonably within the control of the party claiming such inability and not due to its fault. The party claiming such inability shall remove the cause for the same with all reasonable promptness. It is agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout and other industrial disturbances by acceding to the demands of the opposing party or parties.

(Section 10.1)

Remedies On Default

(RRR) Whenever any Event of Default shall have occurred, the Issuer and/or the Trustee may, to the extent permitted by law, take any one or more of the following remedial steps:

(1) if an Event of Default has occurred under the Indenture, declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become immediately due and payable, (a) all unpaid installment purchase payments and (b) all other payments due under the Installment Sale Agreement or any of the Financing Documents;

(2) in the event any of the Bonds shall at the time be Outstanding and unpaid, have access to and inspect, examine and make copies of books and records and any and all accounts, data and income tax and other tax returns of the Company only, however, insofar as they relate to the Project Facility;

(3) take any other action at law or in equity which may appear necessary or desirable to collect any amounts then due or to become due under the Installment Sale Agreement and to enforce the obligations, agreements or covenants of the Company under the Installment Sale Agreement;

(4) if an Event of Default has occurred under the Indenture, terminate disbursement of the Bond Proceeds; or

(5) exercise any remedies available pursuant to any of the other Financing Documents.

(6) Upon the occurrence of an Event of Default, the interest rate on the Outstanding Bonds shall be the Default Rate.

(SSS) Whenever any Event of Default shall have occurred and only in the event acceleration of the principal amount of the Bonds has been declared pursuant to the Indenture, the Issuer or the Trustee may take, to the extent permitted by law, any one or more of the following remedial steps:

(1) take possession of the Project Facility, on ten (10) days written notice to the Company, without terminating the Installment Sale Agreement and without being liable for any prosecution or damages therefor, and lease, sell or otherwise dispose of the Project Facility for the account of the Company, holding the Company liable for the amount, if any, by which the aggregate

of the amounts payable by the Company under the Installment Sale Agreement or any of the Financing Documents exceeds the aggregate of the other amounts received from the lessee or buyer;

(2) enter upon the Project Facility and complete the construction, reconstruction, equipping, installation and sale of the Project Facility in accordance with the Plans and Specifications (with such changes as the Trustee may deem appropriate) and in connection therewith (a) engage architects, contractors, materialmen, laborers and suppliers and others, (b) employ watchmen to protect and preserve the Project Facility, (c) assume any contract relating to the Project Facility and take over and use all labor, materials, supplies and equipment, whether or not previously incorporated into the Project Facility, (d) pay, settle or compromise all bills or claims, (e) discontinue any work or change any course of action already undertaken with respect to the Project Facility, (f) take or refrain from taking such action under the Installment Sale Agreement as the Trustee may from time to time determine; (g) apply any undisbursed money to the payment of the costs and expenses incurred in connection with the foregoing; and (h) apply any undisbursed moneys to the payment of the outstanding principal on the Bond; and

(TTT) Any sums paid to the Issuer as a consequence of any action taken pursuant to this section (excepting sums payable to the Issuer as a consequence of action taken to enforce the Unassigned Rights) shall be paid to the Trustee and applied in accordance with the provisions of the Indenture.

(UUU) No action taken pursuant to this section shall relieve the Company from its obligations to make all payments required by the Installment Sale Agreement and the other Financing Documents.

(VVV) The Company shall have the right upon notice to the Issuer and the Trustee to enter the Project Facility with agents or representatives of the Issuer and the Trustee to remove any equipment or other personalty owned by the Company if such equipment or personalty is not part of the Project Facility.

(WWW) In accordance with the terms of the Installment Sale Agreement, the Issuer shall have all the rights, powers and remedies of a secured party under the Uniform Commercial Code of New York, including without limitation, the right to sell, lease or otherwise dispose of any or all of the Property subject to the security interests granted by the Company to the Issuer pursuant to the Installment Sale Agreement (the "Collateral"), and to take possession of the Collateral, and for that purpose the Issuer or the Trustee may enter peaceably any premises on which the Collateral or any part thereof may be situated and remove the same therefrom, and the Company will not resist or interfere with such action. The Issuer or the Trustee may require the Company to assemble the Collateral and make it available to the Issuer or the Trustee at a place to be designated by the Issuer or the Trustee which is reasonably convenient to both parties. The Company agrees that its address and the place or places of location of the Collateral are places reasonably convenient to it to assemble the Collateral. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Issuer or the Trustee will send the Company reasonable notice of the time and place of any public sale or reasonable notice of the time after which any private sale or any other disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to the Company at least ten (10) days before the time of the sale or disposition.

(Section 10.2)

Remedies Cumulative. No remedy in the Installment Sale Agreement conferred upon or reserved to the Issuer is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under the Installment Sale Agreement or thereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon

any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in Article X of the Installment Sale Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in the Installment Sale Agreement.

(Section 10.3)

Redemption Of Bonds. At the request of the Company (provided the Bonds are then callable for redemption), and if (1) the Company is not in default in the payments to be made under the Installment Sale Agreement, and (2) the Company provides reasonable assurance that it shall make sufficient funds available, the Issuer shall take all steps necessary under the provisions of Article III of the Indenture to redeem all or any part of the Bonds. Such steps shall be taken to permit the redemption to be made on the earliest redemption date on which such redemption can occur under such applicable provisions subject to, and in accordance with, the terms and provisions of the Indenture. Following the giving of any notice of optional or mandatory redemption of the Bonds, the Company shall cause to be furnished to the Issuer on or prior to the redemption date sufficient funds to enable the Issuer to redeem and make all payments with regard to the Bonds as provided in Article III of the Indenture.

(Section 11.1)

No Recourse; Special Obligation

(XXX) The obligations and agreements of the Issuer contained in the Installment Sale Agreement and in the other Financing Documents and any other instrument or document executed in connection therewith or with the Installment Sale Agreement, and any other instrument or document supplemental thereto, shall be deemed the obligations and agreements of the Issuer, and not of any member, officer, agent (other than the Company) or employee of the Issuer in his individual capacity, and the members, officers, agents (other than the Company) and employees of the Issuer shall not be liable personally thereon or be subject to any personal liability or accountability based upon or in respect thereof or of any transaction contemplated thereby.

(YYY) The obligations and agreements of the Issuer contained in the Installment Sale Agreement and in the other Financing Documents shall not constitute or give rise to an obligation of the State or Essex County, New York, and neither the State nor Essex County, New York shall be liable thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the revenues (of the Issuer derived and to be derived from the sale or other disposition of the Project Facility (except for revenues derived by the Issuer with respect to the Unassigned Rights).

(ZZZ) No order or decree of specific performance with respect to any of the obligations of the Issuer under the Installment Sale Agreement shall be sought or enforced against the Issuer unless (1) the party seeking such order or decree shall first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Issuer shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, (2) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Issuer an amount or undertaking sufficient to cover such reasonable fees and expenses, and (3) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the

Company) or employees shall be subject to potential liability, the party seeking such order or decree shall (a) agree to indemnify and hold harmless the Issuer and its members, officers, agents (other than the Company) and employees against any liability incurred as a result of its compliance with such demand, and (b) if requested by the Issuer, furnish to the Issuer satisfactory security to protect the Issuer and its members, officers, agents (other than the Company) and employees against all liability expected to be incurred as a result of compliance with such request.

(Section 12.10)

Subordination To Indenture. The Installment Sale Agreement and all rights of the Company and the Issuer under the Installment Sale Agreement are and shall be subordinate to the Lien of the Indenture on the Trust Revenues. The subordination of the Installment Sale Agreement to the Indenture shall be automatic, without the execution of any further subordination agreement by the Company or the Issuer. Nonetheless, if the Trustee requires a further written subordination agreement, the Company and the Issuer agree to execute, acknowledge and deliver the same.

(Section 12.11)

MORTGAGE AND SECURITY AGREEMENT

Pledge Of Mortgage. In order to secure (i) the payment of the principal of the Bonds and the indebtedness represented thereby and the redemption premium, if any, and interest on the Bonds and the performance and observance by the Issuer of all the covenants expressed or implied in the Bonds, and (ii) the payment, performance and observance of all obligations of the Company under the Financing Documents including the Mortgage, the Issuer and the Company do grant, bargain, sell, convey, transfer, mortgage, grant a security interest in, pledge and assign to the Trustee, and its successors and assigns, subject to the terms and conditions set forth in the Mortgage: (A) the Land together with the appurtenances thereto; (B) all buildings, improvements and other structures erected or to be erected on the Land or any part thereof, including, without limitation, the Project together with all construction contracts, subcontracts, licenses, permits and approvals for the Project; (C) the Equipment, together with any and all repairs, replacements, improvements, attachments, accessions, repairs and substitutions thereof and therefore and all parts, accessories and additions incorporated therein or affixed thereon; (D) all easements, royalties, mineral, oil and gas rights and profits, water, water rights and water stock relating to the Land necessary for the acquisition, ownership, construction, operation, use and maintenance of the Project Facility; (E) any and all moneys and securities from time to time held by the Trustee under the terms of the Mortgage and the Indenture (other than moneys and securities held in the Rebate Fund), and any and all other Property of every name and nature, from time to time by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Mortgage by the Issuer or by anyone on its behalf or with its written consent in favor of the Trustee; (F) all rights and interest of the Issuer in any moneys due or to become due to the Issuer and any and all other rights and remedies of the Issuer under or arising out of the Installment Sale Agreement (except the Unassigned Rights and moneys payable pursuant to the Unassigned Rights); (G) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the acquisition, construction, use, operation or occupancy of all or any portion of the Mortgaged Property or other real property entered into, including, but not limited to, any and all rights under and pursuant to the Installment Sale Agreement (except the Unassigned Rights) and the right to receive and apply the Pledged Revenues to the payment of the Mortgage Indebtedness; (H) all proceeds of and unearned premiums on any insurance policies covering the Project Facility and all other real property including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof; (I) all other proceeds of the conversion, whether voluntary or involuntary, of the Project Facility or any other Property or rights encumbered or conveyed by the Mortgage into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance,

Condemnation and other awards; and (J) all extensions, additions, substitutions and accessions with respect to any of the foregoing, and all proceeds and products of any of the foregoing.

The grant, pledge and assignment to the Trustee described in the paragraph above are subject to the Permitted Encumbrances and the Indenture and do not include any Unassigned Rights.

(Granting Clause)

Security Agreement. The Mortgage is and shall be deemed to be both a real property mortgage and a “security agreement” under the State Uniform Commercial Code with respect to the Mortgaged Property, and the Trustee shall have all the rights of a secured party thereunder with respect to that part of the Mortgaged Property that constitutes personal property subject thereto (sometimes referred to in the Mortgage as the “Secured Property”). Upon request by the Trustee, the Issuer, at the sole cost and expense of the Company, and the Company shall execute and deliver to the Trustee, as the case may be, any security agreement, financing or continuation statement or other document the Trustee reasonably deems necessary to protect or perfect its liens under the Mortgage on the Mortgaged Property. The Issuer and the Company authorize the Trustee, to the extent permitted by law, to sign and file any financing or continuation statement at any time with respect to the Mortgaged Property in the absence of any signature by or on behalf of the Issuer and the Company.

(Section 1)

Performance Of The Covenants

(A) The Issuer and the Company covenant that they will faithfully observe and perform, or cause to be observed and performed, at all times any and all covenants, undertakings, stipulations and provisions on their respective parts to be observed or performed contained in the Mortgage and the other Financing Documents to be executed by them.

(B) The Issuer and the Company covenant that they will promptly pay, or cause to be paid, the Debt Service Payments on the Bonds at the place, on the dates and in the manner provided therein. All Debt Service Payments on the Bonds paid by the Issuer shall be payable solely from installment purchase payments and other revenues and receipts received pursuant to the Installment Sale Agreement (but not including any amounts received in connection with the Unassigned Rights). Nothing in the Bonds, the Indenture or the Mortgage shall be construed as pledging or mortgaging any funds or assets of the Issuer other than those pledged or mortgaged thereby. Neither the State nor any political subdivision thereof (other than the Issuer and the Company) shall in any event be liable for the payment of any Debt Service Payment on the Bonds or for the performance of any pledge, mortgage, obligation or agreement undertaken by the Issuer and the Company.

(Section 2)

Priority Of Lien Of Mortgage; Discharge Of Liens And Encumbrances

(A) The Company represents and warrants that (i) the Company and the Issuer are lawfully seized of the estate conveyed by the Mortgage subject only to Permitted Encumbrances, (ii) the Company has full right and authority to sell and convey the Mortgaged Property and (iii) the Company will warrant and defend such title to the Mortgaged Property against all claims and demands except the Permitted Encumbrances.

(B) The Issuer and the Company shall not permit or create or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Mortgaged Property or any part thereof, without the prior written consent of the Trustee.

(C) Notwithstanding the provisions of paragraph (B) of this section, the Company may in good faith contest any such Lien, provided that the Company (1) first shall have notified the Trustee of such contest, (2) is not in default under any of the Financing Documents, (3) shall have set aside adequate reserves for the discharge of any such Lien and furnished evidence thereof satisfactory to the Trustee, and (4) demonstrates to the reasonable satisfaction of the Trustee that the failure to discharge any such Lien will not subject the Mortgaged Property or any part thereof or any funds of the Issuer applicable to the acquisition, construction or installation of the Mortgaged Property to loss or forfeiture.

(Section 3)

REPRESENTATIONS AND WARRANTIES OF COMPANY

(A) The Company represents and warrants that it is a corporation duly formed, validly existing and in good standing under the laws of the State. The Company represents and warrants that it has power to enter into and perform the Mortgage and the other Financing Documents and to own its property and assets, has duly authorized the execution and delivery of the Mortgage by proper corporate action and neither the Mortgage, nor the authorization, execution, delivery and performance thereof, nor the performance of the agreements contained in the Mortgage nor the consummation of the transactions therein contemplated will violate any provision of law to which the Company is subject, any order of any court or agency of government applicable to the Company or any agreement, indenture or other instrument to which the Company is a party or by which it or any of its property is subject to or bound, or any provision of its certificate of incorporation.

(B) The Company represents and warrants that the Mortgage constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting the enforceability of creditors' rights generally and except as such enforceability is subject to the application of general principles of equity.

(C) The Company represents and warrants that the Issuer is vested with good and marketable title to the Mortgaged Property, subject to no mortgage, lien, charge, pledge, assignment, security interest, conditional sale agreement or encumbrance of any kind whatsoever, other than Permitted Encumbrances.

(D) No obligations of the Company are secured by any interest in the Project or the Project Facility.

(Section 4)

REPRESENTATIONS AND WARRANTIES OF THE ISSUER. THE ISSUER REPRESENTS AND WARRANTS THAT IT HAS POWER TO ENTER INTO AND PERFORM THE MORTGAGE, TO CREATE, PLEDGE AND GRANT THE MORTGAGE, PLEDGE, ASSIGNMENT AND SECURITY INTEREST IN THE MORTGAGED PROPERTY AS PROVIDED IN THE MORTGAGE AND TO OWN THE MORTGAGED PROPERTY, HAS DULY AUTHORIZED THE EXECUTION AND DELIVERY OF THE MORTGAGE BY PROPER CORPORATE ACTION AND NEITHER THE MORTGAGE, THE AUTHORIZATION, EXECUTION, DELIVERY AND PERFORMANCE THEREOF, THE PERFORMANCE OF THE AGREEMENTS THEREIN CONTAINED NOR THE CONSUMMATION OF THE TRANSACTIONS THEREIN CONTEMPLATED WILL VIOLATE ANY PROVISION OF LAW TO WHICH THE ISSUER IS SUBJECT, ANY ORDER OF ANY COURT OR AGENCY OF GOVERNMENT APPLICABLE TO THE ISSUER OR ANY AGREEMENT, INDENTURE OR OTHER INSTRUMENT TO WHICH THE ISSUER IS A PARTY OR BY WHICH IT OR ANY OF ITS PROPERTY IS SUBJECT TO OR BOUND, OR ANY PROVISION OF ITS BY-LAWS. THE MORTGAGE CONSTITUTES THE LEGAL, VALID AND BINDING OBLIGATION OF THE ISSUER ENFORCEABLE AGAINST THE ISSUER IN ACCORDANCE WITH ITS TERMS.

(Section 5)

PAYMENT, PERFORMANCE, OBSERVANCE AND COMPLIANCE. THE COMPANY AGREES TO PAY OR CAUSE TO BE PAID, THE DEBT SERVICE PAYMENTS ON THE BONDS AT THE PLACE, ON THE DATES AND IN THE MANNER PROVIDED THEREIN. ALL DEBT SERVICE PAYMENTS ON THE BONDS PAID BY THE ISSUER SHALL BE SOLELY FROM INSTALLMENT PURCHASE PAYMENTS AND OTHER REVENUES AND RECEIPTS RECEIVED PURSUANT TO THE INSTALLMENT SALE AGREEMENT (BUT NOT INCLUDING ANY AMOUNTS RECEIVED IN CONNECTION WITH THE UNASSIGNED RIGHTS). NOTHING IN THE BONDS, THE INDENTURE OR IN THE MORTGAGE SHALL BE CONSTRUED AS PLEDGING OR MORTGAGING ANY FUNDS OR ASSETS OF THE ISSUER OTHER THAN THOSE PLEDGED OR MORTGAGED THEREBY. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER AND THE COMPANY) SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF ANY DEBT SERVICE PAYMENT ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, MORTGAGE, OBLIGATIONS OR AGREEMENT UNDERTAKEN BY THE ISSUER OR THE COMPANY.

(Section 6)

PRIORITY OF LIEN OF MORTGAGE. THE ISSUER AND THE COMPANY COVENANT THAT THEY SHALL NOT CREATE OR SUFFER TO BE CREATED ANY LIEN, EXCEPT PERMITTED ENCUMBRANCES, UPON THE MORTGAGED PROPERTY OR ANY PART THEREOF.

(Section 7)

MAINTENANCE AND USE OF MORTGAGED PROPERTY. THE COMPANY, AT ITS EXPENSE, WILL KEEP OR CAUSE TO BE KEPT THE MORTGAGED PROPERTY IN GOOD ORDER AND CONDITION (ORDINARY WEAR AND TEAR EXCEPTED) AND WILL MAKE ALL NECESSARY OR APPROPRIATE REPAIRS, REPLACEMENTS AND RENEWALS THEREOF, INTERIOR, EXTERIOR, STRUCTURAL AND NON-STRUCTURAL, ORDINARY AND EXTRAORDINARY, FORESEEN AND UNFORESEEN. THE COMPANY WILL NOT DO, OR PERMIT TO BE DONE, ANY ACT OR THING WHICH MIGHT MATERIALLY IMPAIR THE VALUE OR USEFULNESS OF THE MORTGAGED PROPERTY OR ANY PART THEREOF, WILL NOT COMMIT OR PERMIT ANY MATERIAL WASTE OF THE MORTGAGED PROPERTY OR ANY PART THEREOF, AND WILL NOT PERMIT ANY UNLAWFUL OCCUPATION, BUSINESS OR TRADE TO BE CONDUCTED ON THE MORTGAGED PROPERTY OR ANY PART THEREOF. THE COMPANY SHALL ALSO, AT ITS EXPENSE, PROMPTLY COMPLY WITH ALL RIGHTS OF WAY OR USE, PRIVILEGES, FRANCHISES, SERVITUDES, LICENSES, EASEMENTS, TENEMENTS, HEREDITAMENTS AND APPURTENANCES FORMING A PART OF THE MORTGAGED PROPERTY AND ALL INSTRUMENTS CREATING OR EVIDENCING THE SAME, IN EACH CASE, TO THE EXTENT COMPLIANCE THEREWITH IS REQUIRED OF THE COMPANY UNDER THE TERMS THEREOF.

(Section 8)

INSURANCE REQUIRED. AT ALL TIMES THROUGHOUT THE TERM OF THE MORTGAGE, THE COMPANY SHALL MAINTAIN THE INSURANCE DESCRIBED IN ARTICLE VI OF THE INSTALLMENT SALE AGREEMENT, REGARDLESS OF WHETHER THE INSTALLMENT SALE AGREEMENT SHALL BE TERMINATED OR SHALL BE FOR ANY REASON NOT IN FULL FORCE AND EFFECT, AND SHALL, WITHIN TEN (10) DAYS OF REQUEST THEREFOR BY THE TRUSTEE DELIVER PROOF TO THE TRUSTEE THAT SUCH INSURANCE HAS BEEN AND IS BEING MAINTAINED.

(Section 9)

TAXES, ASSESSMENTS AND UTILITY CHARGES

(A) The Company shall pay, promptly when due and before penalty or interest accrue thereon, all taxes, assessments, whether general or special, and other governmental charges of any kind whatsoever that now or may at any time be assessed or levied against or with respect to the Mortgaged Property or any part thereof (including, without limitation, any taxes levied upon or with respect to the revenues, income or profits of the Company from the Mortgaged Property) which, if not paid, may become or be made a lien on the Mortgaged Property, or any part thereof, or a charge on such revenues, income or profits.

(B) Notwithstanding the preceding paragraph, the Company may, at its expense and after prior notice to the Trustee, by appropriate proceedings diligently prosecuted, contest in good faith the validity or amount of any such taxes, assessments or other charges and during the period of contest, need not pay the items so contested. However, if at any time the Trustee shall deliver to the Company an opinion of Independent Counsel to the effect that by nonpayment of any such items, the lien or security interest created by the Mortgage as to any part of the Mortgaged Property will be materially affected or the Mortgaged Property or any part thereof will be subject to imminent loss or forfeiture, the Company shall promptly pay such taxes, assessments or charges. During the period when the taxes, assessments or other charges so contested remain unpaid, the Company shall set aside on its books adequate reserves with respect thereto.

(Section 10)

PAYMENTS IN LIEU OF TAXES. THE COMPANY SHALL PAY ALL PAYMENTS IN LIEU OF TAXES DUE PURSUANT TO THE INSTALLMENT SALE AGREEMENT.

(Section 11)

RIGHT TO ACCESS. THE ISSUER AND THE COMPANY AGREE THAT THE TRUSTEE AND ITS DULY AUTHORIZED AGENTS WILL HAVE THE RIGHT UPON ALL REASONABLE TIMES TO ENTER UPON AND INTO THE MORTGAGED PROPERTY FOR THE PURPOSES OF EXAMINATION AND INSPECTION.

(Section 12)

COMPLIANCE WITH APPLICABLE LAW

(A) The Company agrees that it will, at all times prior to the termination of the Mortgage, promptly and fully comply with all (1) Applicable Laws, (2) covenants, conditions and restrictions of record relating to the ownership, use, operation or leasing of the Mortgaged Property, (3) covenants, conditions and restrictions set forth in any document or instrument creating a lien or charge upon all or any portion of the Mortgaged Property, and (4) policies of insurance at any time in force with respect to the Mortgaged Property.

(B) Notwithstanding the preceding paragraph, the Company may, at its expense and after prior notice to the Trustee, by appropriate proceedings diligently prosecuted, contest in good faith the validity or applicability of such requirements. This section shall not be deemed to apply to the payment of taxes or assessments (which is covered in the section entitled “**Taxes, Assessments and Utility Charges**”).

(Section 15)

RECORDING AND FILING

(A) The Issuer covenants that it will, at the sole cost and expense of the Company, cause the Mortgage, the Pledge and Assignment, the Installment Sale Agreement (or a memorandum thereof), and all supplements thereto, together with all other security instruments and financing statements, to be recorded and filed, as the case may be, in such manner and in such places as may be requested by the Trustee in order to perfect the Liens created by the Financing Documents. The Company covenants that it will, upon request of the Trustee, cause to be filed all documents requested by the Trustee including, without limitation, continuation statements under the Uniform Commercial Code of the State, in such manner and in such places as may be required by the law in order to protect and maintain in force the Liens of the Financing Documents.

(B) Without limiting the foregoing, the Issuer and the Company irrevocably appoint the Trustee as attorney-in-fact for the Issuer and the Company to execute, deliver, and file such instruments for and on behalf of the Issuer and the Company without the necessity of the signature of the Issuer and the Company or anyone claiming under or through the Issuer or the Company, including, but not limited to, the Company. Notwithstanding the foregoing, the Trustee shall not make the initial UCC-1 filings.

(Section 16)

EVENTS OF DEFAULT. ANY ONE OR MORE OF THE FOLLOWING EVENTS SHALL CONSTITUTE AN “EVENT OF DEFAULT”:

(A) Failure of the Company to pay any amount that has become due and payable under the Mortgage and continuance of such failure for a period of thirty (30) days after receipt by the Company of written notice specifying the nature of such default from the Trustee;

(B) Failure of the Company or the Issuer to observe and perform any covenant, condition or agreement under the Mortgage on their respective part to be performed (except as set forth in paragraph (A) above) and (1) continuance of such failure for a period of thirty (30) days after receipt by the Company and the Issuer of written notice specifying the nature of such default from the Trustee, or (2) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, the Company and the Issuer fail to proceed with reasonable diligence after receipt of said notice to cure the same or fail to continue with reasonable diligence their efforts to cure the same; or

(C) An "Event of Default" as defined in the Indenture or any other Financing Document shall occur and be continuing.

The Issuer grants to the Company full authority for the account of the Issuer to perform any covenant or obligation the non-performance of which is alleged in any notice received by the Company to constitute a default under the Mortgage, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts with power of substitution. The Trustee agrees to accept such performance by the Company as performance by the Issuer.

(Section 19)

REMEDIES. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER THE MORTGAGE, THE TRUSTEE MAY, TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN ADDITION TO ANY OTHER RIGHTS OR REMEDIES AVAILABLE TO IT UNDER THE MORTGAGE OR ELSEWHERE, TAKE SUCH ACTION, WITHOUT NOTICE OR DEMAND, AS IT DEEMS ADVISABLE TO PROTECT AND ENFORCE ITS RIGHTS AGAINST THE ISSUER, THE COMPANY AND IN AND TO THE MORTGAGED PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING ACTIONS, EACH OF WHICH MAY BE PURSUED CONCURRENTLY OR OTHERWISE, AT SUCH TIME AND IN SUCH ORDER AS THE TRUSTEE MAY DETERMINE, IN ITS SOLE DISCRETION, WITHOUT IMPAIRING OR OTHERWISE AFFECTING THE OTHER RIGHTS AND REMEDIES OF THE TRUSTEE:

(A) enter into or upon the Mortgaged Property, either personally or by its agents, nominees or attorneys, and dispossess the Issuer and the Company and their respective agents and servants therefrom, and thereupon the Trustee may:

- (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Mortgaged Property and conduct business thereat and therewith;
- (ii) complete any construction, renovation, rebuilding or repairing of the Mortgaged Property in such manner and form as the Trustee deems advisable;
- (iii) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property; and
- (iv) exercise all rights and powers of the Issuer with respect to the Mortgaged Property (subject to the terms and conditions of the Indenture relating to the Unassigned Rights), whether in the name of the Issuer or otherwise, including, without limitation, the right to make, cancel, enforce or modify leases (except upon the prior written consent of the Issuer and the Company), obtain and evict tenants, and demand, sue for, collect and

receive all earnings, revenues, rents, issues, profits and other income of the Mortgaged Property and every part thereof;

(B) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of the Mortgaged Property for the portion of the Obligations then due and payable, subject to the continuing security and lien of the Mortgage for the balance of the Obligations not then due;

(C) institute proceedings to foreclose one or more of the liens of the Mortgage against all or, from time to time, against any part of the Mortgaged Property and to have the same sold under the judgment or decree of a court of competent jurisdiction to the highest bidder, at public or private sale, subject to statutory and other legal requirements, if any, including all right, title and interest, claim and demand therein and thereto and all right of redemption thereof;

(D) sell, assign or transfer the Mortgaged Property or any part thereof and all estate, claim, demand, right, title and interest of the Issuer and the Company therein and right of redemption thereof, pursuant to power of sale or otherwise, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law (provided that twenty (20) days' notice of sale of the Mortgaged Property shall be deemed reasonable notice) for such price and form of consideration as the Trustee may determine or as may be required by law;

(E) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained in the Mortgage;

(F) apply for the appointment of or appoint a trustee, receiver, liquidator or conservator of the Mortgaged Property, without regard for the adequacy of the security for the Obligations and without regard for the solvency of any Person liable for the payment of the Obligations whether or not in connection with an action to foreclose the Mortgage;

(G) take possession of the Mortgaged Property and otherwise exercise any and all of the rights of secured parties under the State Uniform Commercial Code-Secured Transactions (provided that, notwithstanding the provisions of the State Uniform Commercial Code-Secured Transactions and to the fullest extent permitted by applicable law, ten (10) days' notice of sale of the Mortgaged Property shall be deemed reasonable notice); or

(H) pursue such other remedies as the Trustee may have under applicable law.

Further, if there shall occur an Event of Default, then the Trustee may, in its discretion, remedy the default and for such purpose shall have the right to enter upon the Mortgaged Property or any portion thereof without thereby becoming liable to the Issuer or the Company or any Person in possession thereof other than for liability resulting from the negligence or willful misconduct of the Trustee.

The Trustee shall have the right to appear in and defend any action or other proceeding brought with respect to the Mortgaged Property and to bring any action or other proceeding, in the name and on behalf of the Issuer if and to the extent the Trustee so elects, that the Trustee, in its discretion, determines should be brought to protect the interest of the Trustee in the Mortgaged Property.

If the Trustee shall remedy any such default or appear in, defend, or bring any action or proceeding to protect its interest in the Mortgaged Property or to foreclose upon the Mortgaged Property under the Mortgage, in whole or in part, or collect the Obligations, all reasonable costs and expenses thereof

(including reasonable attorneys' fees to the extent permitted by law), shall be paid by the Company to the Trustee upon demand.

To the extent any such costs, expenses, or other amounts paid by the Trustee after an Event of Default shall constitute payment of (1) taxes or payments in lieu of taxes, (2) premiums on insurance policies covering all or part of the Mortgaged Property, (3) expenses incurred in upholding the liens of the Mortgage, including the costs and expenses of any litigation to collect the indebtedness secured by the Mortgage or to prosecute, defend, protect, or preserve the rights and the lien created by the Mortgage, or (4) any amount, cost, or other charge to which the Trustee becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority; then, and in each such event, those reasonable costs, expenses, and other amounts, shall be added to the indebtedness secured by the Mortgage and shall be an Obligation secured by the Mortgage.

(Section 20)

APPLICATION OF PROCEEDS. ALL PROCEEDS RECEIVED BY THE TRUSTEE PURSUANT TO ANY RIGHT GIVEN OR ACTION TAKEN UNDER THE PROVISIONS OF THE MORTGAGE SHALL, DURING THE CONTINUANCE OF AN EVENT OF DEFAULT THEREUNDER, BE APPLIED IN THE FOLLOWING ORDER OF PRIORITY: (I) FIRST, TO THE PAYMENT OF THE FEES, COSTS AND EXPENSES OF THE TRUSTEE, INCLUDING REASONABLE ATTORNEYS' FEES; (II) SECOND, TO THE PAYMENT OF ALL INSTALLMENTS OF INTEREST THEN DUE AND PAYABLE ON THE BONDS; (III) THIRD, TO THE PAYMENT OF ANY PREMIUM DUE AND PAYABLE ON THE BONDS; (IV) FOURTH, TO THE PAYMENT OF UNPAID PRINCIPAL OF THE BONDS, WHETHER OR NOT THEN DUE AND PAYABLE; (V) FIFTH, TO THE PAYMENT OF ANY SUM OR CHARGE (OTHER THAN PRINCIPAL, PREMIUM, IF ANY, OR INTEREST) EVIDENCED OR SECURED BY THE MORTGAGE AND ALL INTEREST PAYABLE THEREON; (VI) SIXTH, TO THE PAYMENT OF INTEREST OR PRINCIPAL AMOUNTS THEN DUE AND PAYABLE UNDER ANY OTHER FINANCING DOCUMENT; AND (VII) SEVENTH, THE BALANCE THEREOF TO BE APPLIED IN REDUCTION OF ANY OTHER AMOUNTS THEN DUE AND PAYABLE UNDER ANY OTHER FINANCING DOCUMENT.

(Section 22)

NO RECOURSE AGAINST ISSUER. THE TRUSTEE WILL NOT LOOK TO THE ISSUER OR ANY PRINCIPAL, MEMBER, DIRECTOR, OFFICER OR EMPLOYEE OF THE ISSUER WITH RESPECT TO THE INDEBTEDNESS EVIDENCED BY THE MORTGAGE OR ANY COVENANT, STIPULATION, PROMISE, AGREEMENT OR OBLIGATION CONTAINED THEREIN. IN ENFORCING ITS RIGHTS AND REMEDIES UNDER THE MORTGAGE, THE TRUSTEE WILL LOOK SOLELY TO THE MORTGAGED PREMISES FOR THE PAYMENT OF THE INDEBTEDNESS SECURED BY THE MORTGAGE AND FOR THE PERFORMANCE OF THE PROVISIONS THEREOF. THE TRUSTEE WILL NOT SEEK A DEFICIENCY OR OTHER MONEY JUDGMENT AGAINST ISSUER OR ANY PRINCIPAL, MEMBER, DIRECTOR, OFFICER OR EMPLOYEE OF THE ISSUER AND WILL NOT INSTITUTE ANY SEPARATE ACTION AGAINST THE ISSUER BY REASON OF ANY DEFAULT WHICH MAY OCCUR IN THE PERFORMANCE OF ANY OF THE TERMS AND CONDITIONS OF THE MORTGAGE OR THE BONDS. THIS AGREEMENT ON THE PART OF THE TRUSTEE SHALL NOT BE CONSTRUED IN ANY WAY SO AS TO EFFECT OR IMPAIR THE LIEN OF THE MORTGAGE OR THE TRUSTEE'S RIGHT TO FORECLOSE THEREUNDER AS PROVIDED BY LAW OR CONSTRUED IN ANY WAY SO AS TO LIMIT OR RESTRICT ANY OF THE RIGHTS OR REMEDIES OF THE TRUSTEE IN ANY FORECLOSURE PROCEEDINGS OR OTHER ENFORCEMENT OF PAYMENT OF THE INDEBTEDNESS SECURED BY THE MORTGAGE OUT OF AND FROM THE SECURITY GIVEN THEREFOR.

(Section 32)

SPECIAL OBLIGATION. THE MORTGAGE IS MADE PURSUANT TO THE INDENTURE AND IS SUBJECT TO ALL THE PROVISIONS THEREOF AS IF THEY WERE FULLY SET FORTH IN AND MADE PART OF THE MORTGAGE. THE OBLIGATIONS OF THE ISSUER CONTAINED IN THE MORTGAGE SHALL BE SUBJECT TO THE LIMITATIONS SET FORTH IN THE INDENTURE, AND ALL OF THE PROVISIONS OF THE MORTGAGE SHALL BE READ AND CONSTRUED SUBJECT TO SUCH LIMITATIONS.

(Section 33)

ASSIGNMENT OF PLEDGED REVENUES

(A) The Issuer (i) assigns and transfers to the Trustee all of the Pledged Revenues, now or existing after the effective date of the Mortgage, with respect to the Project, (ii) gives to and confers upon the Trustee the right, power and authority to collect such Pledged Revenues, and (iii) irrevocably appoints the Trustee its true and lawful attorney-in-fact, at the option of the Trustee, at any time and from time to time to demand, receive and enforce payment, to give receipts, releases and satisfactions and to sue, in the name of the Issuer or the Trustee, for all such Pledged Revenues, and to apply such Pledged Revenues to the indebtedness secured by the Mortgage in such order and manner as the Trustee may designate. Subject to the terms of this section, the Trustee waives the right to enter the Project for the purpose of collecting the Pledged Revenues and grants to the Issuer the right to collect the Pledged Revenues. The right of the Issuer to collect the Pledged Revenues may be revoked by the Trustee upon the occurrence and continuance of any Event of Default under the terms of the Mortgage by giving notice of such revocation to the Issuer. Following such notice, the Trustee may retain and apply the Pledged Revenues toward payment of the indebtedness secured by the Mortgage in such order and manner as the Trustee shall designate, or to the operation, maintenance and repair of the Project Facility, and irrespective of whether the Trustee shall have commenced a foreclosure of the Mortgage or shall have applied or arranged for the appointment of a receiver. The Issuer irrevocably directs each tenant of the Project Facility to pay to the Trustee, upon receipt of notice from the Trustee that an Event of Default shall have occurred under the Mortgage, all Pledged Revenues and other sums assigned to the Purchaser pursuant to this section.

(B) The Issuer shall not accept prepayments of installment payments pursuant to the Installment Sale Agreement for a period of more than one (1) month in advance, except in connection with a redemption of the Bonds, or further assign the whole or any part of the Pledged Revenues. The Trustee shall have all of the rights against tenants of the Project Facility as set forth in Section 291-f of the New York Real Property Law. The Issuer shall (i) fulfill or perform each and every provision of the Installment Sale Agreement on the part of the Issuer to be fulfilled or performed and (ii) enforce, short of termination of the Installment Sale Agreement, the performance or observance of the provisions thereof by the owners thereunder.

(C) In addition to the rights which the Trustee may have in the Mortgage, in the event of any Event of Default under the Mortgage, the Trustee, at its option, may require the Issuer to pay monthly in advance to the Trustee, or any receiver appointed to collect the Pledged Revenues, the fair and reasonable value for the use and occupation of such part of the Project Facility as the Issuer shall be physically occupying. Upon default in any payment, the Issuer will vacate and surrender possession of the Project Facility to the Trustee, or to such receiver and, in default thereof, the Issuer may be evicted by summary proceedings or otherwise.

(D) The Company (i) assigns and transfers to the Trustee all of the Pledged Revenues, now or existing after the effective date of the Mortgage, with respect to the Project, (ii) gives to and confers upon the Trustee the right, power and authority to collect such Pledged Revenues, and (iii) irrevocably appoints the Trustee its true and lawful attorney-in-fact, at the option of the Trustee, at any time and from time to

time to demand, receive and enforce payment, to give receipts, releases and satisfactions and to sue, in the name of the Company or the Trustee, for all such Pledged Revenues, and to apply same to the indebtedness secured by the Mortgage in such order and manner as the Trustee may designate. Subject to the terms of this section, the Trustee waives the right to enter the Project for the purpose of collecting the Pledged Revenues and grants to the Company the right to collect the Pledged Revenues. The right of the Company to collect the Pledged Revenues may be revoked by the Trustee upon the occurrence and continuance of any Event of Default under the terms of the Mortgage by giving notice of such revocation to the Company. Following such notice, the Trustee may retain and apply the Pledged Revenues toward payment of the indebtedness secured by the Mortgage in such order and manner as the Trustee shall designate, or to the operation, maintenance and repair of the Project Facility, and irrespective of whether the Trustee shall have commenced a foreclosure of the Mortgage or shall have applied or arranged for the appointment of a receiver. The Company irrevocably directs each tenant of the Project to pay to the Trustee, upon receipt of notice from the Trustee that an Event of Default shall have occurred under the Mortgage, all Pledged Revenues and other sums assigned to the Trustee pursuant to this section.

(Section 34)

PLEDGE AND ASSIGNMENT

The Issuer pledges, assigns, transfers and sets over to the Trustee, and grants the Trustee a lien on and security interest in, all of the Issuer's right, title and interest in any and all moneys due or to become due and any and all other rights and remedies of the Issuer under or arising out of the Installment Sale Agreement (except for the Unassigned Rights, and moneys payable pursuant to the Unassigned Rights), which Installment Sale Agreement (or a memorandum thereof) is intended to be recorded immediately prior to the recordation of the Pledge and Assignment; provided, however, that the assignment made by the Pledge and Assignment shall not permit the amendment of the Installment Sale Agreement without the prior written consent of the Issuer.

The Trustee shall have no obligation, duty or liability under the Installment Sale Agreement except as specifically set forth in the Installment Sale Agreement and accepted with the Pledge and Assignment, nor shall the Trustee be required or obligated in any manner to fulfill or perform any obligation, covenant, term or condition of the Issuer thereunder or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim, or to take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled under the Pledge and Assignment at any time or times. The Issuer shall at all times remain liable to observe and perform all of its covenants and obligations under the Installment Sale Agreement in accordance with the terms and limitations thereof.

The Issuer irrevocably constitutes and appoints the Trustee its true and lawful attorney, with power of substitution, for the Issuer and in the name of the Issuer or in the name of the Trustee or otherwise, for the use and benefit of the holders of the Bonds (as defined in the Indenture), to ask, demand, require, receive, collect, compromise, compound and give discharges and releases of all claims for any and all moneys due or to become due under or arising out of the Installment Sale Agreement (except for claims relating to moneys due or to become due with respect to the Unassigned Rights) and to endorse any checks and other instruments or orders in connection therewith, and, if any "Event of Default" specified in the Indenture or the Bonds shall occur, (a) to settle, compromise, compound and adjust any such claims (except for claims arising pursuant to the Unassigned Rights), (b) to exercise and enforce any and all claims, rights, powers and remedies of the Issuer under or arising out of the Installment Sale Agreement (except for rights of the Issuer relating to, and moneys payable pursuant to, the Unassigned Rights), (c) to file, commence and prosecute any suits, actions and proceedings at law or in equity in any court of competent jurisdiction to collect any such sums assigned to the Trustee under the Pledge and Assignment and to enforce any rights

in respect thereto and all other claims, rights, powers and remedies of the Issuer under or arising out of the Installment Sale Agreement (except for rights of the Issuer and moneys payable pursuant to the Unassigned Rights), and (d) generally to sell, assign, transfer, pledge, or make any agreement with respect to and otherwise deal with any of such claims, rights, powers and remedies as fully and completely as though the Trustee were the absolute owner thereof for all purposes, and at such times and in such manner as may seem to the Trustee to be necessary or advisable in its absolute discretion. The Issuer further agrees that at any time and from time to time, upon the written request of the Trustee, and at the sole cost and expense of the Company, the Issuer will promptly and duly execute, and delivery any and all such further instruments and documents as the Trustee may deem desirable in order to obtain the full benefits of the Pledge and Assignment and all rights and powers therein granted.

The Issuer ratifies and confirms the Installment Sale Agreement and does warrant and represent (a) that the Installment Sale Agreement is in full force and effect, (b) that the Issuer is not in default under the Installment Sale Agreement, and (c) that the Issuer has not assigned or pledged, and covenants that it will not assign or pledge, so long as the Pledge and Assignment shall remain in effect, the whole or any part of the moneys, rights or remedies thereby assigned to anyone other than the Trustee.

If the Issuer shall pay or cause to be paid, or there shall be paid, to the Trustee or its successors and assigns as the trustee for the holders of the Bonds or any part thereof, the principal of, premium, if any, and interest on the Bonds and all other sums due or to become due pursuant to the Indenture and the Pledge and Assignment, then the Pledge and Assignment and the estate and rights created thereby shall cease, terminate and be void, and thereupon the Trustee shall cancel and discharge the lien of the Pledge and Assignment and execute and deliver to the Issuer, and record, if necessary, such instruments in writing as shall be requisite to release the lien thereof, and shall reconvey, release, assign and deliver unto the Issuer the estate, right, title and interest in and to any and all property conveyed, sold, transferred, assigned or pledged to the Trustee, or otherwise subject to the lien of the Pledge and Assignment. The Pledge and Assignment shall be binding upon the Issuer and its successors and assigns and shall inure to the benefit of the Trustee and its successors and assigns as trustee for the holders of the Bonds or any part thereof.

All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Financing Documents shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, officer, agent (other than the Company), servant or employee of the Issuer in his individual capacity, and no recourse under or upon any covenant, stipulation, promise, agreement or obligation in the Financing Documents contained or otherwise based upon or in respect of the Financing Documents, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, director, officer, agent (other than the Company), servant or employee, as such, of the Issuer or of any successor public benefit corporation or political subdivision or any person executing the Financing Documents on behalf of the Issuer, either directly or through the Issuer or any successor public benefit corporation or political subdivision or any person executing the Financing Documents on behalf of the Issuer, it being expressly understood that the Financing Documents are solely corporate obligations, and that no such personal liability whatsoever shall attach to, or is or shall be incurred by, any such member, director, officer, agent (other than the Company), servant, or employee of the Issuer or of any successor public benefit corporation or political subdivision or any person executing the Financing Documents on behalf of the Issuer because of the creation of the indebtedness thereby authorized, or under or by reason of the covenants, stipulations, promises, agreements or obligations contained in the Financing Documents or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, director, officer, agent (other than the Company), servant or employee because of the creation of the indebtedness authorized by the Pledge and Assignment, or under or by reason of the obligations, covenants or agreements contained in the Financing Documents or implied therefrom, are, to the extent permitted by law, expressly waived and released as a

condition of, and as a consideration for, the execution of the Financing Documents and the issuance of the Bonds.

The obligations and agreements of the Issuer contained in the Pledge and Assignment shall not constitute or give rise to an obligation of the State of New York or Essex County, New York, and neither the State of New York nor Essex County, New York shall be liable thereon, and further such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the lease, sale or other disposition of the Project Facility (except for revenues derived by the Issuer with respect to the Unassigned Rights).

Notwithstanding any provision of the Pledge and Assignment to the contrary, the Issuer shall not be obligated to take any action pursuant to any provision thereof unless (a) the Issuer shall have been requested to do so in writing by the Company or the Trustee, and (b) if compliance with such request is reasonably expected to result in the incurrence by the Issuer (or any member, director, officer, agent other than the Company, servant or employee of the Issuer) in any liability, fees, expenses or other costs, the Issuer shall have received from the Company or the Trustee, as the case may be, security or indemnity satisfactory to the Issuer for protection against all such liability, however remote, and for the reimbursement of all such fees, expenses and other costs.

GUARANTY

Requirement Of Guaranty. The Purchaser requires, as a condition and as an inducement for it to enter into the transactions contemplated by the Bond Purchase Agreement, that the Guarantors provide their guaranty on terms set forth in the Guaranty.

(Preamble)

Organization And Authority Of Company. The Company represents and warrants that it:

(a) is a corporation duly organized, validly existing and in good standing under the laws of the State;

(b) has all requisite legal and corporate right, power and authority and all necessary licenses and permits to own, lease and operate its assets and Properties and to carry on its business as now conducted and as presently proposed to be conducted;

(c) has duly qualified and is authorized to do business and is in good standing in each jurisdiction where the character of its Properties or the nature of its activities makes such qualification necessary; and

(d) has the full legal and corporate right, power and authority to enter into and, by all necessary action, has duly authorized the execution, delivery and performance by the Company of the Guaranty and the other Company Documents, and no actions to be taken by the Company thereunder will conflict with or violate any provision of the Company's formation documents, as amended, constitute a breach of or default under any agreement, instrument or indenture to which the Company is a party or by which it or its Properties may be bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the Company's Properties under the terms of any such agreement, instrument or indenture, except for Permitted Encumbrances.

(Section 1.1)

Consents. No consent, approval or authorization of, or filing, registration or qualification with, any governmental authority or any other Person on the part of the Company is required as a condition to the execution, delivery or performance by the Company of the Guaranty or the other Company Documents, or, if any such action is required, the same has been duly taken, is in full force and effect, and constitutes a valid or sufficient consent, approval, authorization, filing or qualification therefor.

(Section 1.2)

Pending Litigation. There are no actions, suits or proceedings pending, or to the knowledge of the Company, threatened, against or affecting the Company or any Properties or rights of the Company, in any court or by or before any governmental authority or arbitration board, tribunal or governmental instrumentality or agency that involve the possibility of materially and adversely affecting the condition (financial or otherwise) of the Company or the ability of the Company to execute, deliver or perform the Guaranty or the ability of the Company to execute, deliver or perform the other Company Documents. The Company is not in breach of or default with respect to any applicable order of any court, governmental authority or arbitration board or tribunal or governmental instrumentality or agency.

(Section 1.3)

No Defaults. No event has occurred and no condition exists which, upon the execution, delivery or performance of the Guaranty, would constitute a Default or an Event of Default thereunder. The Company is not in violation or contravention of any term of any certificate of incorporation, instrument or by-law, nor is, in any material respect, in violation or breach of or in default under any other agreement, indenture or other instrument to which it is a party or by which it may be bound. All representations and warranties on the part of the Company contained in the Guaranty or in the other Company Documents are true and correct in all respects on and as of the date of execution thereof.

(Section 1.4)

Taxes. All tax and/or information returns required to be filed by the Company in all jurisdictions have in fact been filed. All taxes (including interest and penalties, if any), assessments, fees and other governmental charges upon the Company, or upon any of its Properties, income or franchises, that are due and payable, and which if unpaid would have an adverse effect on the Company's condition (financial or otherwise), have been paid.

(Section 1.5)

Compliance With Law. The Company is not violation of any law, ordinance or governmental rule or regulation to which it is subject, which violation might materially adversely affect the condition (financial or otherwise) of the Company.

(Section 1.6)

Representations And Warranties Of The Shareholders. The Shareholders represent and warrant that:

(a) The Guaranty, when executed and delivered by the Shareholders, will constitute legal, valid and binding obligations of the Shareholders in accordance with its terms.

(b) The Shareholders have reviewed all of the terms and provisions of the Guaranty and all of the other Company Documents, have consulted with counsel of their choice to the extent appropriate, and understand all of the terms and provisions of the Guaranty and each of the other Company Documents and the impact that the same may have on them individually.

(c) All information contained in the Limited Offering Memorandum with respect to the Shareholders is true in all material respects.

(d) The Shareholders have adequate means to obtain from the Company, on a continuing basis, information concerning the financial condition of the Company, and are not relying on the Issuer or Trustee to provide such information either now or in the future.

(e) There is not now pending against or affecting the Shareholders, nor, to the knowledge of the Shareholders, is there threatened, any action, suit or proceeding at law or in equity or by or before any administrative agency which, if adversely determined, would materially adversely impair or affect the financial condition of the Shareholders.

(f) The execution, delivery and performance by Shareholders of the Guaranty (i) will not violate any provision of law, any order of court of other agency of government, or any agreement to which the Shareholders are a party or by which the Shareholders or any of their property is bound, or be prohibited by, result in a breach of or constitute (with due notice of lapse of time or both) a default under any such agreement or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of its property or assets.

(g) The Shareholders have a financial interest in the Company or will derive a benefit from the loan to be made to the Company pursuant to the Company Documents.

(h) The incurring or payment of the obligations of the Shareholders under the Guaranty has not left and will not leave the Shareholders insolvent, with an unreasonably small capital, or unable to pay existing or future debts as they mature.

(i) The Shareholders have filed or caused to be filed and shall file or caused to be filed all tax returns required to be filed by the Shareholders before delinquency, and has paid and shall pay all taxes due on said returns or on any assessments made against the Shareholders (other than those being contested in good faith by appropriate proceedings).

(j) The Shareholders have not received notice of (i) any default in the payment or performance of the Shareholder's obligations under any material lease, franchise, indenture, mortgage, deed of trust, loan agreement, credit agreement, or other instrument to which the Shareholders are parties or by which the Shareholders may be bound; or (ii) any violation of any law, rule, regulation, order, writ, judgment, decree, determination or award applicable to them, except as otherwise previously disclosed to the Purchaser in writing;

(k) Not later than thirty days after closing, the Shareholders will maintain keyman life insurance policies in the amount of \$500,000 per Shareholder during the period which the Bonds are Outstanding and shall assign the policy to the Trustee for the benefit of the Bondholders and until such policy has been assigned to the Trustee, will not submit any requisition for disbursement of proceeds under the Installment Sale Agreement to the Trustee, provided that no keyman life insurance will be required if after five consecutive years, no Event of Default has occurred or is continuing; and

(l) The representations and warranties of the Shareholders contained in the Guaranty are true, complete and correct in all material respects.

(Article II)

Guarantee Of Payment And Performance

(a) The Guarantors jointly and severally guarantee absolutely, irrevocably and unconditionally, to the Issuer and to the Trustee for the benefit of the Owners from time to time of the Bonds, (i) the full and prompt payment of the principal of, Redemption Price of, and Purchase Price of any Bond when and as the same shall become due, whether at the stated maturity thereof (or at any date for the payment of any installment) or by acceleration or call for redemption or otherwise; (ii) the full and prompt payment of any interest on any Bond when and as the same shall become due; (iii) the full and prompt payment when due of any fees of or expenses incurred by the Company, the Issuer or the Trustee, as the case may be, under the Company Documents and the Issuer Documents; and (iv) the full and prompt performance and observance by the Company of its obligations, covenants and agreements required to be performed or observed under the Installment Sale Agreement and the other Company Documents, including, without limitation, the Bond Purchase Agreement, the Mortgage, the Deed, the Bill of Sale and the Indenture.

(b) All payments by the Guarantors shall be paid in lawful money of the United States of America.

(c) Each and every default in payment of the principal of, Redemption Price of, Purchase Price of, or interest on, any Bond shall give rise to a separate cause of action under the Guaranty, and separate suits may be brought thereunder by the Trustee as each cause of action arises.

(d) The Guarantors shall pay to the Trustee all agreed upon or reasonable charges, costs and expenses (including legal fees) incurred by the Trustee in connection with the transactions contemplated by the Guaranty and by the other Company Documents, the Indenture or the Bonds, or in the protection of any of its rights or in the pursuance of any of its remedies in respect to the Bonds, the Guaranty, the other Company Documents or the Indenture.

(e) The Guaranty is a guaranty of payment and not of collection, and the Guarantors expressly waive any right to require that any action be brought against the Company or to require that resort be had to any security, whether held by or available to the Trustee or the Issuer. The Trustee, in its sole discretion, shall have the right to proceed first and directly against the Guarantors and their successors and assigns, and may proceed against or make its demand pursuant to the Guaranty for performance by the Guarantors of the obligations under the Guaranty to any single Guarantor, or all Guarantors or any number of them.

(Section 3.1)

Obligations Unconditional. The obligations of the Guarantors under the Guaranty shall be absolute and unconditional and shall remain in full force and effect until the entire principal of, Redemption Price of, Purchase Price of and interest on the Bonds shall have been paid or provided for (subject to the survival provisions set forth under the heading “**Survival**”), and such obligations shall not be affected, modified or impaired by any state of facts or the happening from time to time of any event, including, without limitation, any of the following, whether or not with notice to or the consent of the Guarantors:

(a) the invalidity, irregularity, illegality or unenforceability of, or any defect in, (i) the Company Documents or the Indenture, (ii) the Bonds, or (iii) any collateral security therefor;

(b) any claim of immunity on behalf of (b) the Issuer or any other obligor with respect to any Property of the Issuer or of any other obligor;

(c) any present or future law or order of any government (de jure or de facto) or of any agency thereof purporting to reduce, amend or otherwise affect the Bonds or any other obligation of the Issuer or any other obligor or to vary any terms of payment;

(d) the merger, dissolution, liquidation or disposition of assets by the Company or the happening of any event described in Article X of the Installment Sale Agreement;

(e) the waiver, compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of (i) the Issuer under the Issuer Documents (except by payment in full of the Bonds), or (ii) the Company under the Guaranty or the other Company Documents or the Indenture;

(f) the failure to give notice to the Guarantors of the occurrence of an Event of Default under the Bond Purchase Agreement, the Bonds, the Indenture, the Installment Sale Agreement or the Guaranty;

(g) the transfer, assignment or mortgaging, or the purported or attempted transfer, assignment or mortgaging of all or any part of the interest of the Issuer or the Company in the Project Facility, or any failure of or defect in the title with respect to the interest of the Issuer or the Company in the Project Facility, or the termination of the Installment Sale Agreement;

(h) the release, sale, exchange, surrender or other change in any security for payment of the Bonds;

(i) to the extent permitted by law, any other event, action or circumstance that would, in the absence of this paragraph, result in the release or discharge of the Guarantors from the performance or observance of any obligation, covenant or agreement contained in the Guaranty or otherwise would constitute a legal or equitable discharge of a guarantor or surety;

(j) the extension of the time for payment of any principal of, Redemption Price of, Purchase Price of or interest on any Bond or any part thereof owing or payable on such Bond or under the Guaranty or of the time for performance of any other obligations, covenants or agreements under or arising out of the Guaranty or the other Company Documents, the Indenture or the Bonds or any other document or instrument contemplated thereby or the extension or the renewal of any thereof;

(k) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Guaranty or the other Company Documents, the Indenture or the Bonds or any other document or instrument contemplated or thereby;

(l) the taking of, or the omission to take, any of the actions referred to in the Guaranty or the other Company Documents, the Indenture or the Bonds or any other document or instrument contemplated thereby;

(m) any failure, omission or delay on the part of the Issuer, the Underwriter, the Trustee or any other Person to enforce, assert or exercise any right, power or remedy conferred on the Issuer, the Underwriter, the Trustee or such other Person in the Guaranty or the other Company Documents, the Issuer Documents or any document or instrument contemplated thereby;

(n) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting the Company or the Issuer or any of the assets of either of them, or any allegation or contest of the validity of the Guaranty or the other Company Documents, the Issuer Documents or any document or instrument contemplated thereby, or the disaffirmance or attempted disaffirmance of the Guaranty or the other Company Documents, the Issuer Documents or any document or instrument contemplated thereby in any such proceeding;

(o) the default or failure of the Company or any of the Shareholders to fully perform any of their obligations set forth in the Guaranty;

(p) the failure of the Underwriter to honor its obligations under the Bond Purchase Agreement;
and

(q) the assigning or letting of the Installment Sale Agreement or the Project Facility, in whole or in part.

(Section 3.2)

Waivers By Guarantors

(a) The Guarantors waive with respect to the Bonds, the indebtedness evidenced thereby, and the Guaranty: diligence; presentment; demand of payment; filing of claims with a court in the event of bankruptcy of the Issuer or any other Person liable in respect of the Bonds; any right to require a proceeding first against the Issuer or any other such Person; protest; notice of dishonor or nonpayment of any such liabilities and any other notice and all demands whatsoever. The Guarantors waive notice from the Trustee, the Issuer and the Owners at any time or from time to time of any of the Bonds of (i) the issuance of the Bonds, and (ii) acceptance of, or notice and proof of reliance on, the benefits of the Guaranty.

(b) The obligations of the Guarantors under the Guaranty shall not be discharged (subject to the survival provisions set forth under the heading “**Survival**”) except by (i) full payment of the principal of, Redemption Price of, Purchase Price of and interest on the Bonds, and (ii) full payment of all other amounts due under the Company Documents, the Issuer Documents and the Indenture.

(Section 3.3)

No Set-Off By Company. No set-off, counterclaim, reduction or diminution of an obligation, or any defense of any kind or nature (other than performance by the Guarantors of their obligations under the Guaranty) that the Guarantors have or may have with respect to a claim under the Guaranty, shall be available thereunder to the Guarantors against the Issuer or the Trustee.

(Section 3.5)

Company To Maintain Its Existence; Other Covenants. The Company agrees that so long as the Bonds remain outstanding: (a) it will maintain its existence subject to service of process within the State; (b) it will not perform any act, enter into any agreement, or use or permit the Project Facility to be used in any manner which could adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code; and (c) the Project Facility will at all times be operated as a “project” (as such quoted term is defined in the Act as of the Closing Date) throughout the term of the Guaranty.

(Section 3.6)

Affirmative Covenants. The Company covenants that it shall furnish to the Issuer and the Trustee:

- (i) (a) Within one hundred twenty (120) days after and as of the close of each Fiscal Year, its annual audited financial statement for such fiscal year, reported on by an independent certified public accountant, which report shall not be qualified by reason of audit limitations imposed by the Company;
- (b) Unaudited quarterly financial statements within forty-five (45) days of the end of each fiscal quarter;
- (c) Annual budget of the Company in form and substance satisfactory to the Underwriter; and

(ii) At the same time the audited financial information required under clause (i) of this section is provided, a certificate, executed by the Person certifying such audited financial information, stating that no Event of Default, or event that, with the giving of notice or passage of time, or both, would become an Event of Default under the Guaranty, has occurred.

(Section 4.1)

Events Of Default. An “Event of Default” shall exist if any of the following occurs and is continuing:

(a) Particular Covenant Defaults. The Company fails to perform or observe any covenant contained in Article III of the Guaranty;

(b) Other Defaults. The Guarantors fail to comply with any other provision of the Guaranty, and such failure continues for more than thirty (30) days after written notice of such failure has been given to the Guarantors; provided, however, that if such default cannot be cured within thirty (30) days, but the Guarantors are proceeding diligently and in good faith to cure such default, then the Guarantors shall be permitted an additional ninety (90) days within which to remedy the default;

(c) Warranties or Representations. Any warranty, representation or other statement by or on behalf of or with respect to the Guarantors contained in the Guaranty is false or misleading in any material respect as of the date of execution of the Guaranty;

(d) Bankruptcy, Insolvency, Dissolution, Etc. The dissolution or liquidation of the Company; or the failure by the Company to lift or bond within sixty (60) days any execution, garnishment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Company generally to pay its debts as they become due; or an assignment by the Company for the benefit of creditors; or the commencement by the Company (as the debtor) of a case in Bankruptcy or of any proceeding under any other insolvency law; or the commencement of a case in Bankruptcy or of any proceeding under any other insolvency law against the Company (as the debtor), where a court having jurisdiction over the premises enters a decree or order for relief against the Company as the debtor in such case or proceeding, or where such case or proceeding is consented to by the Company or remains undismissed for sixty (60) days, or where the Company consents to or admits the material allegations against it in such case or proceeding; or the appointment or authorization of a trustee, receiver or agent (however named) to take charge of substantially all of the property of the Company for the purpose of enforcing a lien against such property or for the purpose of general administration of such property for the benefit of creditors; or

(e) Default Under Other Documents. An Event of Default under the Installment Sale Agreement or default on the part of the Company of its obligations under any other Company Document shall have occurred and be continuing beyond any applicable notice and/or grace period.

(Section 5.1)

Default Remedies. If any Event of Default exists, the Trustee and the Issuer may proceed to enforce the provisions of the Guaranty and to exercise any other rights, powers and remedies available to the Trustee and the Issuer. The Trustee and the Issuer, in their sole discretion, shall have the right to proceed first and directly against the Guarantors under the Guaranty without proceeding against or exhausting any other remedies they may have against any other party or otherwise and without resorting to any other security held by the Issuer or the Trustee.

(Section 5.2)

Remedies; Waiver And Notice

(a) No remedy in the Guaranty conferred upon or reserved to the Trustee and the Issuer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Guaranty or now or after the effective date of the Guaranty existing at law or in equity or by statute.

(b) No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default under the Guaranty shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

(c) In order to entitle the Trustee and the Issuer to exercise any remedy reserved to them in the Guaranty, it shall not be necessary to give any notice to the Guarantors or otherwise, other than such notice as may be expressly required in the Guaranty.

(d) In the event any provision contained in the Guaranty should be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Guaranty.

(e) No waiver, amendment, release or modification of the Guaranty shall be established by conduct, custom or course of dealing.

(Section 5.3)

Obligations Arise On Sale Of Bonds. The obligations of the Guarantors under the Guaranty shall arise absolutely and unconditionally when the Bonds shall have been issued, sold and delivered by the Issuer.

(Section 7.1)

Survival. All warranties, representations, and covenants made by the Guarantors in the Guaranty shall be deemed to have been relied upon by the Issuer, the Trustee and the Owners from time to time of the Bonds and shall survive the delivery of the Guaranty to the Issuer and the Trustee and the Bonds to the Trustee and the Owners from time to time of the Bonds regardless of any investigation made by the Issuer, the Trustee or the Owners from time to time of the Bonds or on their behalf. Notwithstanding anything to the contrary contained in the Guaranty, the obligations of the Company in the Guaranty with respect to (i)

the full and prompt performance and observance by the Company of its obligations, covenants and agreements required to be performed or observed under the Company Documents and the Bonds and the Indenture, (ii) the full and prompt payment when due of any expenses incurred by the Company, the Trustee or the Issuer, as the case may be, under the Company Documents or the Issuer Documents, and (iii) the full and prompt performance by the Issuer of its obligations, covenants and agreements required to be performed under the Issuer Documents shall survive the payment in full of the principal of, Redemption Price of, and interest on the Bonds and all other amounts payable under the Company Documents and the Issuer Documents.

(Section 7.2)

APPENDIX D

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (“Disclosure Agreement”) is entered into as of May 16, 2017, by and between Champlain Valley Milling Corp., Inc. (the “Company”), party of the first part, and ZB, National Association, as Trustee (the “Trustee”), party of the second part, in connection with the issuance by Essex County Industrial Development Agency (the “Agency”) of its \$4,245,000 aggregate principal amount of Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 (the “Series 2017 Bonds”). The Series 2017 Bonds are being issued pursuant to a Trust Indenture dated as of May 1, 2017 (the “Indenture”).

In order to permit the Underwriter of the Series 2017 Bonds to comply with the provisions of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 in connection with the public offering of the Series 2017 Bonds, the parties hereto, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agree for the sole and exclusive benefit of the Bondholders, as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Company and the Trustee, in each case for the benefit of Bondholders and Beneficial Owners (as defined below) of the Series 2017 Bonds and in order to assist the Underwriter in complying with the Rule (as defined below). The Company and the Trustee acknowledge that the Issuer has not undertaken any responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and the Issuer has no liability to any person, including any Bondholder or Beneficial Owner, concerning the Rule.

SECTION 2. Definitions. Capitalized terms used but not defined in this Disclosure Agreement shall have the meanings ascribed to them in the Indenture.

“Annual Report” shall mean any annual report and related annual information to be provided by the Company, pursuant to Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any beneficial owner of a security, including a person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares investment power which includes the power to dispose, or to direct the disposition, of such security subject to certain exceptions as set forth in the Undertaking, as defined below. Any assertion of beneficial ownership must be filed with full documentary support, as part of the written request described in Section 10 of this Disclosure Agreement.

“Disclosure Representative” shall mean the President of the Company or his or her designee, or such other person as the Company shall designate in writing to the Trustee from time to time.

“Dissemination Agent” shall mean the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent, designated in writing by the Company and which has filed with the Trustee a written acceptance of such designation.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system.

“Fiscal Year” shall mean the period of twelve months beginning May 1 of each year and ending on April 30 of the same year, or any other twelve month period adopted by the Company as its fiscal year for accounting purposes.

“Listed Events” shall mean any of the events listed in Subsection 5(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board.

“Quarterly Report” shall mean any quarterly report and related annual information to be provided by the Company, pursuant to Sections 3(b) of this Disclosure Agreement.

“Repository” shall mean the MSRB as the sole repository of information required to be provided pursuant to the Rule, in each instance through and in accordance with EMMA.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of New York.

“Underwriter” shall mean Janney Montgomery Scott LLC, as the original underwriter of the Series 2017 Bonds required to comply with the Rule in connection with the offering of the Series 2017 Bonds.

SECTION 3. Obligations to Provide Continuing Disclosure.

(a) Annual Report. On an annual basis, no later than 120 days after the end of each Fiscal Year of the Company, commencing with the Fiscal Year ended April 30, 2017, the Company shall provide or shall cause the Dissemination Agent to provide, to the Repository, an Annual Report which is consistent with the requirements of Sections 3 and 4 of this Disclosure Agreement.

(b) Quarterly Report. Within forty-five (45) days of the each fiscal quarter, commencing with the calendar quarter ended April 30, 2017 and each calendar quarter thereafter, the Company shall provide or shall cause the Dissemination Agent to provide, to the Repository, a Quarterly Report consisting of the Company’s unaudited (internal) income statement and balance sheet.

In each case, the Annual Report and Quarterly Reports may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information, as, in the case of the Annual Report, is provided in Section 4(ii) hereof. If the Fiscal Year changes, the Company shall give notice of such change in the same manner as required for a Listed Event. The Company shall provide sufficient copies of the Annual and Quarterly Reports to facilitate the Dissemination Agent’s carrying out its duties, as set forth under this Disclosure Agreement.

If the Dissemination Agent has not received on or before the last business day of a Fiscal Year, an Annual Report from the Company for the preceding Fiscal Year, and the Dissemination Agent does not have actual knowledge that the Annual Report has been provided to the Repository, the Dissemination Agent shall send a notice to the Repository in substantially the form attached hereto as Exhibit A, with a copy to the Company.

If the Dissemination Agent has not received on or before the last business day of a calendar quarter, a Quarterly Report from the Company for the preceding calendar quarter, and the Dissemination Agent does not have actual knowledge that the Quarterly Report has been provided to the Repository, the Dissemination Agent shall send a notice to the Repository in substantially the form attached hereto as Exhibit A, with a copy to the Company.

The Dissemination Agent shall file a report with the Company and (if the Dissemination Agent is not the Trustee) with the Trustee, certifying that the Annual and Quarterly Reports have been provided to the Repository to this Disclosure Agreement, stating the date it was so provided.

SECTION 4. Content of Annual Report. The Annual Report shall contain or include by reference the following core financial information and operating data:

(i) Specified Information.

(a) The audited financial statements of the Company for the most recently ended Fiscal Year prepared in accordance with generally accepted accounting principles consistently applied, as promulgated from time to time by the Government Accounting Standards Board. If the Company's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Subsection 3(a) of this Disclosure Agreement, the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available. For the fiscal year ended April 30, 2017, the Company may comply with this Section 4(i) by submitting only an unaudited compilation report; and

(b) Material historical quantitative data, revenues, expenditures, financial operations and indebtedness with respect to the Series 2017 Bonds generally of the type discussed in the sections and subsections of the Private Placement Memorandum entitled, "THE COMPANY."

(ii) Cross-Reference. All or any portion of the Annual Report may be incorporated in the Annual Report by cross-reference to any other documents which were and are being filed under the Rule with the Repository, through and in accordance with EMMA. The audited or unaudited financial statements of the Company may be provided in the same manner.

(iii) Information Categories. The requirements contained in this Disclosure Agreement under Section 4(i)(b) are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 4(i)(b) call for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided.

SECTION 5. Reporting of Listed Events.

(a) The Company shall provide or shall cause the Dissemination Agent to provide in a timely manner, not in excess of ten (10) business days after the occurrence, to the Repository, written notice of any of the following events, in each case with respect to the Series 2017 Bonds ("Listed Events"):

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Series 2017 Bonds, or other material events affecting the tax status of the Series 2017 Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Series 2017 Bonds, if material;
11. Rating changes;
12. Tender offers;
13. Bankruptcy, insolvency, receivership or similar event of the Company or the Issuer;
 - (i)
 - (ii) Note to clause (13): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Company in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Company, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Company
 - (iii)
14. The consummation of a merger, consolidation, or acquisition involving the Company or the Issuer or the sale of all or substantially all of the assets of the Company or the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material; and
16. Failure of the Company to comply with the requirements of Sections 3 and 4 of this Disclosure Agreement;

(b) Certain of the six Listed Events subject to a materiality standard may not be applicable. Whenever the Company obtains knowledge of the occurrence of such a Listed Event, the Company shall as soon as possible determine if such event would constitute material information for Bondholders of the Series 2017 Bonds.

(c) The Company shall provide or shall cause the Dissemination Agent to provide in a timely manner to the Repository, written notice of a failure of any officer or other person authorized by the Company to comply with Sections 3, 4 and 5 hereof.

(d) Notwithstanding the preceding, neither the Company nor the Dissemination Agent will undertake to provide any of the following:

1. Notice with respect to (i) credit enhancement if (A) the credit enhancement is added after the primary offering of the Series 2017 Bonds, (B) the Company does not apply for or participate in obtaining the enhancement, and (C) the Company does not apply for or participate in obtaining the enhancement and the enhancement is not described in the Final Official Statement, or (ii) tax exemption other than pursuant to Section 103 of the Code;

2. The event notice, as described in Section 5(a)(8) above, with regard to a mandatory scheduled redemption not otherwise contingent upon the occurrence of an event, if (i) the terms, dates and amounts of redemption are set forth in detail in the Indenture, (ii) the only open issue is which Series 2017 Bonds will be redeemed in the case of a partial redemption, (iii) notice of redemption is given to the Bondholders as required under the terms of the Series 2017 Bonds, and (iv) public notice of the redemption is given pursuant to 1934 Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced by prior optional redemptions or Bond purchases; and

3. Updates or revisions to any forward-looking statements contained in the Final Official Statement, including, but not limited to, those that include the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes,” “structured,” “targets” or analogous expressions.

SECTION 6. Termination of Reporting Obligation. The Company’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Series 2017 Bonds.

SECTION 7. Dissemination Agent. The Company may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Company pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee. For so long as the Trustee shall be the Dissemination Agent, the Company shall pay the Dissemination Agent an annual fee of \$100.00 upon the execution of this Disclosure Agreement and on each anniversary thereof.

SECTION 8. Amendments. An amendment to the requirements set forth in this Disclosure Agreement (the “Requirements”) may only take effect if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Company, or type of business conducted; the Requirements, as amended, would have complied with the requirements of the Rule at the time of sale of the Series 2017 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and the amendment does not materially impair the interests of Bondholders and/or Beneficial Owners, as determined by parties unaffiliated with the Company (such as, but without limitation, the Company’s financial advisor or transaction counsel) and the annual financial information containing (if applicable) the amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the “impact” (as that word is used in the

letter from the SEC staff to the National Association of Bond Lawyers dated June 23, 1995) of the change in the type of operating data or financial information being provided; or

(b) All or any part of the Rule, as interpreted by the staff of the SEC at the date of the Series 2017 Bonds, ceases to be in effect for any reason, and the Company elects that the Requirements shall be deemed terminated or amended (as the case may be) accordingly.

(c) In addition to subsections (a) and (b) above, this Disclosure Agreement may be amended by written agreement of the parties, without the consent of the Bondholders and/or Beneficial Owners, of the Bonds, if all of the following conditions are satisfied: (1) the Company shall have delivered to the Trustee an opinion of Counsel, addressed to the Company, the Issuer and the Trustee, to the effect that the amendment is permitted by rule, order or other official pronouncement, or is consistent with any interpretive advice or no-action positions of Staff of the SEC, and (2) the Trustee shall have delivered copies of such opinion and amendment to (i) the MSRB and (ii) the Issuer. The Trustee shall so deliver such opinion and amendment within one Business Day after receipt by the Trustee.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Company from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Company chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Company shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default; Venue. No Bondholder may institute any suit, action or proceeding at law or in equity (“Proceeding”) for the enforcement of the Requirements (the “Undertaking”) or for any remedy for breach thereof, unless such Bondholder shall have filed with the Company evidence of ownership and a written notice of and request to cure such breach, and the Company shall have refused to comply within a reasonable time. All Proceedings shall be instituted only as specified herein, in any federal or state court located in the State and for the equal benefit of all holders of the outstanding bonds benefited by the same or a substantially similar covenant, and no remedy shall be sought or granted other than specific performance of the covenant at issue.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. The Dissemination Agent (if other than the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Company agrees to release the Dissemination Agent and the Trustee from any claim arising out of the discharge of any duties hereunder and to defend, indemnify and save the Trustee and the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney’s fees) of defending against any claim of liability, but excluding liabilities due to the Trustee and the Dissemination Agent’s negligence or willful misconduct. The obligations of Company under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Series 2017 Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Company:

Champlain Valley Milling Corp., Inc.
6679 Main Street, P.O. Box 454
Westport, New York 12993-0454
Attention: President
Tel: (518) 524- 4711

with copies to

William H. Kissel, Esq.
P.O. Box 1598
Lake Placid, New York 12946
Tel: (518)-523-1980

To the Trustee:

ZB, National Association
401 Liberty Avenue, Suite 1729
Pittsburg, PA 15222
Attention: Corporate Trust Department
Tel: (412) 208-0172

Any person may, by written notice to the other persons noted above, designate a different address, telephone, electronic transmission, or facsimile number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Bondholders and Beneficial Owners (and the Trustee acting on behalf of Bondholders and/or Beneficial Owners), and shall create no rights in any other person or entity.

SECTION 14. Fiduciary Obligation. The Dissemination Agent agrees that it shall be bound by Section 701 of the Indenture as if it were a fiduciary under the Indenture.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in one or more counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. Governing Law. THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW. TO THE EXTENT THIS DISCLOSURE AGREEMENT ADDRESSES MATTERS OF FEDERAL SECURITIES LAW, THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY FEDERAL SECURITIES LAWS AND OFFICIAL INTERPRETATIONS THEREOF.

CHAMPLAIN VALLEY MILLING CORP. INC.

By: _____
Sam Sherman
President

ZB, NATIONAL ASSOCIATION, AS TRUSTEE

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL OR QUARTERLY REPORT

Name of Issuer: Essex County Industrial Development Agency
Name of Bond Issue: \$4,245,000
Revenue Bonds
(Champlain Valley Milling Corp., Inc. Project), Series 2017 (the
"Series 2017 Bonds")
Date of Issuance: May 16, 2017

NOTICE IS HEREBY GIVEN that Champlain Valley Milling Corp., Inc. (the "Company") has not provided [an Annual Report] OR [Quarterly Report] with respect to the above-named Series 2017 Bonds as required by the Continuing Disclosure Agreement, dated as of May 16, 2017 between the Company and ZB, National Association, as trustee. [The _____ anticipates that [an Annual Report] OR [Quarterly Report] will be filed by _____.]

Dated: _____

APPENDIX E

PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL

Upon delivery of the Bonds, Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel, proposes to issue its approving opinion as to the Bonds in substantially the following form:

May 16, 2017

Essex County Industrial Development Agency
7566 Court Street
Elizabethtown, New York 12932

ZB, National Association
401 Liberty Avenue, Suite 1729
Pittsburgh, Pennsylvania 15222

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance on this date by the Essex County Industrial Development Agency (the "Issuer"), a governmental body and instrumentality constituting a body corporate and politic and a public benefit corporation of the State of New York (the "State"), of the Issuer's \$4,245,000 aggregate principal amount Tax-Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 (the "Bonds"). The Bonds are issued pursuant to a Trust Indenture, dated as of May 1, 2017 (the "Indenture"), by and between the Issuer and ZB, National Association, as Trustee (the "Trustee"). The Bonds are initially registered in the name of Cede & Co., as registered owner in denominations corresponding to the principal amount of each bond. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned by the Indenture.

The Bonds are dated as of May 16, 2017. Interest on the Bonds is to be payable on June 1, 2017, September 1, 2017, and December 1, 2017 and quarterly thereafter on each March 1, June 1, September 1 and December 1. The Bonds bear interest at the rates and mature on the dates and in the years and amounts set forth in the Indenture. The Bonds are subject to optional, mandatory and extraordinary redemption pursuant to the terms of, and as set forth in, the Indenture.

The Bonds are issued pursuant to the provisions of the Constitution and statutes of the State, including, among others, the General Municipal Law, and in accordance with a bond resolution adopted by the Issuer on April 6, 2017 (the "Resolution"). The Issuer will lend the proceeds of the Bonds from the sale of the Project to the Company pursuant to (i) an Installment Sale Agreement between the Issuer and the Company, dated as of May 1, 2017 (the "Installment Sale Agreement"). The Issuer will assign certain of the Issuer's rights under the Installment Sale Agreement to the Trustee as security for the Bonds pursuant to the Pledge and Assignment Agreement from the Issuer to the Trustee, dated as of May 1, 2017 (the "Pledge and Assignment"). As security for the Bonds, the Company has executed and delivered the Mortgage and Security Agreement, dated as of May 1, 2017, to the Trustee. As further security for the Bonds, the Company and the majority shareholders of the Company (the "Shareholders" and together with the Company, the "Guarantors") have executed and delivered the Guaranty Agreement, dated as of May 1, 2017.

In our capacity as bond counsel, we have examined such portions of the Constitution and statutes of the United States, the Constitution and statutes of the State and such applicable court decisions, regulations and published rulings as we have deemed necessary or relevant for the purposes of the opinions set forth below. We have also examined records relating to the authorization and issuance of the Bonds as contained in the transcript of proceedings and other relevant matters. We have also examined such other agreements, documents, resolutions and opinions as we have deemed necessary to render this opinion. We have relied on the opinions of (i) Briggs Norfolk LLP, counsel to the Issuer and (ii) William Kissel, Esq., counsel to the Guarantors, where such reliance is necessary or relevant for the opinions set forth below. As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Company and others furnished to us, without undertaking to verify such representations by independent investigation.

Based upon and subject to the foregoing, we are of the opinion that under current law:

(1) The Issuer is a governmental body and instrumentality constituting a public benefit corporation of the State duly created and existing under Title I of Article 18A of the General Municipal Law of the State and Chapter 563 of the Laws of 1973 of the State, both as amended (collectively, the "Act"). The Issuer has all requisite power and authority under the Act to adopt the Resolution, to enter into the Indenture, the Installment Sale Agreement, the Pledge and Assignment, and the Mortgage, to issue and sell the Bonds, to carry out the terms thereof, and to carry on all activities contemplated thereby.

(2) The Bonds have been duly authorized, executed and issued in accordance with the Constitution and statutes of the State, including the Act and the Resolution, and constitute valid and legally binding limited obligations of the Issuer (payable solely from the sources provided in the Indenture). Payment of the principal of and interest on the Bonds is subject to bankruptcy laws and other laws affecting creditors' rights and the exercise of judicial discretion.

(3) The interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations.

(4) The interest on the Bonds is exempt from personal income taxes of the State and political subdivisions thereof, including The City of New York and the City of Yonkers.

We have relied upon the accuracy, which we have not independently verified, of the representations and certifications, and have assumed compliance with the covenants, of the Issuer and the Company in the documents in the transcript of proceedings for the Bonds, including, without limitation, the Tax Certificate and Agreement of the Issuer and the Company. The accuracy of the representations and certifications and compliance by the Issuer and the Company with such covenants are necessary for interest on Bonds to be and to continue to be excluded from gross income for federal income tax purposes. Failure by the Issuer or the Company to comply with certain of such covenants on the date of or subsequent to the issuance of the Bonds could cause interest on all or a portion of the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Portions of the interest earned by corporations, as defined for federal tax purposes, may be subject to a federal corporate alternative minimum tax, and interest on Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and a tax imposed on excess net passive income of certain S corporations. The extent of other tax consequences will depend upon the particular status and circumstances of the owner of the Bonds. We express no opinion regarding any such tax consequences.

We have assumed the due authorization, execution and delivery by, and the binding effect upon and enforceability against, the Trustee under the Indenture. We have also assumed the due authorization, execution and delivery by, and the binding effect upon and enforceability against, the Company of the Installment Sale Agreement. We have also relied upon the opinion of William Kissel, Esq., counsel to the Guarantors, as to all matters concerning the Company and the Shareholders, including due authorization, execution and delivery by, and the binding effect upon the enforceability against, the Company with respect to the Installment Sale Agreement and matters of title to the Project.

We have not examined the title of any party to the real estate on which the Project is located and therefore we express no opinion thereon. We express no opinion as to the sufficiency of the Project, the deed and bill of sale conveying the Project to the Issuer, or as to the title to the Project, or the adequacy, perfection or priority of any mortgage lien on or any security interest in any collateral securing the Bonds.

We have assumed the accuracy and truthfulness of all public records and all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their respective official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings, the authenticity of documents submitted as originals and the conformity of originals of documents submitted as copies.

The scope of our engagement as bond counsel has extended solely to issuing the opinions expressed herein and in our supplemental opinion, dated as of even date herewith. We are issuing no opinions other than the opinions expressly stated herein and in our supplemental opinion. We express no opinion on the accuracy, completeness or effect of any documents prepared by or on behalf of the Issuer or the Company for use in connection with the offer, sale or purchase of the Bonds. We express no opinion on the feasibility of the Project to generate revenues sufficient for the Company to make payments required under the Installment Sale Agreement, or the financial ability of the Company to otherwise perform its obligations under the Installment Sale Agreement.

Respectfully submitted,

APPENDIX F

FORM OF BONDS

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK COMPANY (“DTC”) TO ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR THE USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

ANY BONDHOLDER WHO FAILS TO DELIVER THIS BOND FOR PURCHASE AT THE TIMES AND AT THE PLACE HEREIN SHALL HAVE NO FURTHER RIGHTS HEREUNDER EXCEPT THE RIGHT TO RECEIVE THE PURCHASE PRICE HEREOF UPON PRESENTATION AND SURRENDER OF THIS BOND TO THE TRUSTEE AS DESCRIBED HEREIN, AND SHALL HOLD THIS BOND AS AGENT FOR THE TRUSTEE.

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAX EXEMPT REVENUE BONDS (CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT) SERIES 2017

NO.: RA-1

PRINCIPAL AMOUNT: \$4,245,000

INTEREST RATE: 6.250% per annum

MATURITY DATE: June 1, 2047

DATED DATE: May 16, 2017

CUSIP: 296830 AH5

REGISTERED OWNER: Cede & Co.

Essex County Industrial Development Agency, a public benefit corporation of the State of New York (the “Issuer”), for value received, hereby promises to pay, solely from the sources hereinafter described, to the registered owner indicated above, and its registered assigns, on the Maturity Date identified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount identified above (subject to reduction as hereinafter provided) and interest thereon (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date set forth above, or from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for (unless authenticated after a Regular Record Date and on or before such succeeding Interest Payment Date, in which event from such succeeding Interest Payment Date), to the Maturity Date identified above (or such earlier date on which the principal hereof has been paid or duly provided for), at the Interest Rate identified above (except as provided below), on March 1, June 1, September 1 and December 1 of each year (each an “Interest Payment Date”), commencing June 1, 2017.

The principal of this Bond shall be paid upon presentation and surrender hereof at the principal office of ZB, National Association, as trustee (together with its successors in trust, the “Trustee”) under the trust indenture dated as of May 1, 2017 (from time to time, as amended or supplemented, the “Indenture”) by and between the Issuer and the Trustee, or at the duly designated office of any successor trustee under

the Indenture. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

Except when the Bonds are Book-Entry Bonds, the installments of interest described above shall, as provided in the Indenture, be paid to the Person in whose name this Bond (or one or more Predecessor Bonds, as defined in the Indenture) is registered at the close of business on the fifteenth day (whether or not a Business Day) of the calendar month immediately preceding the applicable Interest Payment Date (the "Regular Record Date"), and shall be paid by check or draft of the Trustee mailed by the Trustee on such Interest Payment Date to such registered owner at his address appearing on the registration books of the Issuer, or at the option of any Holder of Bonds in an aggregate principal amount of \$100,000 or greater be transmitted on such Interest Payment Date by wire transfer, to an account located in the United States of America only, at such owner's written request to the bank account number on file with the Trustee as provided in the Indenture. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the Person in whose name this Bond (or one or more Predecessor Bonds) is registered at the close of business on a date for the payment of such defaulted interest to be fixed by the Trustee (the "Special Record Date"), notice whereof being given to registered owners of the Bonds not less than ten (10) days prior to such Special Record Date, or may be paid in any other lawful manner as shall be determined by the Trustee. The principal of, premium, if any, on and interest on this Bond are payable in lawful money of the United States of America.

This Bond is one of a duly authorized issue of bonds of the Issuer designated "Essex County Industrial Development Agency Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project)" in the aggregate principal amount of \$4,245,000 (the "Bonds").

The Bonds are issued for the purpose of assisting in the financing of a project (the "Project") consisting of (A)(1) the acquisition, construction, reconstruction, equipping and installation of buildings and building improvements and equipment, including land and fixtures, to manufacture grain into flour, to be located at 19 Myers Way all within the Town of Willsboro, New York (the "Facility"), which facility will include an approximately 29,000 square foot building, and (2) certain fixtures and other personal property related thereto (the "Equipment") (the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt revenue bonds of the Issuer in one or more series in an aggregate principal amount not to exceed \$5,000,000; (C) the funding of a debt service reserve fund for the bonds for the Project; (D) the payment of the costs of issuing such bonds; and (E) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the New York State General Municipal Law) with respect to the foregoing, including an exemption from certain sales and use taxes, real property taxes, deed transfer taxes, and mortgage recording taxes (together with the Project Facility, the "Project").

The Bonds are issued under and are equally and ratably secured by the Indenture. The Indenture grants the Trustee a first lien on and a security interest in the Trust Revenues (as defined in and subject to the provisions of, the Indenture).

The Issuer and the Company have entered into Installment Sale Agreement dated as of May 1, 2017 (the "Installment Sale Agreement").

As security for the payment of principal of, premium, if any, and interest on the Bonds, the Issuer has assigned to the Trustee all of the Issuer's rights and remedies under the Installment Sale Agreement (except the Unassigned Rights, as therein defined), including the right to receive installment payments and other amounts payable thereunder, pursuant to a pledge and assignment dated as of May 1, 2017 (the "Pledge and Assignment") from the Issuer to the Trustee. Pursuant to the Pledge and Assignment,

installment payments made by the Company under the Installment Sale Agreement are to be paid directly to the Trustee. As further security for the repayment of the Bonds, the Company has delivered a Mortgage and Security Agreement, dated as of May 1, 2017, to the Issuer. The Mortgage is to be recorded in the office of the County Clerk of Essex County, New York.

Reference is hereby made to the Indenture, the Installment Sale Agreement, the Pledge and Assignment and the Mortgage and to all amendments and supplements thereto, for a description of the nature and extent of the security for the Bonds, the terms and conditions upon which the Bonds are issued and secured and the rights, duties and obligations of the Issuer, the Trustee, the Company and the Bondholders. Copies of such documents are on file in the principal office of the Trustee.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM PAYMENTS MADE BY THE COMPANY UNDER THE INSTALLMENT SALE AGREEMENT, MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE INDENTURE, AND THE SECURITY PROVIDED BY THE PLEDGE AND ASSIGNMENT, AND THE MORTGAGE.

(A) Optional Redemption.

The Bonds shall also be subject to redemption prior to maturity on or after June 1, 2027, at the option of the Company by exercise of its rights to prepay the installment purchase payments payable under the Installment Sale Agreement as provided in Section 5.5 thereof, as a whole at any time or in part on any Interest Payment Date, in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, at a redemption price of one hundred and three percent (103%) of the principal amount thereof, plus accrued interest to the redemption date:

(B) Mandatory Sinking Fund Redemption.

(1) The Bonds issued as Term Bonds maturing on June 1, 2047 are subject to mandatory Sinking Fund Redemption at a redemption price of one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date, on each June 1, and December 1 commencing December 1, 2019, in accordance with the sinking fund redemption schedule set forth below:

Sinking Fund Payment Date	Sinking Fund Payment	Sinking Fund Payment Date	Sinking Fund Payment
12/1/2019	\$25,000	06/1/2034	\$75,000
06/1/2020	35,000	12/1/2034	75,000
12/1/2020	30,000	06/1/2035	75,000
06/1/2021	30,000	12/1/2035	75,000
12/1/2021	30,000	06/1/2036	80,000
06/1/2022	35,000	12/1/2036	80,000
12/1/2022	35,000	06/1/2037	85,000
06/1/2023	35,000	12/1/2037	85,000
12/1/2023	35,000	06/1/2038	90,000
06/1/2024	40,000	12/1/2038	95,000
12/1/2024	35,000	06/1/2039	95,000
06/1/2025	45,000	12/1/2039	100,000
12/1/2025	40,000	06/1/2040	100,000
06/1/2026	45,000	12/1/2040	110,000
12/1/2026	45,000	06/1/2041	105,000

<u>Sinking Fund Payment Date</u>	<u>Sinking Fund Payment</u>	<u>Sinking Fund Payment Date</u>	<u>Sinking Fund Payment</u>
06/1/2027	45,000	12/1/2041	110,000
12/1/2027	45,000	06/1/2042	115,000
06/1/2028	50,000	12/1/2042	120,000
12/1/2028	50,000	06/1/2043	120,000
06/1/2029	50,000	12/1/2043	125,000
12/1/2029	50,000	06/1/2044	130,000
06/1/2030	60,000	12/1/2044	140,000
12/1/2030	55,000	06/1/2045	135,000
06/1/2031	60,000	12/1/2045	145,000
12/1/2031	65,000	06/1/2046	145,000
06/1/2032	60,000	12/1/2046	155,000
12/1/2032	65,000	06/1/2047*	155,000
06/1/2033	65,000		
12/1/2033	65,000		

* Maturity.

(C) Extraordinary Redemption

The Bonds are subject to redemption prior to maturity (1) as a whole, without premium, as provided in Section 406 of the Indenture, in the event of (a) a taking in Condemnation of, or failure of title to, all or substantially all of the Project Facility, (b) damage to or destruction of part or all of the Project Facility and election by the Company to redeem the Bonds in accordance with Section 7.1 of the Installment Sale Agreement, or (c) a taking in Condemnation of part of the Project Facility and election by the Company to redeem the Bonds in accordance with Section 7.1 of the Installment Sale Agreement, or (2) as a whole, without premium, in the event that (a) the Installment Sale Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as a result of any change in the United States Constitution or legislative or administrative action (whether state or federal), or by final decree or judgment of any court of administrative body, or (b) an Authorized Representative of the Company certifies that unreasonable burdens or excessive liabilities have been imposed on such Company or its property, including, without limitation, taxes not being imposed on the date of the Installment Sale Agreement, or (3) in part, without premium, (a) as provided in Section 406(F) of the Indenture, in the event that (i) excess moneys remain in the Insurance and Condemnation Fund following damage or condemnation of a portion of the Project Facility and completion of the repair, rebuilding or restoration of the Project Facility by the Company, and (ii) such excess moneys are not paid to the Company pursuant to Section 406(F) of the Indenture, (b) as provided in Section 404 of the Indenture, in the event that excess moneys remain in the Project Fund after the Completion Date, or (c) in the event that excess proceeds of recoveries from contractors are applied to redeem Bonds pursuant to Section 4.6 of the Installment Sale Agreement, in each case to the extent of such excess. In any such event, the Bonds shall be redeemed, as a whole or in part, as the case may be, in the manner provided in Article III of the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption pursuant to Section 303 of the Indenture, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(D) Partial Redemption.

In the event of the redemption of less than all of the Outstanding Bonds of any series issued under the Indenture, the maturity or maturities and amounts within maturities to be redeemed shall be selected by the Trustee at the direction of the Company. If less than all the Outstanding Bonds of any series of the

same maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the redemption date in inverse order of maturity, and within each maturity by lot or by such other method as the Trustee may determine, provided that for so long as the Bonds shall be Book-Entry Bonds, the particular Bonds or portions thereof to be redeemed within a maturity shall be selected by lot by the Depository in such manner as the Depository may determine. The Trustee shall apply any partial redemption payments made with respect to any Bonds subject to mandatory Sinking Fund Payments (other than a scheduled mandatory sinking fund redemption) to the schedule of mandatory Sinking Fund Payments for such Bonds in inverse order of maturity. Further, the Trustee may provide for the selection for redemption of portions (equal to \$100,000 or any integral multiples of \$5,000 in excess thereof) of Bonds. In no event shall the principal amount of Bonds subject to any partial redemption be other than a whole multiple of \$5,000 thereof.

(E) Determination of Taxability

The Bonds are also subject to redemption prior to maturity upon the occurrence of a Determination of Taxability relating to such Bonds. In such event, the Bonds shall be subject to redemption, as a whole, as soon as possible after the discovery of such Determination of Taxability, at a redemption price equal to the Taxable Call Rate. If any Bonds are paid at maturity or purchased by the Trustee or redeemed subsequent to a Tax Incidence Date relating to such Series without payment of an amount at least equal to the redemption price that would have been received if such Bonds had been redeemed as a result of a Determination of Taxability, the owners of such Bonds at the time of maturity, purchase or redemption, upon establishing their then ownership thereof, shall be entitled to receive, as an additional premium thereon, an amount equal to the difference between the amounts actually received and the amounts that would have been received if such Bonds had been redeemed as a result of a Determination of Taxability. Notice of the intended redemption of each Bond shall be given by the Trustee by Electronic Means or by first class mail, postage prepaid, to the registered owner at the address of such owner shown on the Bond Registrar's bond register. All such redemption notices shall be given not less than 30 days nor more than 60 days prior to the date fixed for redemption. In addition to providing notice of redemption as set forth above the Trustee shall send a second notice of redemption within 60 days following the redemption date, by registered mail, overnight mail, overnight delivery service, or other secure means, postage prepaid to the registered owners of any Bonds called for redemption, at their addresses appearing on the Bond registration books maintained by the Trustee, who have not surrendered their Bonds for redemption within 30 days following the redemption date.

Bonds (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Indenture shall thereupon cease to be entitled to the Lien of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

The principal hereof may be declared or may become due on the conditions and in the manner and at the time set forth in the Indenture upon the occurrence of an Event of Default as provided in the Indenture.

The Bonds are issuable in the denomination of \$100,000 or any multiple of \$5,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, this Bond, upon

surrender for transfer at the principal office of the Trustee as Bond Registrar, is transferable upon an assignment duly executed by the registered owner hereof or his duly authorized legal representative, and, upon such transfer, one or more new Bonds of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, at the option of the Holder, Bonds may be exchanged for other Bonds of the same series and maturity, of any authorized denomination and of a like aggregate principal amount, upon surrender of the Bonds to be exchanged at the office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Bonds which the Holder making the exchange is entitled to receive.

No service charge shall be made for any transfer or exchange of Bonds, but the Issuer or the Trustee may make a charge for transfer or exchange of Bonds sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any new Bond shall be delivered.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PRICE OF OR THE INTEREST ON THIS BOND OR FOR ANY CLAIM BASED HEREON OR ON THE INDENTURE, AGAINST ANY PAST, PRESENT OR FUTURE MEMBER, OFFICER, EMPLOYEE OR AGENT (EXCEPT THE COMPANY), AS SUCH, OF THE ISSUER OR OF ANY PREDECESSOR OR SUCCESSOR CORPORATION, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY, OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE HEREOF, EXPRESSLY WAIVED AND RELEASED.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of the Trustee shall be endorsed hereon.

THIS BOND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF ESSEX COUNTY OR OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION OF THE STATE OF NEW YORK AND SHALL NOT CREATE OR CONSTITUTE AN INDEBTEDNESS, LIABILITY OR OBLIGATION OF ESSEX COUNTY OR OF THE STATE OF NEW YORK OR OF ANY POLITICAL SUBDIVISION THEREOF, MORAL OR OTHERWISE, BUT THIS BOND SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR AS SET FORTH HEREIN AND IN THE INDENTURE. NEITHER THE GENERAL CREDIT OF THE ISSUER NOR THE GENERAL CREDIT OR TAXING POWER OF ESSEX COUNTY OR OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION OF THE STATE OF NEW YORK IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THIS BOND, OR THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. THE ISSUER HAS NO TAXING POWER.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture, and the issuance of this Bond, do exist, have happened and have been performed in the time, form and manner as required by law, and that the issuance of the Bonds does not violate any constitutional or statutory limitation. The provisions of this Bond and the Indenture shall be governed by the laws of the State of New York.

This Bond is one of the Bonds of the issue described in the within mentioned Indenture.

IN WITNESS WHEREOF, the Essex County Industrial Development Agency has caused this Bond to be executed on its behalf by the manual/facsimile signature of the Chairman of the Board of Directors and its corporate seal to be impressed hereon, and this Bond and such seal to be attested by the facsimile signature of its Secretary on this 16th day of May, 2017.

ATTEST:

**ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Jamie Rogers
Title: Secretary

By: _____
Name: Darren Darrah
Title: Chairman

(SEAL)

Date of Authentication

**ZB, NATIONAL ASSOCIATION,
as Trustee**

By: _____
Authorized Signer

[Form of Assignment for Transfer]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto (please insert name, address and social security or tax identification number of assignee):

_____ the within Bond and does hereby irrevocably constitute and appoint _____ to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature(s) on this assignment must correspond with the name(s) as it (they) appear(s) on the face of the within Bond in every particular.

In the presence of:

Signature Guaranteed:

Signature must be guaranteed by an "eligible guarantor Company" meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

**Janney Montgomery Scott LLC
575 Lexington Avenue, 20th Floor
New York, New York 10022**

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
TAX EXEMPT REVENUE BONDS
(CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT), SERIES 2017
IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,245,000

BOND PURCHASE AGREEMENT

May 16, 2017

Essex County Industrial Development Agency
7566 Court Street
Elizabethtown, New York 12932
Attention: Chairperson

Champlain Valley Milling Corp., Inc.
6679 Main Street
P.O. Box 454
Westport, New York 12993
Attention: President

Ladies and Gentlemen:

The undersigned, Janney Montgomery Scott LLC (the "Underwriter"), offers to enter into this Bond Purchase Agreement with the Essex County Industrial Development Agency (the "Issuer"), which, upon the acceptance of this offer and the execution of this Bond Purchase Agreement by the Issuer and Champlain Valley Milling Corp., Inc. (the "Company"), shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer, the Company and the Underwriter.

1. **Purchase.** Upon the basis of the representations and agreements herein contained, but subject to the terms and conditions hereinafter set forth, the Underwriter hereby agrees to purchase on a firm basis, and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the Issuer's Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 in the aggregate principal amount of \$4,245,000 (the "Bonds") at a purchase price of \$4,170,000 (representing the par amount of the Bonds of \$4,245,000.00, less Underwriter's discount of \$75,000). The Underwriter will offer the Bonds to Oppenheimer Rochester High Yield Municipal Fund at the prices shown on the cover of the Limited Offering Memorandum (as defined below).

The Issuer acknowledges and agrees that: (i) the primary role of Janney Montgomery Scott LLC, as an underwriter, is to purchase securities for resale to investors in an arms-length commercial transaction between the Issuer and Janney Montgomery Scott LLC and that Janney Montgomery

Scott LLC has financial and other interests that differ from those of the Issuer, (ii) Janney Montgomery Scott LLC is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer or any other person or entity and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether Janney Montgomery Scott LLC has provided other services or is currently providing other services to the Issuer on other matters), (iii) the only obligations Janney Montgomery Scott LLC has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Agreement and (iv) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein.

2. The Bonds. The Bonds shall be as described in and shall be issued and secured under and pursuant to a Trust Indenture, dated as of May 1, 2017 (the "Indenture"), between the Issuer and ZB, National Association, as trustee (the "Trustee"), and a bond resolution adopted by the Issuer on April 6, 2017 (the "Resolution"). The Bonds shall bear interest from their dated date payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2017 at the rates as set forth, and shall mature on June 1 and December 1 in the principal amounts and the years as set forth in Schedule VI attached hereto and hereby made a part hereof.

3. Payment. Payment for the Bonds will be made by the Underwriter to the Trustee on behalf of the Issuer in federal funds, at the purchase price stated in paragraph 1 at the time of Closing (as defined in Section 8 hereof).

4. Definitions. All of the capitalized terms not herein defined shall have the same meaning ascribed to them in the Indenture and all of such definitions are incorporated herein by reference, except as specifically modified herein.

5. Limited Offering Memorandum and Other Documents.

(a) Within seven (7) business days hereof (but not later than the delivery of the Bonds), the Issuer and the Company shall deliver to the Underwriter copies of the Limited Offering Memorandum, relating to the Bonds, in sufficient quantity (subject to paragraph 10 hereof) as may reasonably be requested by the Underwriter in order to comply with Rule 15c2-12 with only such changes as shall have been accepted by the Underwriter (which, together with the cover page and all appendices, exhibits and any amendments and supplements thereto, is herein called the "Limited Offering Memorandum"). The Issuer and the Company authorize the use and distribution of copies of the Limited Offering Memorandum by the Underwriter in connection with the public offering and sale of the Bonds.

(b) If, during the period from the date hereof to and including the date which is the earlier of ninety days from the end of the underwriting period or, if the Limited Offering Memorandum is available to any person from a nationally recognized municipal securities information repository, twenty-five days from the end of the underwriting period, there shall exist any event which, in the opinion of the Underwriter and Counsel to the Underwriter or in the opinion of the Issuer or the Company, requires a supplement or amendment to the Limited Offering Memorandum so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, when it is delivered to a potential investor, the Company will at its own expense supplement or amend the Limited Offering Memorandum in a form and in a manner approved by the Underwriter and the Issuer.

(c) Unless otherwise notified in writing by the Underwriter on or prior to the date of Closing, the Issuer and the Company can assume that the "end of the underwriting period" for the Bonds for all purposes of Rule 15c2-12 is the date of the Closing. If the "end of the underwriting period" is a

date other than the Closing, the Underwriter shall notify the Issuer in writing following the occurrence of the "end of the underwriting period" for the Bonds as defined in Rule 15c2-12. The "end of the underwriting period" for the Bonds as used in this Bond Purchase Agreement shall mean the date of Closing or such later date as to which notice is given by the Underwriter in accordance with the preceding sentence.

(d) It is specifically understood and agreed that the Issuer makes no representation or warranty as to the financial position or business or other condition of the Company or the Facility and does not represent or warrant as to the correctness, completeness or accuracy of any of the statements, information (financial or otherwise), representations or certifications furnished by or on behalf of the Company, its affiliates or the Facility in connection with the execution and delivery of the Issuer Documents or the consummation of the transactions contemplated thereunder or in connection with the issuance and sale of the Bonds.

6. Representations of the Issuer. The Issuer represents to and agrees with the Underwriter and the Company that:

(a) At its date, the statements and information contained in the Limited Offering Memorandum under the headings "THE ISSUER" and "LITIGATION – The Issuer" are true, correct and complete in all material respects and such information does not omit any statement or information which is necessary to make the statements and information therein in the light of the circumstances under which they were made, not misleading. The Issuer neither has nor assumes any responsibility for the accuracy or completeness of any information contained in the Limited Offering Memorandum or in the Appendices thereto (other than under the headings "THE ISSUER" and "LITIGATION – The Issuer") all of which has been furnished by others.

(b) The Issuer is and will be at the Closing Date duly organized and existing as a corporate governmental agency constituting a body corporate and politic and a public benefit corporation with the powers and authority, among others, set forth in the Act with full legal right, power and authority to issue the Bonds, to enter into this Bond Purchase Agreement, Indenture, Installment Sale Agreement, Pledge and Assignment, Mortgage and Tax Compliance Certificate (collectively, the "Issuer Documents"), to adopt the Resolution, to pledge and assign the revenues and the funds and accounts established under the Indenture, and to issue, sell and deliver the Bonds to the Underwriter as provided herein and to carry out and consummate all other transactions contemplated by each of the aforesaid documents on its part to be performed.

(b) The adoption of the Resolution and the execution and delivery of the Issuer Documents do not, and compliance with the provisions thereof, under the circumstances contemplated thereby, will not, to the best knowledge of the Issuer, in any material respect, conflict with or constitute on the part of the Issuer a breach of, or default under, any other agreement or instrument to which the Issuer is a party or any existing law, administrative regulation, court order or consent decree to which the Issuer is subject.

(c) With respect to the issuance of the Bonds, the Issuer, at the date of the Closing will have complied in all respects with the Indenture.

(d) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to the performance by the Issuer of its obligations hereunder and under the other Issuer Documents have been obtained or, if not, will be obtained at the time of or prior to the Closing; provided, however, that no representation is made concerning compliance with federal securities laws or the securities or Blue Sky laws of the various states.

(e) The Bonds, when duly issued, authenticated and delivered in accordance with the Indenture and sold to the Underwriter as provided herein and therein, will be the validly issued and outstanding special and limited obligations of the Issuer entitled to the benefits and security of the Indenture and enforceable in accordance with their terms and the terms of the Indenture. The Bonds will be limited obligations of the Issuer payable solely out of revenues or other receipts, funds or moneys pledged therefor.

(f) The Indenture, when executed and delivered by the Issuer will, assuming due authorization, execution and delivery by the Trustee, constitute a valid and binding special and limited obligation of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted and is subject to general rules of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(g) The Installment Sale Agreement, when executed and delivered by the Issuer, will, assuming due authorization, execution and delivery by the Company, constitute a valid and binding special and limited obligation of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted and is subject to general rules of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(h) The Pledge and Assignment, when executed and delivered by the Issuer will, assuming due authorization, execution and delivery by the Company and the Trustee, constitute a valid and binding special and limited obligation of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted and is subject to general rules of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(i) The Mortgage, when executed and delivered by the Issuer will, assuming due authorization, execution and delivery by the Company, constitute a valid and binding special and limited obligation of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted and is subject to general rules of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(j) The Bond Purchase Agreement, when executed and delivered by the Issuer will, assuming due authorization, execution and delivery by the Company and the Underwriter, constitute a valid and binding special and limited obligation of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted and is subject to general rules of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(k) The representations and agreements contained herein shall survive the Closing and shall extend to any investigation made by or on behalf of the Underwriter or any person who controls the Underwriter of any matters described in or related to the transactions contemplated hereby and by the Limited Offering Memorandum, the Issuer Documents, the Company Documents and the Guaranty.

(l) To the best of the Issuer's knowledge no litigation is pending or, to the knowledge of the Issuer, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Bonds or the application of proceeds of the Bonds as provided in the Indenture or the collection of revenues pledged under the Indenture and the Installment Sale Agreement, (ii) in any way contesting or affecting any

authority for the issuance of the Bonds or the validity of the Issuer Documents, the Company Documents, the Ground Lease or the Guaranty, or (iii) in any way contesting the existence or powers of the Issuer.

7. Representations and Warranties of the Company. The Company represents and warrants to the Underwriter both as of the time of acceptance hereof and time of Closing that:

(a) The Company is a New York corporation and is legally authorized to execute and deliver the Installment Sale Agreement, the Pledge and Assignment, the Company Guaranty, the Mortgage, the Tax Certificate of the Company, the Limited Offering Memorandum, this Bond Purchase Agreement, the Continuing Disclosure Agreement and any other document now or hereafter executed by the Company in connection with the issuance of the Bonds (the "Company Documents"), and to perform its obligations thereunder and hereunder, including the making of any and all payments as provided therein and herein.

(b) No approval or other action by any governmental authority is required in connection with the execution or performance by the Company of the Company Documents, except as has been obtained or applied for or will have been obtained prior to the time required.

(c) The financial statements of the Company delivered to the Underwriter and the Issuer and included in the Limited Offering Memorandum fairly present the financial condition of the Company, as of the date and for the periods indicated therein, and have been prepared in accordance with generally accepted accounting principles applied in all material respects on a consistent basis.

(d) The Company Documents, when executed and delivered by the respective parties thereto will constitute valid and binding obligations of the Company enforceable in accordance with their terms except as such enforcement may be limited by applicable State or Federal laws affecting the enforcement of creditors' rights generally. The execution and delivery by the Company of the Company Documents and the performance of the obligations contained therein by the Company do not and will not conflict with, or result in any breach of, or constitute a default under any indenture, mortgage, deed of trust, bank loan or credit agreement or any other agreement or instrument to which the Company is party or by which it or any of its property may be bound or affected for which a valid consent has not been secured.

(e) The Limited Offering Memorandum is accurate in all material respects for the purposes for which its use is authorized and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and is deemed final by the Company for purposes of satisfying Rule 15c2-12.

(f) There has been no material adverse change in the business, properties or financial condition, taken as a whole, of the Company since the date of the Company's reviewed financial statements for the years ended April 30, 2015 and 2016.

(g) There is no litigation or proceeding pending or, to the knowledge of the Company, threatened against the Company challenging the validity of the Issuer Documents, the Company Documents, the Limited Offering Memorandum or any other document to be executed by the Company in connection with the issuance of the Bonds, or seeking to enjoin the performance of the obligations of the Company thereunder or hereunder, or challenging the undertaking of the Project.

(h) The Company is not presently in default in a material respect under any indenture, mortgage, deed of trust, bank loan or credit agreement or (in any respect that is material in light of

the financial condition, taken as a whole, of the Company) any other agreement or instrument to which the Company is a party or by which it or any of its property may be bound or affected.

(i) The Company will apply the proceeds from the sale of the Bonds for the sole purpose of providing funds for the cost of the Project.

(j) When this Bond Purchase Agreement is accepted by the Issuer and the Company, and when the Bonds are issued and sold as contemplated hereby, the representations and certifications of the Company made herein are and will be true, accurate and complete.

(k) The Company agrees to indemnify and hold harmless the Underwriter and the Issuer and each person, if any, who controls (as such term is defined in Section 15 of the Securities Act of 1933, as amended) the Underwriter and the Issuer against any and all losses, claims, damages and liability (i) arising out of any statement or information relating to the Company, its affiliates or the Project Facility contained in the Limited Offering Memorandum that is untrue in any material respect or the omission therefrom of any statement or information relating to the Company, its affiliates or the Project Facility which should be contained therein as of the date of the delivery of the Bonds for the purpose for which the Limited Offering Memorandum is to be used or which is necessary to make the statements therein relating to the Company, its affiliates or the Project Facility not misleading in any material respect; and (ii) to the extent of the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or omission if such settlement is effected with the written consent of the Company. In case any claim shall be made or action brought against the Underwriter and/or the Issuer or any controlling person (as aforesaid) based upon the Limited Offering Memorandum, in respect of which indemnity may be sought, the Underwriter or the Issuer shall promptly notify the Company in writing setting forth the particulars of such claim or action and the Company shall assume the defense thereof including the retention of counsel and the payment of all expenses. The Underwriter or the Issuer or any such controlling person shall have the right to retain separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the Underwriter's or Issuer's expense or the expense of such controlling person unless the retention of such counsel has been specifically authorized by the Company.

8. Closing. On May 16, 2017, or at such other time or date, not later than fourteen days thereafter, as we mutually agree upon (the "Closing"), the Issuer will deliver or cause to be delivered, the Bonds in fully registered form, duly executed and authenticated, and the Issuer will deliver or cause to be delivered to us at the offices Squire Patton Boggs (US) LLP, Bond Counsel, in New York, New York, or at such other place as we may mutually agree upon, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in federal funds payable to the order of the Issuer or the order of such person as the Issuer shall direct. The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). A single Bond will be delivered in definitive form to the Trustee for "FAST" delivery on the day immediately preceding the Closing pursuant to the rules and procedures of DTC.

9. Conditions Precedent. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and agreements of the Issuer and the Company contained herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter's obligations under this Bond Purchase Agreement are and shall be subject to the following further conditions:

(a) At the time of the Closing, the Issuer Documents and the Company Documents, shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the parties hereto; and the Issuer shall have duly adopted and

there shall be in full force and effect such resolutions as, in the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, shall be necessary in connection with the transactions contemplated hereby.

(b) The Underwriter may terminate this Bond Purchase Agreement by notification in writing or by telegram to the Issuer if at any time subsequent to the date hereof and at or prior to the Closing: (i) legislation shall be enacted by, or favorably reported out of committee to, either House of the Congress of the United States, or recommended to Congress for passage by the President of the United States, or a decision by a court of the United States shall be rendered, or a regulation or ruling shall be issued or proposed by or on behalf of the Treasury Department, the Internal Revenue Service of the United States, or any other agency of the Federal government having jurisdiction, or a release or memorandum shall be issued by the Treasury Department, the Internal Revenue Service of the United States, or any other agency of the Federal government having jurisdiction with respect to Federal taxation upon revenues or other income of the general character to be derived by the Issuer or upon interest received on obligations of the general character of the Bonds, which, in the reasonable judgment of the Underwriter, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds, or (ii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Bonds (or secured by a bond insurance policy) is in violation of any provisions of the Securities Act of 1933 or of the Trust Indenture Act of 1939; or (iii) in the Congress of the United States legislation shall be enacted or a bill shall be favorably reported out of committee of either House, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other agency of the Federal government having jurisdiction of the subject matter shall be made, to the effect that securities of the Issuer or of any similar corporate entity are not exempt from the registration, qualification or other requirements of the Securities Act of 1933 or the Trust Indenture Act of 1939; or (iv) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or other national or international calamity shall have occurred which, in the reasonable judgment of the Underwriter, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds; or (v) there shall have occurred a general suspension of trading on the New York Stock Exchange; or (vi) a general banking moratorium shall have been declared by the United States or the State of New York; or (vii) an event shall occur which (a) makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Limited Offering Memorandum or which is not reflected in the Limited Offering Memorandum but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect and (b) in the reasonable judgment of the Underwriter, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds.

(c) At or prior to the Closing, the Underwriter shall have received the following documents (in each case with such changes as the Underwriter shall approve).

(1) the approving opinions, dated the date of the Closing, of Squire Patton Boggs (US) LLP, Bond Counsel in substantially the form attached to the Limited Offering Memorandum as Appendix E together with the supplemental opinion of Bond Counsel addressed to the Underwriter in substantially the form attached hereto as Schedule I.

(2) the opinion of Briggs Norfolk LLP, counsel to the Issuer, dated the date of the Closing, addressed to the Issuer and the Underwriter, in substantially the form attached hereto as Schedule II.

(3) the opinion of William H. Kissel, Esq., counsel to the Company and Samuel Sherman and Derinda Sherman, individually, jointly and severally and as majority

shareholders of the Company, dated the date of Closing, in substantially the form attached hereto as Schedule III.

(4) the opinion of Melissa E. Papparone, Esq., counsel to the Trustee, dated the date of Closing, in substantially the form attached hereto as Schedule IV.

(5) the opinion of Trespasz & Marquardt, LLP counsel to the Underwriter, dated the date of the Closing, in substantially the form attached hereto as Schedule V.

(6) a certificate, dated the date of the Closing, signed by the Chief Executive Officer and attested to by the Secretary of the Issuer to the effect that to the best of the Issuer's knowledge, (a) the representations and agreements of the Issuer herein are true and correct in all material respects as of the date of the Closing; and (b) no litigation is pending or, to its knowledge, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Bonds or the application of the proceeds of the Bonds as provided in the Indenture or the collection of revenues pledged under the Pledge and Assignment or the Indenture, (ii) in any way contesting or affecting any authority for the issuance or delivery of the Bonds or the Issuer Documents or (iii) in any way contesting the existence or powers of the Issuer.

(7) executed or certified copies of the Issuer Documents and the Company Documents.

(8) organizational documents of the Issuer certified by the Secretary of State, and a good-standing certificate of recent date; and one certified copy of the Issuer's By-Laws and the Resolution of its Board of Directors authorizing the execution and delivery of the Issuer Documents and approving this Bond Purchase Agreement and the information in the Limited Offering Memorandum concerning the Issuer.

(9) organizational documents of the Company certified by the Secretary of State, and a good-standing certificate of recent date; and one certified copy of the Company's By-Laws and the Resolution of its Board of Directors authorizing the execution and delivery of the Company Documents and approving this Bond Purchase Agreement and the information in the Limited Offering Memorandum concerning the Company.

(10) federal tax compliance certificates of the Issuer and the Company in form and substance satisfactory to Bond Counsel.

(11) an Investor's Letter from Oppenheimer Rochester High Yield Municipal Fund in form satisfactory to the Underwriter and counsel to the Underwriter.

(12) at or prior to the execution of this Agreement, the Underwriter shall receive a letter or letters with respect to each entity whose financial statements appear in the Limited Offering Memorandum from such entity's Accountants, addressed to the Issuer and the Underwriter, in form reasonably satisfactory to the Issuer, the Underwriter and Underwriter's Counsel, consenting to references to such firm in the Limited Offering Memorandum, consenting to use in the Limited Offering Memorandum of its report relating to the financial statements of the Company contained in the Limited Offering Memorandum.

(13) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, counsel for the Underwriter, or Bond

Counsel may reasonably request to evidence compliance by the Issuer and the Company with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer and the Company herein contained and the due performance or satisfaction by the Issuer and the Company at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and the Company.

If the Issuer shall be unable for any reason to satisfy the conditions of the Underwriter's obligations contained in this Bond Purchase Agreement, or if the Underwriter's obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter, the Company nor the Issuer shall have any further obligations or liability hereunder.

10. Expenses. All expenses and costs of the Issuer incident to the performance of its obligations in connection with the authorization, issuance, sale and delivery of the Bonds to the Underwriter including the costs of printing of the Bonds, fees of consultants, Trustee fees, and fees and expenses of counsel to the Issuer, the Trustee, the Underwriter and Bond Counsel, and the expense of printing and distributing the Limited Offering Memorandum shall be paid by the Company from the proceeds of the Bonds or other revenues of the Company.

11. Qualification of Securities. The Issuer and the Company will, at the sole expense of the Company, furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and provide for the continuance of such qualification; provided, however, that neither the Issuer nor the Company shall be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

12. Notices. Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing to the attention of the Chairperson, Essex County Industrial Development Agency, 7566 Court Street, Elizabethtown, New York 12932. Any notice or other communication to be given to the Underwriter may be given by delivering the same in writing to Janney Montgomery Scott LLC, 575 Lexington Avenue, 20th Floor, New York, New York 10022, Attention: Joseph C. Bosch, Managing Director. Any notice or other communication to be given to the Company may be given by delivering the same in writing to Champlain Valley Milling Corp., Inc., 6679 Main Street, P.O. Box 454, Westport, New York 12993-0454, Attention: President.

13. Benefit. This Bond Purchase Agreement is made solely for the benefit of the Issuer, the Company and the Underwriter (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All representations and warranties herein shall remain operative and in full force and effect regardless of any investigation made on the part or on behalf of the Underwriter and shall survive the delivery of the Bonds.

14. Approval. The approval of the Underwriter when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing signed by the undersigned and delivered to you.

15. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be regarded for all purposes as an original, and each of such signed counterparts shall constitute a single instrument.

16. No Recourse; Special Obligation. The obligations and agreements of the Issuer contained herein and in the other Financing Documents and any other instrument or document executed in

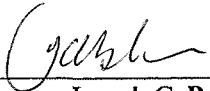
connection therewith or herewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Issuer, and not of any member, officer, director, agent (other than the Company), servant or employee of the Issuer in his individual capacity, and the members, officers, directors, agents (other than the Company) and employees of the Issuer shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

The obligations and agreements of the Issuer contained herein and therein shall not constitute or give rise to an obligation of the State of New York or the County of Essex, New York, and neither the State of New York nor the County of Essex, New York shall be liable hereon or thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited, special obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the sale or other disposition of the Project to the Company and the other collateral pledged as security therefor (except for revenues derived by the Issuer with respect to the Unassigned Rights).

No order or decree of specific performance with respect to any of the obligations of the Issuer hereunder or thereunder shall be sought or enforced against the Issuer unless (i) the party seeking such order or decree shall first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Issuer shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request within such ten day period) or failed to respond within such notice period, and (ii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Issuer an amount or undertaking sufficient to cover such reasonable fees and expenses, and (iii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents (other than the Company), servant or employees shall be subject to potential liability, the party seeking such order or decree shall (a) agree to indemnify, defend and hold harmless the Issuer and its members, officers, directors, agents (other than the Company), servants and employees against any liability incurred as a result of its compliance with such demand, and (b) if requested by the Issuer, furnish to the Issuer satisfactory security to protect the Issuer and its members, officers, directors, agents (other than the Company), servants and employees against all liability expected to be incurred as a result of compliance with such request.

16. Governing Law. This Bond Purchase Agreement shall be governed by the laws of the State of New York.

JANNEY MONTGOMERY SCOTT LLC

By: 
Joseph C. Bosch
Managing Director


Approved and Agreed to:

May 16, 2017

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Authorized Officer

CHAMPLAIN VALLEY MILLING CORP., INC.

By: 
Authorized Officer

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By: _____
Joseph C. Bosch
Managing Director

Approved and Agreed to:

May 16, 2017

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Managing Director


Approved and Agreed to:

May 16, 2017

ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Authorized Officer

CHAMPLAIN VALLEY MILLING CORP., INC.

By:  _____
Authorized Officer

SCHEDULE I
TO THE
BOND PURCHASE AGREEMENT

Form of Supplemental Opinion of Bond Counsel

May 16, 2017

Essex County Industrial Development Agency
7566 Court Street
Elizabethtown, New York 12932

Janney Montgomery Scott LLC
575 Lexington Avenue, 20th Floor
New York, New York 10022

Re: ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
TAX EXEMPT REVENUE BONDS
(CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT), SERIES 2017

Ladies and Gentlemen:

We have acted as bond counsel to the Essex County Industrial Development Agency (the "Issuer") in connection with the issuance on the date hereof by the Issuer of its Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 in the aggregate principal amount of \$4,245,000 (the "Bonds"). This supplemental opinion is rendered pursuant to Section 9(c)(1) of the Bond Purchase Agreement, dated May 16, 2017 (the "Purchase Agreement"), by and among the Issuer, the Company and Janney Montgomery Scott LLC, as underwriter (the "Underwriter"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Purchase Agreement.

We have delivered our legal opinion dated as of this date, as Bond Counsel, as to the validity of the Bonds and the exclusion of interest thereon from the gross income of their holders for federal income tax purposes.

In accordance with the terms of our engagement as bond counsel, we have examined (a) the Securities Act of 1933, as amended (the "1933 Act"), the Trust Indenture Act of 1939, as amended (the "1939 Act"), and the applicable rules, regulations and interpretations promulgated thereunder; (b) the Limited Offering Memorandum, dated May 16, 2017 (the "Limited Offering Memorandum"), in connection with the sale of the Bonds; (c) executed counterparts of (i) the Purchase Agreement, (ii) the Trust Indenture, dated as of May 1, 2017 (the "Indenture") between the Issuer and ZB, National Association, as trustee (the "Trustee"), (ii) the Installment Sale Agreement, dated as of May 1, 2017 (the "Installment Sale Agreement"), between the Issuer and Champlain Valley Milling Corp., Inc. (the "Company"), (iii) the Pledge and Assignment with Acknowledgment thereof by the Company, dated as of May 1, 2017 (the "Pledge and Assignment"), from the Issuer to the Trustee, (iv) the Mortgage and Security Agreement, dated as of May 1, 2017, (the "Mortgage") from the Company and the Issuer to the Trustee and (v) the Guaranty Agreement, dated as of May 1, 2017, from the Guarantors to the Issuer and the Trustee; (d) the Bond Resolution, duly adopted by the Issuer on April 6, 2017 (the "Bond Resolution") and (e) originals or copies, certified or otherwise identified to our satisfaction, of such

instruments, certificates and documents (including all documents constituting the Transcript of Proceedings with respect to the issuance of the Bonds) as we have deemed necessary or appropriate for the purposes of the opinions rendered below, and to the same extent stated, in our legal opinion as Bond Counsel. We also examined certain other documents and we made such investigations concerning applicable laws, as we considered to be appropriate for the purpose of rendering this opinion. For such purpose, we assume the authenticity of all original documents and the conformity to original documents of all copies of documents, the accuracy and completeness of all certificates and records as to factual matters, the authenticity of all signatures on documents and the legal capacity of signers to execute the documents.

In the course of our review of the Limited Offering Memorandum, we met in conferences and/or had telephone conversations with certain officers and representatives of and counsel to the Issuer, the Company, the Underwriter and the Trustee, during which the contents of the Limited Offering Memorandum and certain related matters were discussed and revised. We have not independently verified the accuracy, completeness or fairness of the statements contained in the Limited Offering Memorandum, and the limitations inherent in the examination made by us and the knowledge available to us are such that we are unable to assume, and we do not assume, any responsibility for (and nothing herein shall be deemed to be an assumption by us of any responsibility for) the accuracy, completeness or fairness of the statements contained in the Limited Offering Memorandum.

In addition, in rendering the opinions set forth below, we have relied upon the opinions of Briggs, Norfolk LLP, Lake Placid, New York, counsel to the Issuer; William H. Kissel, Esq., Lake Placid, New York, counsel to the Company; and Papparone Law PLLC, New York, New York, counsel to the Trustee, all of even date herewith. Copies of the aforementioned opinions are contained in the Transcript of Proceedings.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Purchase Agreement has been duly authorized, executed and delivered by the Issuer and, assuming the due authorization, execution and delivery by the other parties thereto, is a valid and binding obligation of the Issuer.
2. The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.
3. Although, as stated above, we assume no responsibility for the accuracy, fairness or completeness of the statements contained in the Limited Offering Memorandum, to the extent the portions of the Limited Offering Memorandum on the cover page and under the captions "THE ISSUER", "THE BONDS", "SECURITY FOR THE BONDS", "TAX MATTERS," "APPENDIX A – DEFINITIONS," "APPENDIX C - SUMMARIES OF CERTAIN FINANCING DOCUMENTS," AND "APPENDIX E – PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL" purport to summarize certain provisions of the Bonds and the Financing Documents and to describe the Issuer, they present a fair summary of such provisions.

We express no opinion herein with respect to state securities or "Blue Sky" laws.

The legal opinions stated in the numbered paragraphs immediately above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon: (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Issuer.

The rights of the Underwriter under the Purchase Agreement and the enforceability of the Purchase Agreement are subject to are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

This letter is being furnished only to you for your use solely in connection with the transaction described herein and may not be relied upon by anyone else or for any other purpose without our prior written consent. No statements of belief or opinions other than those expressly stated herein shall be implied or inferred as a result of anything contained in or omitted from this letter. The statements of belief and opinions expressed in this letter are stated only as of the time of its delivery and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Bonds is concluded upon delivery of this letter.

Very truly yours,

SCHEDULE II
TO THE
BOND PURCHASE AGREEMENT

Form of Opinion of Counsel to the Issuer

May 16, 2017

Essex County Industrial Development Agency
7566 Court Street
Elizabethtown, New York 12932

Janney Montgomery Scott LLC
575 Lexington Avenue, 20th Floor
New York, NY 10022

ZB, National Association
401 Liberty Avenue, Suite 1729
Pittsburgh, PA 15222

Champlain Valley Milling Corp., Inc.
6679 Main Street
P.O. Box 454
Westport, New York 12993-0454

Re: ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
TAX EXEMPT REVENUE BONDS
(CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT), SERIES 2017
IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,245,000

Ladies and Gentlemen:

We have acted as counsel to the Essex County Industrial Development Agency (the "Issuer") in connection with the preparation of a certain Limited Offering Memorandum, dated May 16, 2017 (the "Limited Offering Memorandum"); a certain Bond Purchase Agreement, dated May 16, 2017 (the "Bond Purchase Agreement"), by and among the Issuer, the Company and Janney Montgomery Scott LLC (the "Underwriter"); a certain Trust Indenture, dated as of May 1, 2017 (the "Indenture"), by and between the Issuer and ZB, National Association (the "Trustee"); a certain Bond Resolution, duly adopted by the Issuer on April 6, 2017 (the "Bond Resolution"); a certain Installment Sale Agreement, dated as of May 1, 2017 (the "Installment Sale Agreement"), between the Issuer and the Company; a certain Pledge and Assignment with Acknowledgment thereof by the Company, dated as of May 1, 2017 (the "Pledge and Assignment"), from the Issuer to the Trustee; a certain Tax Compliance Certificate, dated as of even date herewith (the "Tax Compliance Certificate"), by and between the Company and the Issuer; all with respect to the Issuer's Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 in the aggregate principal amount of 4,245,000 (the "Bonds"), dated the Closing Date and issued by the Issuer to provide for and finance the cost of acquiring, renovating and equipping the Project Facility (as defined in the Indenture).

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

We have examined originals or copies certified or otherwise identified to our satisfaction of the proceedings of the Issuer, certificates of the Issuer's officers and executed counterparts of the Bond Purchase Agreement, the Installment Sale Agreement, the Indenture, the Mortgage, the Pledge and Assignment, the Tax Compliance Certificate, the Limited Offering Memorandum and the Bonds (collectively, the "Issuer Documents"). We have also examined such statutes, court decisions, proceedings and other documents as we have considered necessary or appropriate in the circumstances to render the following opinion.

It is our opinion that:

1. The Issuer is duly organized and existing as a corporate governmental agency constituting a body corporate and politic and a public benefit corporation with the powers and authority, among others, set forth in the Act.
2. The Issuer has the power and lawful authority to execute and deliver the Issuer Documents; to borrow the amount provided for in the Bond Resolution and the Indenture and to issue the Bonds in order to evidence such borrowing; to purchase the real property and the personal property described in the Installment Sale Agreement, to acquire, renovate and equip the Project Facility, and to apply the Bond Proceeds to the payment of the costs of acquiring, renovating and equipping such Project Facility; to sell the Project Facility to the Company pursuant to the Installment Sale Agreement; to assign certain revenues derived and to be derived by the Issuer from the Installment Sale Agreement to the Trustee pursuant to the Pledge and Assignment; and to perform and observe the provisions of the Issuer Documents and the Bonds on its part to be performed and observed.
3. The Issuer has conducted a public hearing on the issuance of the Bonds and the nature and location of the Project Facility after public notice and has obtained the approval of the appropriate governmental body or officer, all in compliance with Section 859-a of the New York General Municipal Law and Section 147(f) of the Internal Revenue Code of 1986, as amended.
4. By the Bond Resolution, duly adopted on April 6, 2017, the Issuer has duly authorized the purchase of the real property and the personal property described in the Installment Sale Agreement; the acquisition, renovation and equipping of the Project Facility; the sale of the Project Facility to the Company; the execution and delivery of the Issuer Documents; and the issuance, sale, execution and delivery of the Bonds.
5. To our knowledge, neither the corporate existence of the Issuer nor the entitlement of the present members or officers of the Issuer to their respective offices is, in any manner, being contested.
6. The execution and performance of the Issuer Documents and the transactions contemplated thereby and the issuance of the Bonds will not violate any applicable provisions of existing law or regulation or the Issuer's by-laws or any decree, writ, order or injunction, and will not contravene the provisions of or constitute a default under any agreement, indenture, bond resolution or other instrument to which the Issuer is a party or by which the Issuer is bound.
7. All action on the part of the Issuer necessary for the execution and performance of the Issuer Documents and the other transactions on the part of the Issuer contemplated by the Bond Resolution and for the issuance and payment of the Bonds has been duly and effectively taken. Under existing law, no consent, authorization or approval of, or filing or registration with, any governmental or regulatory body is required for the execution or performance of the Issuer Documents or the transactions contemplated thereby or the issuance or payment of the Bonds, except the aforesaid action on the part of the Issuer

which has been duly and effectively taken.

8. All requirements and conditions specified in the Act and all other applicable laws and regulations applicable to the Issuer with respect to the adoption of the Bond Resolution, the acquisition, renovation, equipping and sale of the Project Facility as contemplated in the Installment Sale Agreement, the execution, delivery and performance of the Issuer Documents and the issuance, execution and delivery of the Bonds have been fulfilled.

9. There is no litigation pending or, to our knowledge, threatened in any court, either State or federal, calling into question the creation, organization or existence of the Issuer, the validity of the Issuer Documents (including the Bonds), or the authority of the Issuer to purchase the real property and personal property described in the Installment Sale Agreement, to acquire, renovate and equip the Project Facility, to execute or perform the Issuer Documents or to issue, execute, deliver and pay the Bonds.

10. The Issuer Documents (including the Bonds) have been duly authorized, executed and delivered by the Issuer and constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms.

11. All consents of, registration with or approval by any governmental officer, agency or commission required for the issuance of the Bonds has been received, and no further registration with, consent of or approval by any governmental officer, agency or commission is necessary for the issuance of the Bonds.

12. The Issuer has complied with the terms of the New York State Environmental Quality Review Act and all applicable regulations thereunder in connection with the acquisition of the Project Facility and the financing thereof through the issuance of the Bonds pursuant to the Installment Sale Agreement and the Indenture. In acting thereunder, the Issuer has relied upon the representations of the Company set forth in the Environmental Assessment Form, and we have made no inquiry into the completeness or accuracy of the statements therein, and we provide no opinion as to the conclusions of the Company based upon information in the Environmental Assessment Form, which may be inaccurate or incomplete.

13. To the best of our knowledge, the representations of the Issuer contained in the Issuer Documents are true as of the date hereof.

14. While we have not independently checked the accuracy and completeness of or otherwise verified, and, except as set forth below, we are not passing upon and assume no responsibility for, the accuracy, completeness or fairness of the statements contained in the Limited Offering Memorandum, we have no reason to believe that, as of the date hereof, the statements in the Limited Offering Memorandum under the captions "THE ISSUER" and "LITIGATION – The Issuer", to the extent such statements relate to the Issuer, contain any untrue statement of a material fact or omit to state any material necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading.

In rendering the foregoing opinions, we are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any financial data supplied with respect to this transaction and make no representation that we have independently verified the accuracy, completeness or fairness of any such financial data.

Except as provided herein, we express no opinion as to the sufficiency of the description of the Project Facility, the Land and the Equipment in any of the Issuer Documents or as to title to the Project Facility, the Land or the Equipment or as to the adequacy, perfection or priority of the lien of any mortgage on or any security interest in any collateral or security for the Bonds.

Except as otherwise provided herein, we express no opinion with respect to whether the Company has obtained any necessary governmental permits or consents or complied with the New York Labor Law or other applicable laws, rules and regulations or zoning or building codes in connection with the acquisition, renovation, equipping and operation of the Project Facility and the sale of the Project Facility by the Issuer.

In connection with our examination, we have assumed the genuineness of all signatures, the accuracy of all documents submitted to us as originals and the conformity to originals of all documents submitted as certified or reproduced copies. Our opinions expressed herein are limited to the date hereof and we do not in any event undertake to advise you of any facts or circumstances occurring or coming to our attention subsequent to the date hereof.

The foregoing opinions are qualified to the extent that the enforceability of the Bonds and the other Issuer Documents may be limited by bankruptcy, insolvency or other laws of general application affecting the enforcement of creditors' rights generally. We express no opinion with respect to the availability of any specific remedy provided for in any of the Issuer Documents.

The opinion express herein may be relied upon by Bond Counsel in connection with their opinion relating to the Bonds and by Underwriter's Counsel in connection with their opinion relating to the Limited Offering Memorandum.

Sincerely,

SCHEDULE III
TO THE
BOND PURCHASE AGREEMENT

[William H. Kissel, Esq., Counsel to the Company and Samuel Sherman and Derinda Sherman,
individually, jointly and severally and as majority shareholders of the Company]

May 16, 2017

Janney Montgomery Scott LLC
New York, New York

Oppenheimer Funds
Rochester, New York

Essex County Industrial Development Agency
Elizabethtown, New York

Squire Patton Boggs (US) LLP
New York, New York

Re: Essex County Industrial Development Agency
\$4,245,000 Tax Exempt Revenue Bonds
(Champlain Valley Milling Corp., Inc. Project) Series 2017

Ladies and Gentlemen:

I have acted as counsel to Champlain Valley Milling Corp., Inc. a New York corporation (the "Company"), and Samuel Sherman and Derinda Sherman, individually, jointly and severally and as majority shareholders of the Company (the "Shareholders and together with the Company, the "Guarantors") in connection with the purchase by Janney Montgomery Scott LLC (the "Underwriter") on this date pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement"), dated as of May 16, 2017, among the Company, Essex County Industrial Development Agency (the "Issuer") and the Underwriter relating to the issuance by the Issuer of \$4,245,000 Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 (the "Bonds"). The Bonds are issued to finance the costs of a project (the "Project") for the benefit of the Company.

All capitalized terms used and not defined herein shall have the meanings ascribed thereto in the Bond Purchase Agreement.

I have examined such documents as I have deemed necessary or appropriate for the purposes of this opinion letter, including without limitation, the following:

A. The (i) Articles of Organization of the Company, dated as of January 18, 1985, and filed with the State of New York (the "State") on January 30, 1985 (the "Articles") and the Operating Agreement, dated January 18, 1985 (the "By-laws"), together with all amendments thereto as of the date hereof; (ii) the Certificate of Good Standing of the Company; and (iii) a resolution of the Company, dated April 28, 2017 (the "Resolution"), adopted in connection with the authorization of the execution and delivery of the various documents and instruments required in connection with the above referenced transaction;

B. The (i) Trust Indenture, dated as of May 1, 2017, by and between the Issuer and ZB, as trustee (the "Trustee"); (ii) Installment Sale Agreement, dated as of May 1, 2017, by and between the Issuer and the Company; (iii) Bond Purchase Agreement; (iv) Mortgage and Security Agreement, dated as of May 1, 2017, from the Company and the Issuer to the Trustee; (v) Pledge and Assignment, dated as of May 1, 2017, from the Issuer to the Trustee and acknowledged by the Company; (vi) Deed from the Company to the Issuer dated May 16, 2017; (vii) Bill of Sale from the Company to the Issuer, dated May 16, 2017; (viii) Guaranty Agreement, dated as of May 1, 2017, from the Guarantors to the Issuer and the Trustee and (ix) the Continuing Disclosure Agreement between the Company and the Trustee, dated May 16, 2017. The documents listed in (i) through (ix) above are collectively referred to herein as the "Company Documents";

C. Such other laws, matters, proceedings and documents as we deem necessary for purposes of this opinion.

In rendering the opinions set forth below, I have assumed (i) the authenticity of original documents, the genuineness of all signatures (other than the signatures of representatives of the Company) on all documents submitted to us as originals and the conformity to the originals of all documents submitted to us as conformed copies or photocopies; (ii) that the Indenture and the Installment Sale Agreement, and any other documents relating to the Project, have been duly authorized, executed and delivered by each party thereto, other than the Company, each is a legal, valid and binding obligation of each party thereto, other than the Company and each is enforceable against each such party in accordance with its terms; (iii) the legal capacity of all natural persons executing documents on behalf of the Company; and (iv) that the applicable documents of the Company, immediately after delivery, will be properly filed with the appropriate governmental officials to the extent required.

Based upon the foregoing, I am of the opinion that under existing law:

1. The Company is a corporation, duly organized, validly existing and in good standing under the laws of the State. The Company has duly adopted the Resolution and the Resolution is in full force and effect.

2. The execution, delivery, and performance of the Installment Sale Agreement and the other Company Documents by the Company (including the Guaranty Agreement by the Guarantors) have been duly authorized by all requisite action on the part of the Company and have each have been duly executed and delivered by the Company. The execution, delivery and performance of the Installment Sale Agreement and the other Company Documents by the Company will not violate any provision of any existing law or regulation, or any order or decree of any court, governmental authority, bureau or agency and will not result in the imposition or creation of any lien, charge or encumbrance on, or security interest in, its property or assets, pursuant to the provisions of any mortgage, lease, indenture, deed of trust, security agreement, bank loan, credit agreement, contract, undertaking or other agreement or instrument and will not result in the Company being in breach of or default under any provision of any indenture, mortgage, lease, deed of trust, security agreement, bank loan, credit agreement, contract, undertaking or other agreement or instrument to which the Company is a party or by which the Company's property may be bound or affected, for which a valid consent has not been secured.

3. To my knowledge, after due inquiry and based upon the Company's representations, the Company has always operated in substantial conformity with the purposes set forth in its Articles, as amended from time to time, and its By-laws, as amended from time to time.

4. To my knowledge, after due inquiry and based upon the representations of the Company, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, pending or overtly threatened against or affecting the Company and there is no basis for any action, suit, proceeding, inquiry or

investigation, at law or in equity, in which an unfavorable decision, ruling or finding would adversely affect the financial conditions or operations of the Company or the transactions described in the Indenture or which would adversely affect the validity or enforceability of the Installment Sale Agreement or the other Company Documents.

5. Neither the consent of any other party nor any license, approval, authorization, registration or declaration from any governmental authority, bureau or agency is required in connection with the execution, delivery, performance, validity or enforceability of the Installment Sale Agreement or the other Company Documents.

Very truly yours,

SCHEDULE IV
TO THE
BOND PURCHASE AGREEMENT

[Letterhead of Paparone Law PLLC]

May 16, 2017

Essex County Industrial Development Agency
7566 Court Street
Elizabethtown, New York 12932

ZB, National Association
401 Liberty Avenue, Suite 1729
Pittsburgh, Pennsylvania 15222

Squire Patton Boggs (US) LLP
30 Rockefeller Plaza, 23rd Floor
New York, New York 10112

Re: \$4,245,000 Essex County Industrial Development Agency Tax Exempt Revenue Bonds
(Champlain Valley Milling Corp., Inc. Project) Series 2017

Ladies and Gentlemen:

This opinion is being rendered to you pursuant to the Trust Indenture (the "Indenture"), dated as of May 1, 2017, between the Essex County Industrial Development Agency (the "Issuer") and ZB, National Association, as trustee (the "Trustee"), relating to the issuance and sale by the Issuer of the above referenced Bonds (the "Bonds"). Terms defined in the Indenture have the same meaning herein except as the context otherwise requires.

We are acting as counsel to the Trustee. In that capacity we are generally familiar with the foregoing. We have examined originals and copies certified to our satisfaction of the certificate of incorporation and by-laws of the Trustee, certificates of public officials and other certificates and opinions, and have made such other investigations, as we have deemed necessary in connection with the opinions set forth herein. In our examination we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to originals of all documents submitted to us as copies. We have relied on certificates of officers of the Trustee as to certain factual matters.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Trustee is a national banking association duly organized and validly existing and authorized to accept and execute trusts under the laws of the United States of America and is authorized and qualified to accept the trusts imposed by the Indenture and to act as Trustee under the Indenture for the Bonds.

2. The Trustee is duly authorized by its charter and by laws to act as Trustee under and to accept the trusts contemplated by the Indenture and to execute and deliver the documents to which it is a party (collectively, the "Trustee Documents"); and

3. The Trustee has duly approved and accepted the duties and obligations of Trustee imposed upon the Trustee by the Indenture and has duly executed and delivered the Trustee Documents and the same

are valid, binding and enforceable obligations of the Trustee.

4. No authorization, approval, consent or order of any government entity, or to the best of our knowledge, of any other person, association or corporation is required for the valid authorization, execution and delivery of or the performance of the Trustee's duties under the Indenture or any other Trustee Document (except that we express no opinion as to federal or state securities laws), as applicable, nor does such execution and delivery of or such performance conflict with the terms of the certificate of organization, by-laws, or other organizational documents of the Trustee, and of which we are aware.

5. The Trustee has duly authenticated the Bonds delivered on the date hereof.

We are members of the New York bar. We do not express any opinion concerning any law, rule, regulation or administrative regulation other than the law of the State of New York and the federal law of the United States.

This letter is intended solely for your benefit and, without our express written consent, may not be relied upon, referred to or otherwise used by any other person or other than in connection with the issuance of the Bonds.

Very truly yours,

SCHEDULE V
TO THE
BOND PURCHASE AGREEMENT

Form of Opinion of Counsel to the Underwriter

May 16, 2017

Janney Montgomery Scott LLC
575 Lexington Avenue, 20th Floor
New York, NY 10022

Re: ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
TAX EXEMPT REVENUE BONDS
(CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT), SERIES 2017
IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,245,000

Ladies and Gentlemen:

In connection with the issuance by the Essex County Industrial Development Agency (the "Issuer") of its Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 in the aggregate principal amount of \$4,245,000 (the "Bonds") which are being delivered to the Underwriter today pursuant to the Bond Purchase Agreement by and between the Issuer and Champlain Valley Milling Corp., Inc. (the "Company"), dated May 16, 2017 (the "Bond Purchase Agreement"), we have examined and relied upon the following:

- (a) certified copies of the Financing Documents (as defined in the Bond Purchase Agreement);
- (b) an executed copy of the Limited Offering Memorandum of the Issuer, dated May 16, 2017 (the "Limited Offering Memorandum");
- (c) executed copies of the opinion of William H. Kissel, Esq., counsel to the Company and the Guarantors, delivered to you pursuant to the Bond Purchase Agreement;
- (d) an executed copy of the approving opinion of Squire Patton Boggs (US) LLP, Bond Counsel with respect to the Bonds, delivered to you pursuant to the Bond Purchase Agreement;
- (e) an executed copy of the opinion of Briggs, Norfolk LLP, counsel to the Issuer, with respect to the Bonds, delivered to you pursuant to the Bond Purchase Agreement;

In addition, we have examined and relied on originals or copies certified or otherwise identified to our satisfaction of such other documents, instruments or corporate records, and have made such investigation of law as we have considered necessary or appropriate for the purpose of this opinion.

In accordance with our understanding with you, we rendered legal advice and assistance to you in the course of your investigation pertaining to, and your participation in, the preparation of the Limited Offering Memorandum. Rendering such assistance involved, among other things, discussions and inquiries concerning

various legal and related subjects, and reviews of and reports on certain documents and proceedings. We also participated in conferences with your representatives and those of the Issuer, its counsel, the Company, its counsel, and Bond Counsel, during which the contents of the Limited Offering Memorandum and related matters were discussed and reviewed.

The limitations inherent in the independent verification of factual matters and the character of determinations involved in the preparation of Limited Offering Memorandum are such, however, that we have necessarily assumed the accuracy, completeness and fairness of and take no responsibility for any of the statements made in the Limited Offering Memorandum. Also we do not express any opinion or belief as to the financial and statistical information contained in the Limited Offering Memorandum or as to information contained in the appendices to the Limited Offering Memorandum. We have also assumed but have not independently verified that the signatures on all documents and certificates that we examined are genuine.

On the basis of the information which was developed in the course of the performance of the services referred to above, considered in the light of our understanding of the applicable law and experience we have gained through our practice thereunder, nothing has come to our attention which would lead us to believe that the Limited Offering Memorandum, as of its date and as of the date hereof, contains an untrue statement of a material fact required to be stated therein or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Further, we are of the opinion that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

This letter is furnished by us as counsel for the Underwriter and is solely for the benefit of the Underwriter and it is not to be used, circulated, quoted or otherwise referred to within or without the Underwriter for any purposes and may not be relied upon without our express written permission except that reference may be made to it in the Bond Purchase Agreement or in any list of closing documents pertaining to the delivery of the Bonds.

Very truly yours,

Trespasz & Marquardt, LLP

SCHEDULE VI
TO THE
BOND PURCHASE AGREEMENT

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND YIELDS

	Maturity Date	Amount	Rate	Yield
Term Bond Due 2047	6/01/2047	\$4,245,000	6.250%	6.250%

CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (“Disclosure Agreement”) is entered into as of May 16, 2017, by and between Champlain Valley Milling Corp., Inc. (the “Company”), party of the first part, and ZB, National Association, as Trustee (the “Trustee”), party of the second part, in connection with the issuance by Essex County Industrial Development Agency (the “Agency”) of its \$4,245,000 aggregate principal amount of Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 (the “Series 2017 Bonds”). The Series 2017 Bonds are being issued pursuant to a Trust Indenture dated as of May 1, 2017 (the “Indenture”).

In order to permit the Underwriter of the Series 2017 Bonds to comply with the provisions of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 in connection with the public offering of the Series 2017 Bonds, the parties hereto, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agree for the sole and exclusive benefit of the Bondholders, as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Company and the Trustee, in each case for the benefit of Bondholders and Beneficial Owners (as defined below) of the Series 2017 Bonds and in order to assist the Underwriter in complying with the Rule (as defined below). The Company and the Trustee acknowledge that the Issuer has not undertaken any responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and the Issuer has no liability to any person, including any Bondholder or Beneficial Owner, concerning the Rule.

SECTION 2. Definitions. Capitalized terms used but not defined in this Disclosure Agreement shall have the meanings ascribed to them in the Indenture.

“Annual Report” shall mean any annual report and related annual information to be provided by the Company, pursuant to Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any beneficial owner of a security, including a person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares investment power which includes the power to dispose, or to direct the disposition, of such security subject to certain exceptions as set forth in the Undertaking, as defined below. Any assertion of beneficial ownership must be filed with full documentary support, as part of the written request described in Section 10 of this Disclosure Agreement.

“Disclosure Representative” shall mean the President of the Company or his or her designee, or such other person as the Company shall designate in writing to the Trustee from time to time.

“Dissemination Agent” shall mean the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent, designated in writing by the Company and which has filed with the Trustee a written acceptance of such designation.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system.

“Fiscal Year” shall mean the period of twelve months beginning May 1 of each year and ending on April 30 of the same year, or any other twelve month period adopted by the Company as its fiscal year for accounting purposes.

“Listed Events” shall mean any of the events listed in Subsection 5(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board.

“Quarterly Report” shall mean any quarterly report and related annual information to be provided by the Company, pursuant to Sections 3(b) of this Disclosure Agreement.

“Repository” shall mean the MSRB as the sole repository of information required to be provided pursuant to the Rule, in each instance through and in accordance with EMMA.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of New York.

“Underwriter” shall mean Janney Montgomery Scott LLC, as the original underwriter of the Series 2017 Bonds required to comply with the Rule in connection with the offering of the Series 2017 Bonds.

SECTION 3. Obligations to Provide Continuing Disclosure.

(a) Annual Report. On an annual basis, no later than 120 days after the end of each Fiscal Year of the Company, commencing with the Fiscal Year ended April 30, 2017, the Company shall provide or shall cause the Dissemination Agent to provide, to the Repository, an Annual Report which is consistent with the requirements of Sections 3 and 4 of this Disclosure Agreement.

(b) Quarterly Report. Within forty-five (45) days of the each fiscal quarter, commencing with the calendar quarter ended April 30, 2017 and each calendar quarter thereafter, the Company shall provide or shall cause the Dissemination Agent to provide, to the Repository, a Quarterly Report consisting of the Company’s unaudited (internal) income statement and balance sheet.

In each case, the Annual Report and Quarterly Reports may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information, as, in the case of the Annual Report, is provided in Section 4(ii) hereof. If the Fiscal Year changes, the Company shall give notice of such change in the same manner as required for a Listed Event. The Company shall provide sufficient copies of the Annual and Quarterly Reports to facilitate the Dissemination Agent’s carrying out its duties, as set forth under this Disclosure Agreement.

If the Dissemination Agent has not received on or before the last business day of a Fiscal Year, an Annual Report from the Company for the preceding Fiscal Year, and the Dissemination Agent does not have actual knowledge that the Annual Report has been provided to the Repository, the Dissemination Agent shall send a notice to the Repository in substantially the form attached hereto as Exhibit A, with a copy to the Company.

If the Dissemination Agent has not received on or before the last business day of a calendar quarter, a Quarterly Report from the Company for the preceding calendar quarter, and the Dissemination Agent does not have actual knowledge that the Quarterly Report has been provided to the Repository, the Dissemination Agent shall send a notice to the Repository in substantially the form attached hereto as Exhibit A, with a copy to the Company.

The Dissemination Agent shall file a report with the Company and (if the Dissemination Agent is not the Trustee) with the Trustee, certifying that the Annual and Quarterly Reports have been provided to the Repository to this Disclosure Agreement, stating the date it was so provided.

SECTION 4. Content of Annual Report. The Annual Report shall contain or include by reference the following core financial information and operating data:

(i) Specified Information.

(a) *The audited financial statements of the Company for the most recently ended Fiscal Year prepared in accordance with generally accepted accounting principles consistently applied, as promulgated from time to time by the Government Accounting Standards Board. If the Company's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Subsection 3(a) of this Disclosure Agreement, the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available. For the fiscal year ended April 30, 2017, the Company may comply with this Section 4(i) by submitting only an unaudited compilation report; and*

(b) *Material historical quantitative data, revenues, expenditures, financial operations and indebtedness with respect to the Series 2017 Bonds generally of the type discussed in the sections and subsections of the Private Placement Memorandum entitled, "THE COMPANY."*

(ii) Cross-Reference. All or any portion of the Annual Report may be incorporated in the Annual Report by cross-reference to any other documents which were and are being filed under the Rule with the Repository, through and in accordance with EMMA. The audited or unaudited financial statements of the Company may be provided in the same manner.

(iii) Information Categories. The requirements contained in this Disclosure Agreement under Section 4(i)(b) are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 4(i)(b) call for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided.

SECTION 5. Reporting of Listed Events.

(a) The Company shall provide or shall cause the Dissemination Agent to provide in a timely manner, not in excess of ten (10) business days after the occurrence, to the Repository, written notice of any of the following events, in each case with respect to the Series 2017 Bonds ("Listed Events"):

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Series 2017 Bonds, or other material events affecting the tax status of the Series 2017 Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Series 2017 Bonds, if material;
11. Rating changes;
12. Tender offers;
13. Bankruptcy, insolvency, receivership or similar event of the Company or the Issuer;

Note to clause (13): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Company in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Company, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Company

14. The consummation of a merger, consolidation, or acquisition involving the Company or the Issuer or the sale of all or substantially all of the assets of the Company or the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material; and
16. Failure of the Company to comply with the requirements of Sections 3 and 4 of this Disclosure Agreement;

(b) Certain of the six Listed Events subject to a materiality standard may not be applicable. Whenever the Company obtains knowledge of the occurrence of such a Listed Event, the Company shall as soon as possible determine if such event would constitute material information for Bondholders of the Series 2017 Bonds.

(c) The Company shall provide or shall cause the Dissemination Agent to provide in a timely manner to the Repository, written notice of a failure of any officer or other person authorized by the Company to comply with Sections 3, 4 and 5 hereof.

(d) Notwithstanding the preceding, neither the Company nor the Dissemination Agent will undertake to provide any of the following:

1. Notice with respect to (i) credit enhancement if (A) the credit enhancement is added after the primary offering of the Series 2017 Bonds, (B) the Company does not apply for or participate in obtaining the enhancement, and (C) the Company does not apply for or participate in obtaining the enhancement and the enhancement is not described in the Final Official Statement, or (ii) tax exemption other than pursuant to Section 103 of the Code;

2. The event notice, as described in Section 5(a)(8) above, with regard to a mandatory scheduled redemption not otherwise contingent upon the occurrence of an event, if (i) the terms, dates and amounts of redemption are set forth in detail in the Indenture, (ii) the only open issue is which Series 2017 Bonds will be redeemed in the case of a partial redemption, (iii) notice of redemption is given to the Bondholders as required under the terms of the Series 2017 Bonds, and (iv) public notice of the redemption is given pursuant to 1934 Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced by prior optional redemptions or Bond purchases; and

3. Updates or revisions to any forward-looking statements contained in the Final Official Statement, including, but not limited to, those that include the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes,” “structured,” “targets” or analogous expressions.

SECTION 6. Termination of Reporting Obligation. The Company’s obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Series 2017 Bonds.

SECTION 7. Dissemination Agent. The Company may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Company pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee. For so long as the Trustee shall be the Dissemination Agent, the Company shall pay the Dissemination Agent an annual fee of \$100.00 upon the execution of this Disclosure Agreement and on each anniversary thereof.

SECTION 8. Amendments. An amendment to the requirements set forth in this Disclosure Agreement (the “Requirements”) may only take effect if:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Company, or type of business conducted; the Requirements, as amended, would have complied with the requirements of the Rule at the time of sale of the Series 2017 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and the amendment does not materially impair the interests of Bondholders and/or Beneficial Owners, as determined by parties unaffiliated with the Company (such as, but without limitation, the Company’s financial advisor or transaction counsel) and the annual financial information containing (if applicable) the amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the “impact” (as that word is used in the letter from the SEC staff to the National Association of Bond Lawyers dated June 23, 1995) of the change in the type of operating data or financial information being provided; or

(b) All or any part of the Rule, as interpreted by the staff of the SEC at the date of the Series 2017 Bonds, ceases to be in effect for any reason, and the Company elects that the Requirements shall be deemed terminated or amended (as the case may be) accordingly.

(c) In addition to subsections (a) and (b) above, this Disclosure Agreement may be amended by written agreement of the parties, without the consent of the Bondholders and/or Beneficial Owners, of the Bonds, if all of the following conditions are satisfied: (1) the Company shall have delivered to the Trustee an opinion of Counsel, addressed to the Company, the Issuer and the Trustee, to the effect that the amendment is permitted by rule, order or other official pronouncement, or is consistent with any interpretive advice or no-action positions of Staff of the SEC, and (2) the Trustee shall have delivered copies of such opinion and amendment to (i) the MSRB and (ii) the Issuer. The Trustee shall so deliver such opinion and amendment within one Business Day after receipt by the Trustee.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Company from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Company chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Company shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default; Venue. No Bondholder may institute any suit, action or proceeding at law or in equity ("Proceeding") for the enforcement of the Requirements (the "Undertaking") or for any remedy for breach thereof, unless such Bondholder shall have filed with the Company evidence of ownership and a written notice of and request to cure such breach, and the Company shall have refused to comply within a reasonable time. All Proceedings shall be instituted only as specified herein, in any federal or state court located in the State and for the equal benefit of all holders of the outstanding bonds benefited by the same or a substantially similar covenant, and no remedy shall be sought or granted other than specific performance of the covenant at issue.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. The Dissemination Agent (if other than the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Company agrees to release the Dissemination Agent and the Trustee from any claim arising out of the discharge of any duties hereunder and to defend, indemnify and save the Trustee and the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Trustee and the Dissemination Agent's negligence or willful misconduct. The obligations of Company under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Series 2017 Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Company:

Champlain Valley Milling Corp., Inc.
6679 Main Street, P.O. Box 454
Westport, New York 12993-0454

Attention: President
Tel: (518) 524- 4711

with copies to
William H. Kissel, Esq.
P.O. Box 1598
Lake Placid, New York 12946
Tel: (518)-523-1980

To the Trustee:
ZB, National Association
401 Liberty Avenue, Suite 1729
Pittsburg, PA 15222
Attention: Corporate Trust Department
Tel: (412) 208-0172

Any person may, by written notice to the other persons noted above, designate a different address, telephone, electronic transmission, or facsimile number(s) to which subsequent notices or communications should be sent.


SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Bondholders and Beneficial Owners (and the Trustee acting on behalf of Bondholders and/or Beneficial Owners), and shall create no rights in any other person or entity.

SECTION 14. Fiduciary Obligation. The Dissemination Agent agrees that it shall be bound by Section 701 of the Indenture as if it were a fiduciary under the Indenture.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in one or more counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. Governing Law. THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK DETERMINED WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW. TO THE EXTENT THIS DISCLOSURE AGREEMENT ADDRESSES MATTERS OF FEDERAL SECURITIES LAW, THIS DISCLOSURE AGREEMENT SHALL BE GOVERNED BY FEDERAL SECURITIES LAWS AND OFFICIAL INTERPRETATIONS THEREOF.

CHAMPLAIN VALLEY MILLING CORP., INC.

By: 

Sam Sherman
President

ZB, NATIONAL ASSOCIATION, AS TRUSTEE

By: _____
Authorized Officer

Attention: President
Tel: (518) 524- 4711

with copies to
William H. Kissel, Esq.
P.O. Box 1598
Lake Placid, New York 12946
Tel: (518)-523-1980

To the Trustee:
ZB, National Association
401 Liberty Avenue, Suite 1729
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CHAMPLAIN VALLEY MILLING CORP. INC.

By: _____
Sam Sherman
President

ZB, NATIONAL ASSOCIATION, AS TRUSTEE

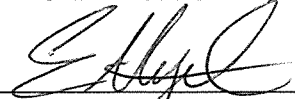
By:  _____
Authorized Officer

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL OR QUARTERLY REPORT

Name of Issuer: Essex County Industrial Development Agency
Name of Bond Issue: \$4,125,000
Revenue Bonds
(Champlain Valley Milling Corp., Inc. Project), Series 2017 (the "Series 2017 Bonds")
Date of Issuance: May 16, 2017

NOTICE IS HEREBY GIVEN that Champlain Valley Milling Corp., Inc. (the "Company") has not provided [an Annual Report] OR [Quarterly Report] with respect to the above-named Series 2017 Bonds as required by the Continuing Disclosure Agreement, dated as of May 16, 2017 between the Company and ZB, National Association, as trustee. [The _____ anticipates that [an Annual Report] OR [Quarterly Report] will be filed by _____.]

Dated: _____

DOCUMENT 30

RESERVED

CERTIFICATE OF THE BOND TRUSTEE

I, Eric Mitzel, a duly Authorized Officer of ZB, National Association (the “Trustee”) DO HEREBY CERTIFY in connection with the issuance of \$4,245,000 Essex County Industrial Development Agency Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017(the “Bonds”) that:

1. The Trustee is a national banking association duly organized and validly existing under the laws of the United States of America and is duly authorized to exercise trust powers in the State of New York.

2. The Trustee has all requisite authority, power, licenses, permits and franchises, and has full corporate power and legal authority to perform its functions under the Trust Indenture, dated as of May 1, 2017 by and between the Essex County Industrial Development Agency and the Trustee (the “Indenture”) and the Continuing Disclosure Agreement, dated as of May 1, 2017 (the “Continuing Disclosure Agreement”), by and between the Trustee and Champlain Valley Milling Corp., Inc.

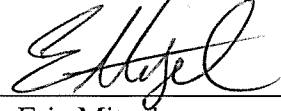
3. The performance by the Trustee of its functions under the Indenture and the Continuing Disclosure Agreement will not result in any violation of the Articles of Association or Bylaws of the Trustee, any court order to which the Trustee is subject or any agreement, indenture or other obligation or instrument to which the Trustee is a party or by which the Trustee is bound, and no approval or other action by any governmental agency in order to perform its functions under the Indenture and the Continuing Disclosure Agreement.

4. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body pending or threatened against or affecting the Trustee wherein an unfavorable decision, ruling or finding on an issue raised by any party thereto is likely to materially and adversely affect the ability of the Trustee to perform its obligations under the Indenture and the Continuing Disclosure Agreement.

Capitalized terms used herein shall have the meanings set forth in the Indenture.

WITNESS my hand this 16th day of May 2017.

ZB, NATIONAL ASSOCIATION



Name: Eric Mitzel

Title: Vice President

[Signature Page to Certificate of Trustee]

TRUSTEE'S CERTIFICATE OF RECEIPT, DELIVERY AND PAYMENT

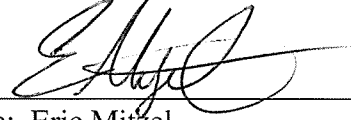
I, Eric Mitzel, am an Authorized Officer of ZB, National Association, (the "Trustee") under the Trust Indenture, dated as of May 1, 2017 by and between the Essex County Industrial Development Agency (the "Issuer") and the Trustee (the "Indenture") authorizing the issuance of \$4,245,000 Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 (the "Bonds").

I DO HEREBY ACKNOWLEDGE receipt by the Trustee of \$4,170,000 (representing the par amount of the Bonds of \$4,245,000, less Underwriter's Discount of \$75,000) from Janney Montgomery Scott LLC, as Underwriter, representing payment of the purchase price of the Bonds and an equity contribution from the Company in the amount of \$101,200.

1. \$3,637,597.55 of the proceeds of the Bonds shall be paid to the Trustee for deposit into the Project Fund and applied on the Closing Date to pay costs of the Project; and
2. \$325,468.76 of the proceeds of the Bonds shall be paid to the Trustee for deposit into the Reserve Fund; and
3. \$143,710.95 of the proceeds of the Bonds shall be paid to the Trustee for deposit into the Capitalized Interest Account of the Project Fund; and
4. The remainder of the proceeds of the Bonds in the amount of \$63,222.74 and the equity contribution in amount of \$101,200 shall be deposited in the Cost of Issuance Fund to pay Costs of Issuance in the amount of \$111,100 and other delivery date expenses in the amount of \$53,322.74.

WITNESS my hand this 16th day of May, 2017.

ZB, NATIONAL ASSOCIATION



Name: Eric Mitzel

Title: Vice President

[Signature Page to Trustee's Certificate of Receipt and Delivery and Payment]

BRIGGS NORFOLK LLP

2296 SARANAC AVENUE
LAKE PLACID, NEW YORK 12946

RONALD J. BRIGGS*
MATTHEW D. NORFOLK
JENIFER R. BRIGGS
PHILIP J. TAKACS**
* ALSO ADMITTED IN SC

TEL: 518.523.5555
FAX: 518.523.5559*
WWW.BRIGGSNORFOLK.COM
NOT FOR SERVICE
**ADMITTED IN FL & NJ - NY PENDING

May 16, 2017

Essex County Industrial Development Agency
7566 Court Street
Elizabethtown, New York 12932

Janney Montgomery Scott LLC
575 Lexington Avenue, 20th Floor
New York, NY 10022

ZB, National Association
401 Liberty Avenue, Suite 1729
Pittsburgh, PA 15222

Champlain Valley Milling Corp., Inc.
6679 Main Street
P.O. Box 454
Westport, New York 12993-0454

Squire Patton Boggs (US) LLP
30 Rockefeller Plaza
New York, New York 10012

Re: ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
TAX EXEMPT REVENUE BONDS
(CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT), SERIES 2017
IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,245,000

Ladies and Gentlemen:

We have acted as counsel to the Essex County Industrial Development Agency (the "Issuer") in connection with the preparation of a certain Limited Offering Memorandum, dated May 16, 2017 (the "Limited Offering Memorandum"); a certain Bond Purchase Agreement, dated May 10, 2017 (the "Bond Purchase Agreement"), by and among the Issuer, the Company and Janney Montgomery Scott LLC (the "Underwriter"); a certain Trust Indenture, dated as of May 1, 2017 (the "Indenture"), by and between the Issuer and ZB, National Association (the "Trustee"); a certain Bond Resolution, duly adopted by the Issuer on April 6, 2017 (the "Bond Resolution"); a

certain Installment Sale Agreement, dated as of May 1, 2017 (the "Installment Sale Agreement"), between the Issuer and the Company; a certain Pledge and Assignment with Acknowledgment thereof by the Company, dated as of May 1, 2017 (the "Pledge and Assignment"), from the Issuer to the Trustee; a certain Tax Compliance Certificate, dated as of even date herewith (the "Tax Compliance Certificate"), by and between the Company and the Issuer; all with respect to the Issuer's Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 in the aggregate principal amount of \$4,245,000 (the "Bonds"), dated the Closing Date and issued by the Issuer to provide for and finance the cost of acquiring, renovating and equipping the Project Facility (as defined in the Indenture).

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

We have examined originals or copies certified or otherwise identified to our satisfaction of the proceedings of the Issuer, certificates of the Issuer's officers and executed counterparts of the Bond Purchase Agreement, the Installment Sale Agreement, the Indenture, the Mortgage, the Pledge and Assignment, the Tax Compliance Certificate, the Limited Offering Memorandum and the Bonds (collectively, the "Issuer Documents"). We have also examined such statutes, court decisions, proceedings and other documents as we have considered necessary or appropriate in the circumstances to render the following opinion.

It is our opinion that:

1. The Issuer is duly organized and existing as a corporate governmental agency constituting a body corporate and politic and a public benefit corporation with the powers and authority, among others, set forth in the Act.
2. The Issuer has the power and lawful authority to execute and deliver the Issuer Documents; to borrow the amount provided for in the Bond Resolution and the Indenture and to issue the Bonds in order to evidence such borrowing; to purchase the real property and the personal property described in the Installment Sale Agreement, to acquire, renovate and equip the Project Facility, and to apply the Bond Proceeds to the payment of the costs of acquiring, renovating and equipping such Project Facility; to sell the Project Facility to the Company pursuant to the Installment Sale Agreement; to assign certain revenues derived and to be derived by the Issuer from the Installment Sale Agreement to the Trustee pursuant to the Pledge and Assignment; and to perform and observe the provisions of the Issuer Documents and the Bonds on its part to be performed and observed.
3. The Issuer has conducted a public hearing on the issuance of the Bonds and the nature and location of the Project Facility after public notice and has obtained the approval of the appropriate governmental body or officer, all in compliance with Section 859-a of the New York General Municipal Law and Section 147(f) of the Internal Revenue Code of 1986, as amended.
4. By the Bond Resolution, duly adopted on April 6, 2017, the Issuer has duly

authorized the purchase of the real property and the personal property described in the Installment Sale Agreement; the acquisition, renovation and equipping of the Project Facility; the sale of the Project Facility to the Company; the execution and delivery of the Issuer Documents; and the issuance, sale, execution and delivery of the Bonds.

5. To our knowledge, neither the corporate existence of the Issuer nor the entitlement of the present members or officers of the Issuer to their respective offices is, in any manner, being contested.

6. The execution and performance of the Issuer Documents and the transactions contemplated thereby and the issuance of the Bonds will not violate any applicable provisions of existing law or regulation or the Issuer's by-laws or any decree, writ, order or injunction, and will not contravene the provisions of or constitute a default under any agreement, indenture, bond resolution or other instrument to which the Issuer is a party or by which the Issuer is bound.

7. All action on the part of the Issuer necessary for the execution and performance of the Issuer Documents and the other transactions on the part of the Issuer contemplated by the Bond Resolution and for the issuance and payment of the Bonds has been duly and effectively taken. Under existing law, no consent, authorization or approval of, or filing or registration with, any governmental or regulatory body is required for the execution or performance of the Issuer Documents or the transactions contemplated thereby or the issuance or payment of the Bonds, except the aforesaid action on the part of the Issuer which has been duly and effectively taken.

8. All requirements and conditions specified in the Act and all other applicable laws and regulations applicable to the Issuer with respect to the adoption of the Bond Resolution, the acquisition, renovation, equipping and sale of the Project Facility as contemplated in the Installment Sale Agreement, the execution, delivery and performance of the Issuer Documents and the issuance, execution and delivery of the Bonds have been fulfilled.

9. There is no litigation pending or, to our knowledge, threatened in any court, either State or federal, calling into question the creation, organization or existence of the Issuer, the validity of the Issuer Documents (including the Bonds), or the authority of the Issuer to purchase the real property and personal property described in the Installment Sale Agreement, to acquire, renovate and equip the Project Facility, to execute or perform the Issuer Documents or to issue, execute, deliver and pay the Bonds.

10. The Issuer Documents (including the Bonds) have been duly authorized, executed and delivered by the Issuer and constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms.

11. All consents of, registration with or approval by any governmental officer, agency or commission required for the issuance of the Bonds has been received,

and no further registration with, consent of or approval by any governmental officer, agency or commission is necessary for the issuance of the Bonds.

12. The Issuer has complied with the terms of the New York State Environmental Quality Review Act and all applicable regulations thereunder in connection with the acquisition of the Project Facility and the financing thereof through the issuance of the Bonds pursuant to the Installment Sale Agreement and the Indenture. In acting thereunder, the Issuer has relied upon the representations of the Company set forth in the Environmental Assessment Form, and we have made no inquiry into the completeness or accuracy of the statements therein, and we provide no opinion as to the conclusions of the Company based upon information in the Environmental Assessment Form, which may be inaccurate or incomplete.

13. To the best of our knowledge, the representations of the Issuer contained in the Issuer Documents are true as of the date hereof.

14. While we have not independently checked the accuracy and completeness of or otherwise verified, and, except as set forth below, we are not passing upon and assume no responsibility for, the accuracy, completeness or fairness of the statements contained in the Limited Offering Memorandum, we have no reason to believe that, as of the date hereof, the statements in the Limited Offering Memorandum under the captions "THE ISSUER" and "LITIGATION – The Issuer", to the extent such statements relate to the Issuer, contain any untrue statement of a material fact or omit to state any material necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading.

In rendering the foregoing opinions, we are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any financial data supplied with respect to this transaction and make no representation that we have independently verified the accuracy, completeness or fairness of any such financial data.

Except as provided herein, we express no opinion as to the sufficiency of the description of the Project Facility, the Land and the Equipment in any of the Issuer Documents or as to title to the Project Facility, the Land or the Equipment or as to the adequacy, perfection or priority of the lien of any mortgage on or any security interest in any collateral or security for the Bonds.

Except as otherwise provided herein, we express no opinion with respect to whether the Company has obtained any necessary governmental permits or consents or complied with the New York Labor Law or other applicable laws, rules and regulations or zoning or building codes in connection with the acquisition, renovation, equipping and operation of the Project Facility and the sale of the Project Facility by the Issuer.

In connection with our examination, we have assumed the genuineness of all signatures, the accuracy of all documents submitted to us as originals and the

conformity to originals of all documents submitted as certified or reproduced copies. Our opinions expressed herein are limited to the date hereof and we do not in any event undertake to advise you of any facts or circumstances occurring or coming to our attention subsequent to the date hereof.

The foregoing opinions are qualified to the extent that the enforceability of the Bonds and the other Issuer Documents may be limited by bankruptcy, insolvency or other laws of general application affecting the enforcement of creditors' rights generally. We express no opinion with respect to the availability of any specific remedy provided for in any of the Issuer Documents.

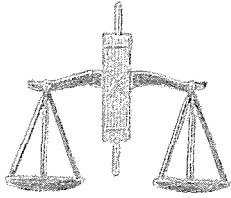
The opinion express herein may be relied upon by Bond Counsel in connection with their opinion relating to the Bonds and by Underwriter's Counsel in connection with their opinion relating to the Limited Offering Memorandum.

Sincerely,

Briggs Norfolk LLP

By:


Jenifer R. Briggs



William H. Kissel

Attorney at Law

P.O. Box 1598, Lake Placid, New York 12946
518-523-1980

May 16, 2017

Champlain Valley Milling Corp., Inc.
Westport, New York 12993-0454

Janney Montgomery Scott LLC
New York, New York

Essex County Industrial Development Agency
Elizabethtown, New York

Squire Patton Boggs (US) LLP
New York, New York

Re: Essex County Industrial Development Agency
\$4,245,000 Tax Exempt Revenue Bonds
(Champlain Valley Milling Corp., Inc. Project) Series 2017

Ladies and Gentlemen:

I have acted as counsel to Champlain Valley Milling Corp., Inc. a New York corporation (the "Company"), and Samuel Sherman and Derinda Sherman, individually, jointly and severally and as majority shareholders of the Company (the "Shareholders and together with the Company, the "Guarantors") in connection with the purchase by Janney Montgomery Scott LLC (the "Underwriter") on this date pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement"), dated as of May 10, 2017, among the Company, Essex County Industrial Development Agency (the "Issuer") and the Underwriter relating to the issuance by the Issuer of \$4,245,000 Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 (the "Bonds"). The Bonds are issued to finance the costs of a project (the "Project") for the benefit of the Company.

All capitalized terms used and not defined herein shall have the meanings ascribed thereto in the Bond Purchase Agreement.

I have examined such documents as I have deemed necessary or appropriate for the purposes of this opinion letter, including without limitation, the following:

A. The (i) Articles of Organization of the Company, dated as of January 18, 1985, and filed with the State of New York (the “State”) on January 30, 1985 (the “Articles”) and the Operating Agreement, dated January 18, 1985 (the “By-laws”), together with all amendments thereto as of the date hereof; (ii) the Certificate of Good Standing of the Company; and (iii) a resolution of the Company, dated April 28, 2017 (the “Resolution”), adopted in connection with the authorization of the execution and delivery of the various documents and instruments required in connection with the above referenced transaction;

B. The (i) Trust Indenture, dated as of May 1, 2017, by and between the Issuer and ZB, as trustee (the “Trustee”); (ii) Installment Sale Agreement, dated as of May 1, 2017, by and between the Issuer and the Company; (iii) Bond Purchase Agreement; (iv) Mortgage and Security Agreement, dated as of May 1, 2017, from the Company and the Issuer to the Trustee; (v) Pledge and Assignment, dated as of May 1, 2017, from the Issuer to the Trustee and acknowledged by the Company; (vi) Deed from the Company to the Issuer dated May 16, 2017; (vii) Bill of Sale from the Company to the Issuer, dated May 16, 2017; (viii) Guaranty Agreement, dated as of May 1, 2017, from the Guarantors to the Issuer and the Trustee and (ix) the Continuing Disclosure Agreement between the Company and the Trustee, dated May 16, 2017. The documents listed in (i) through (ix) above are collectively referred to herein as the “Company Documents”;

C. Such other laws, matters, proceedings and documents as we deem necessary for purposes of this opinion.

In rendering the opinions set forth below, I have assumed (i) the authenticity of original documents, the genuineness of all signatures (other than the signatures of representatives of the Company) on all documents submitted to us as originals and the conformity to the originals of all documents submitted to us as conformed copies or photocopies; (ii) that the Indenture and the Installment Sale Agreement, and any other documents relating to the Project, have been duly authorized, executed and delivered by each party thereto, other than the Company, each is a legal, valid and binding obligation of each party thereto, other than the Company and each is enforceable against each such party in accordance with its terms; (iii) the legal capacity of all natural persons executing documents on behalf of the Company; and (iv) that the applicable documents of the Company, immediately after delivery, will be properly filed with the appropriate governmental officials to the extent required.

Based upon the foregoing, I am of the opinion that under existing law:

1. The Company is a corporation, duly organized, validly existing and in good standing under the laws of the State. The Company has duly adopted the Resolution and the Resolution is in full force and effect.

2. The execution, delivery, and performance of the Installment Sale Agreement and the other Company Documents by the Company (including the Guaranty Agreement by the Guarantors) have been duly authorized by all requisite action on the part of the Company and have each have been duly executed and delivered by the Company. The execution, delivery and

performance of the Installment Sale Agreement and the other Company Documents by the Company will not violate any provision of any existing law or regulation, or any order or decree of any court, governmental authority, bureau or agency and will not result in the imposition or creation of any lien, charge or encumbrance on, or security interest in, its property or assets, pursuant to the provisions of any mortgage, lease, indenture, deed of trust, security agreement, bank loan, credit agreement, contract, undertaking or other agreement or instrument and will not result in the Company being in breach of or default under any provision of any indenture, mortgage, lease, deed of trust, security agreement, bank loan, credit agreement, contract, undertaking or other agreement or instrument to which the Company is a party or by which the Company's property may be bound or affected, for which a valid consent has not been secured.

3. To my knowledge, after due inquiry and based upon the Company's representations, the Company has always operated in substantial conformity with the purposes set forth in its Articles, as amended from time to time, and its By-laws, as amended from time to time.

4. To my knowledge, after due inquiry and based upon the representations of the Company, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, pending or overtly threatened against or affecting the Company and there is no basis for any action, suit, proceeding, inquiry or investigation, at law or in equity, in which an unfavorable decision, ruling or finding would adversely affect the financial conditions or operations of the Company or the transactions described in the Indenture or which would adversely affect the validity or enforceability of the Installment Sale Agreement or the other Company Documents.

5. Neither the consent of any other party nor any license, approval, authorization, registration or declaration from any governmental authority, bureau or agency is required in connection with the execution, delivery, performance, validity or enforceability of the Installment Sale Agreement or the other Company Documents.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William H. Kissel".

William H. Kissel

WHK:ls

PAPARONE LAW^{PLLC}

30 Broad Street ♦ Suite 1482 ♦ New York, New York 10004 ♦ www.paparonelaw.com

May 16, 2017

Essex County Industrial Development Agency
7566 Court Street
Elizabethtown, New York 12932

ZB, National Association
401 Liberty Avenue, Suite 1729
Pittsburgh, Pennsylvania 15222

Squire Patton Boggs (US) LLP
30 Rockefeller Plaza, 23rd Floor
New York, New York 10112

Re: \$4,425,000 Essex County Industrial Development Agency Tax Exempt Revenue Bonds
(Champlain Valley Milling Corp., Inc. Project) Series 2017

Ladies and Gentlemen:

This opinion is being rendered to you pursuant to the Trust Indenture (the "Indenture"), dated as of May 1, 2017, between the Essex County Industrial Development Agency (the "Issuer") and ZB, National Association, as trustee (the "Trustee"), relating to the issuance and sale by the Issuer of the above referenced Bonds (the "Bonds"). Terms defined in the Indenture have the same meaning herein except as the context otherwise requires.

We are acting as counsel to the Trustee. In that capacity we are generally familiar with the foregoing. We have examined originals and copies certified to our satisfaction of the certificate of incorporation and by-laws of the Trustee, certificates of public officials and other certificates and opinions, and have made such other investigations, as we have deemed necessary in connection with the opinions set forth herein. In our examination we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to originals of all documents submitted to us as copies. We have relied on certificates of officers of the Trustee as to certain factual matters.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Trustee is a national banking association duly organized and validly existing and authorized to accept and execute trusts under the laws of the United States of America and is authorized and qualified to accept the trusts imposed by the Indenture and to act as Trustee under the Indenture for the Bonds.

2. The Trustee is duly authorized by its charter and by laws to act as Trustee under and to accept the trusts contemplated by the Indenture and to execute and deliver the documents to which it is a party (collectively, the "Trustee Documents"); and

3. The Trustee has duly approved and accepted the duties and obligations of Trustee imposed upon the Trustee by the Indenture and has duly executed and delivered the Trustee Documents and the same are valid, binding and enforceable obligations of the Trustee.

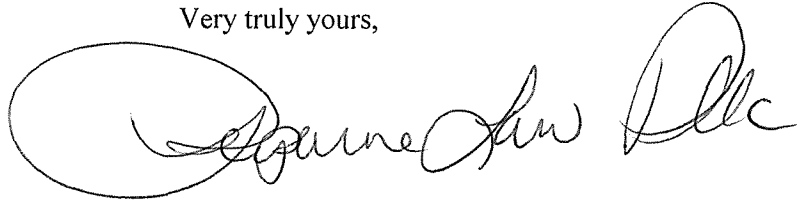
4. No authorization, approval, consent or order of any government entity, or to the best of our knowledge, of any other person, association or corporation is required for the valid authorization, execution and delivery of or the performance of the Trustee's duties under the Indenture or any other Trustee Document (except that we express no opinion as to federal or state securities laws), as applicable, nor does such execution and delivery of or such performance conflict with the terms of the certificate of organization, by-laws, or other organizational documents of the Trustee, and of which we are aware.

5. The Trustee has duly authenticated the Bonds delivered on the date hereof.

We are members of the New York bar. We do not express any opinion concerning any law, rule, regulation or administrative regulation other than the law of the State of New York and the federal law of the United States.

This letter is intended solely for your benefit and, without our express written consent, may not be relied upon, referred to or otherwise used by any other person or other than in connection with the issuance of the Bonds.

Very truly yours,

A handwritten signature in black ink, appearing to read "Paparone Law PLLC", written in a cursive style. The signature is enclosed within a large, hand-drawn oval.

May 16, 2017

Essex County Industrial Development Agency
7566 Court Street
Elizabethtown, New York 12932

ZB, National Association
401 Liberty Avenue, Suite 1729
Pittsburgh, Pennsylvania 15222

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance on this date by the Essex County Industrial Development Agency (the “Issuer”), a governmental body and instrumentality constituting a body corporate and politic and a public benefit corporation of the State of New York (the “State”), of the Issuer’s \$4,245,000 aggregate principal amount Tax-Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 (the “Bonds”). The Bonds are issued pursuant to a Trust Indenture, dated as of May 1, 2017 (the “Indenture”), by and between the Issuer and ZB, National Association, as Trustee (the “Trustee”). The Bonds are initially registered in the name of Cede & Co., as registered owner in denominations corresponding to the principal amount of each bond. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned by the Indenture.

The Bonds are dated as of May 16, 2017. Interest on the Bonds is to be payable on June 1, 2017, September 1, 2017, and December 1, 2017 and quarterly thereafter on each March 1, June 1, September 1 and December 1. The Bonds bear interest at the rates and mature on the dates and in the years and amounts set forth in the Indenture. The Bonds are subject to optional, mandatory and extraordinary redemption pursuant to the terms of, and as set forth in, the Indenture.

The Bonds are issued pursuant to the provisions of the Constitution and statutes of the State, including, among others, the General Municipal Law, and in accordance with a bond resolution adopted by the Issuer on April 6, 2017 (the “Resolution”). The Issuer will lend the proceeds of the Bonds from the sale of the Project to the Company pursuant to (i) an Installment Sale Agreement between the Issuer and the Company, dated as of May 1, 2017 (the “Installment Sale Agreement”). The Issuer will assign certain of the Issuer’s rights under the Installment Sale Agreement to the Trustee as security for the Bonds pursuant to the Pledge and Assignment Agreement from the Issuer to the Trustee, dated as of May 1, 2017 (the “Pledge and

Assignment”). As security for the Bonds, the Company has executed and delivered the Mortgage and Security Agreement, dated as of May 1, 2017, to the Trustee. As further security for the Bonds, the Company and the majority shareholders of the Company (the “Shareholders” and together with the Company, the “Guarantors”) have executed and delivered the Guaranty Agreement, dated as of May 1, 2017.

In our capacity as bond counsel, we have examined such portions of the Constitution and statutes of the United States, the Constitution and statutes of the State and such applicable court decisions, regulations and published rulings as we have deemed necessary or relevant for the purposes of the opinions set forth below. We have also examined records relating to the authorization and issuance of the Bonds as contained in the transcript of proceedings and other relevant matters. We have also examined such other agreements, documents, resolutions and opinions as we have deemed necessary to render this opinion. We have relied on the opinions of (i) Briggs Norfolk LLP, counsel to the Issuer and (ii) William Kissel, Esq., counsel to the Guarantors, where such reliance is necessary or relevant for the opinions set forth below. As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Company and others furnished to us, without undertaking to verify such representations by independent investigation.

Based upon and subject to the foregoing, we are of the opinion that under current law:

(1) The Issuer is a governmental body and instrumentality constituting a public benefit corporation of the State duly created and existing under Title I of Article 18A of the General Municipal Law of the State and Chapter 563 of the Laws of 1973 of the State, both as amended (collectively, the “Act”). The Issuer has all requisite power and authority under the Act to adopt the Resolution, to enter into the Indenture, the Installment Sale Agreement, the Pledge and Assignment, and the Mortgage, to issue and sell the Bonds, to carry out the terms thereof, and to carry on all activities contemplated thereby.

(2) The Bonds have been duly authorized, executed and issued in accordance with the Constitution and statutes of the State, including the Act and the Resolution, and constitute valid and legally binding limited obligations of the Issuer (payable solely from the sources provided in the Indenture). Payment of the principal of and interest on the Bonds is subject to bankruptcy laws and other laws affecting creditors’ rights and the exercise of judicial discretion.

(3) The interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations.

(4) The interest on the Bonds is exempt from personal income taxes of the State and political subdivisions thereof, including The City of New York and the City of Yonkers.

We have relied upon the accuracy, which we have not independently verified, of the representations and certifications, and have assumed compliance with the covenants, of the Issuer and the Company in the documents in the transcript of proceedings for the Bonds, including, without limitation, the Tax Certificate and Agreement of the Issuer and the Company. The accuracy of the representations and certifications and compliance by the Issuer and the Company with such covenants are necessary for interest on Bonds to be and to continue to be excluded from gross income for federal income tax purposes. Failure by the Issuer or the Company to comply with certain of such covenants on the date of or subsequent to the issuance of the Bonds could cause interest on all or a portion of the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Portions of the interest earned by corporations, as defined for federal tax purposes, may be subject to a federal corporate alternative minimum tax, and interest on Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and a tax imposed on excess net passive income of certain S corporations. The extent of other tax consequences will depend upon the particular status and circumstances of the owner of the Bonds. We express no opinion regarding any such tax consequences.

We have assumed the due authorization, execution and delivery by, and the binding effect upon and enforceability against, the Trustee under the Indenture. We have also assumed the due authorization, execution and delivery by, and the binding effect upon and enforceability against, the Company of the Installment Sale Agreement. We have also relied upon the opinion of William Kissel, Esq., counsel to the Guarantors, as to all matters concerning the Company and the Shareholders, including due authorization, execution and delivery by, and the binding effect upon the enforceability against, the Company with respect to the Installment Sale Agreement and matters of title to the Project.

We have not examined the title of any party to the real estate on which the Project is located and therefore we express no opinion thereon. We express no opinion as to the sufficiency of the Project, the deed and bill of sale conveying the Project to the Issuer, or as to the title to the Project, or the adequacy, perfection or priority of any mortgage lien on or any security interest in any collateral securing the Bonds.

We have assumed the accuracy and truthfulness of all public records and all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their respective official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings, the authenticity of documents submitted as originals and the conformity of originals of documents submitted as copies.

Essex County Industrial Development Agency
ZB, National Association
May 16, 2017
Page 4

Essex County Industrial Development Agency

The scope of our engagement as bond counsel has extended solely to issuing the opinions expressed herein and in our supplemental opinion, dated as of even date herewith. We are issuing no opinions other than the opinions expressly stated herein and in our supplemental opinion. We express no opinion on the accuracy, completeness or effect of any documents prepared by or on behalf of the Issuer or the Company for use in connection with the offer, sale or purchase of the Bonds. We express no opinion on the feasibility of the Project to generate revenues sufficient for the Company to make payments required under the Installment Sale Agreement, or the financial ability of the Company to otherwise perform its obligations under the Installment Sale Agreement.

Respectfully submitted,

A handwritten signature in black ink, reading "Patricia Bopp (US) CA". The signature is written in a cursive style with a large initial "P" and "B".

May 16, 2017

Essex County Industrial Development Agency
7566 Court Street
Elizabethtown, New York 12932

Janney Montgomery Scott LLC
575 Lexington Avenue, 20th Floor
New York, New York 10022

Re: ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
TAX EXEMPT REVENUE BONDS
(CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT), SERIES 2017

Ladies and Gentlemen:

We have acted as bond counsel to the Essex County Industrial Development Agency (the “Issuer”) in connection with the issuance on the date hereof by the Issuer of its Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 in the aggregate principal amount of \$4,245,000 (the “Bonds”). This supplemental opinion is rendered pursuant to Section 9(c)(1) of the Bond Purchase Agreement, dated May 10, 2017 (the “Purchase Agreement”), by and among the Issuer, the Company and Janney Montgomery Scott LLC, as underwriter (the “Underwriter”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Purchase Agreement.

We have delivered our legal opinion dated as of this date, as Bond Counsel, as to the validity of the Bonds and the exclusion of interest thereon from the gross income of their holders for federal income tax purposes.

In accordance with the terms of our engagement as bond counsel, we have examined (a) the Securities Act of 1933, as amended (the “1933 Act”), the Trust Indenture Act of 1939, as amended (the “1939 Act”), and the applicable rules, regulations and interpretations promulgated thereunder; (b) the Limited Offering Memorandum, dated May 16, 2017 (the “Limited Offering Memorandum”), in connection with the sale of the Bonds; (c) executed counterparts of (i) the Purchase Agreement, (ii) the Trust Indenture, dated as of May 1, 2017 (the “Indenture”) between the Issuer and ZB, National Association, as trustee (the “Trustee”), (ii) the Installment Sale Agreement, dated as of May 1, 2017 (the “Installment Sale Agreement”), between the Issuer and Champlain Valley Milling Corp., Inc. (the “Company”), (iii) the Pledge and Assignment with Acknowledgment thereof by the Company,

dated as of May 1, 2017 (the “Pledge and Assignment”), from the Issuer to the Trustee, (iv) the Mortgage and Security Agreement, dated as of May 1, 2017, (the “Mortgage”) from the Company and the Issuer to the Trustee and (v) the Guaranty Agreement, dated as of May 1, 2017, from the Guarantors to the Issuer and the Trustee; (d) the Bond Resolution, duly adopted by the Issuer on April 6, 2017 (the “Bond Resolution”) and (e) originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents (including all documents constituting the Transcript of Proceedings with respect to the issuance of the Bonds) as we have deemed necessary or appropriate for the purposes of the opinions rendered below, and to the same extent stated, in our legal opinion as Bond Counsel. We also examined certain other documents and we made such investigations concerning applicable laws, as we considered to be appropriate for the purpose of rendering this opinion. For such purpose, we assume the authenticity of all original documents and the conformity to original documents of all copies of documents, the accuracy and completeness of all certificates and records as to factual matters, the authenticity of all signatures on documents and the legal capacity of signers to execute the documents.

In the course of our review of the Limited Offering Memorandum, we met in conferences and/or had telephone conversations with certain officers and representatives of and counsel to the Issuer, the Company, the Underwriter and the Trustee, during which the contents of the Limited Offering Memorandum and certain related matters were discussed and revised. We have not independently verified the accuracy, completeness or fairness of the statements contained in the Limited Offering Memorandum, and the limitations inherent in the examination made by us and the knowledge available to us are such that we are unable to assume, and we do not assume, any responsibility for (and nothing herein shall be deemed to be an assumption by us of any responsibility for) the accuracy, completeness or fairness of the statements contained in the Limited Offering Memorandum.

In addition, in rendering the opinions set forth below, we have relied upon the opinions of Briggs, Norfolk LLP, Lake Placid, New York, counsel to the Issuer; William H. Kissel, Esq., Lake Placid, New York, counsel to the Company; and Paparone Law PLLC, New York, New York, counsel to the Trustee, all of even date herewith. Copies of the aforementioned opinions are contained in the Transcript of Proceedings.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Purchase Agreement has been duly authorized, executed and delivered by the Issuer and, assuming the due authorization, execution and delivery by the other parties thereto, is a valid and binding obligation of the Issuer.
2. The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.
3. Although, as stated above, we assume no responsibility for the accuracy, fairness or completeness of the statements contained in the Limited Offering Memorandum, to the extent the portions of the Limited Offering Memorandum on the cover page and under the captions “THE

ISSUER”, “THE BONDS”, “SECURITY FOR THE BONDS”, “TAX MATTERS,” “APPENDIX A – DEFINITIONS,” “APPENDIX C - SUMMARIES OF CERTAIN FINANCING DOCUMENTS,” AND “APPENDIX E – PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL” purport to summarize certain provisions of the Bonds and the Financing Documents and to describe the Issuer, they present a fair summary of such provisions.

We express no opinion herein with respect to state securities or “Blue Sky” laws.

The legal opinions stated in the numbered paragraphs immediately above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon: (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Issuer.

The rights of the Underwriter under the Purchase Agreement and the enforceability of the Purchase Agreement are subject to are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

This letter is being furnished only to you for your use solely in connection with the transaction described herein and may not be relied upon by anyone else or for any other purpose without our prior written consent. No statements of belief or opinions other than those expressly stated herein shall be implied or inferred as a result of anything contained in or omitted from this letter. The statements of belief and opinions expressed in this letter are stated only as of the time of its delivery and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Bonds is concluded upon delivery of this letter.

Very truly yours,

Agri Patta Roy (W) CCP

Document 38

[Reserved]



TRESPASZ & MARQUARDT, LLP
ATTORNEYS AND COUNSELORS AT LAW

May 16, 2017

Janney Montgomery Scott LLC
575 Lexington Avenue
New York, New York 10022

Re: ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY
TAX EXEMPT REVENUE BONDS
(CHAMPLAIN VALLEY MILLING CORP., INC. PROJECT), SERIES 2017
IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,245,000

In connection with the issuance by the Essex County Industrial Development Agency (the "Issuer") of its Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 in the aggregate principal amount of \$4,245,000 (the "Bonds") which are being delivered to the Underwriter today pursuant to the Bond Purchase Agreement by and between the Issuer and Champlain Valley Milling Corp., Inc. (the "Company"), dated May 16, 2017 (the "Bond Purchase Agreement"), we have examined and relied upon the following:

- (a) certified copies of the Financing Documents (as defined in the Bond Purchase Agreement);
- (b) an executed copy of the Limited Offering Memorandum of the Issuer, dated May 16, 2017 (the "Limited Offering Memorandum");
- (c) executed copies of the opinion of William H. Kissel, Esq., counsel to the Company and the Guarantors, delivered to you pursuant to the Bond Purchase Agreement;
- (d) an executed copy of the approving opinion of Squire Patton Boggs (US) LLP, Bond Counsel with respect to the Bonds, delivered to you pursuant to the Bond Purchase Agreement;
- (e) an executed copy of the opinion of Briggs, Norfolk LLP, counsel to the Issuer, with respect to the Bonds, delivered to you pursuant to the Bond Purchase Agreement;

In addition, we have examined and relied on originals or copies certified or otherwise identified to our satisfaction of such other documents, instruments or corporate records, and have made such investigation of law as we have considered necessary or appropriate for the purpose of this opinion.

In accordance with our understanding with you, we rendered legal advice and assistance to you in the course of your investigation pertaining to, and your participation in, the preparation of the Limited Offering Memorandum. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal and related subjects, and reviews of and reports on certain documents and proceedings. We also participated in conferences with your representatives and those of the Issuer, its counsel, the Company, its counsel, and Bond Counsel, during which the contents of the Limited Offering Memorandum and related matters were discussed and reviewed.

The limitations inherent in the independent verification of factual matters and the character of determinations involved in the preparation of Limited Offering Memorandum are such, however, that we have necessarily assumed the accuracy, completeness and fairness of and take no responsibility for any of the statements made in the Limited Offering Memorandum. Also we do not express any opinion or belief as to the financial and statistical information contained in the Limited Offering Memorandum or as to information contained in the appendices to the Limited Offering Memorandum. We have also assumed but have not independently verified that the signatures on all documents and certificates that we examined are genuine.

On the basis of the information which was developed in the course of the performance of the services referred to above, considered in the light of our understanding of the applicable law and experience we have gained through our practice thereunder, nothing has come to our attention which would lead us to believe that the Limited Offering Memorandum, as of its date and as of the date hereof, contains an untrue statement of a material fact required to be stated therein or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Further, we are of the opinion that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

This letter is furnished by us as counsel for the Underwriter and is solely for the benefit of the Underwriter and it is not to be used, circulated, quoted or otherwise referred to within or without the Underwriter for any purposes and may not be relied upon without our express written permission except that reference may be made to it in the Bond Purchase Agreement or in any list of closing documents pertaining to the delivery of the Bonds.

Very truly yours,

TRESPASZ & MARQUARDT, LLP

Trespasz & Marquardt, LLP



Parcel 119 on Map 96 filed in the office of the county clerk of the county of Onondaga on the 29th day of May, 1968 in Book of Deeds 2375 at page 156 in relation to the Fairmount-Syracuse State Highway.

§ 2. If the court shall find that the lands of the claimants or any interest of said claimants in said lands or any part thereof were so appropriated, and that such claimants are the owners of the property affected thereby, or have some interest therein and have not been compensated for the value of and damages to such lands, or easement rights in such lands, or other interest in such lands, including consequential or severance damages, such value and damages shall constitute a legal and valid claim against the state and the state shall be liable therefor and the court may make an award and render judgment for such claimants and against the state in such sum as shall reasonably compensate the claimants for the value of such premises appropriated and for such damages sustained by reason of such appropriation.

§ 3. The state hereby consents to have its liability on such claim or claims determined notwithstanding the failure of the claimants to file such claim or notice of intention to file such claim or to do any other act in relation to the presentation thereof within the time limited or prescribed by law, to the same extent and with the same effect as though said claim had been timely filed; provided such claims are filed with the court within six months after this act takes effect.

§ 4. Nothing herein contained shall be construed as passing upon the merits of such claim and no award shall be made or judgment rendered against the state unless sustained by such evidence as would create a liability against an individual or corporation.

§ 5. This act shall take effect immediately.

CHAPTER 563

AN ACT to amend the general municipal law, in relation to creating and establishing the Essex county industrial development agency, and providing for its functions, powers and duties

Became a law June 5, 1973, with the approval of the Governor. Passed on Home Rule request pursuant to Article IX, section 2(b)(2) of the Constitution by a majority vote, three-fifths being present

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The general municipal law is hereby amended by inserting in title two of article eighteen-A, a new section, to be section nine hundred fourteen-a, to read as follows:

§ 914-a. *Essex county industrial development agency. For the benefit of the county of Essex and the inhabitants thereof, an industrial development agency, to be known as the ESSEX*

COUNTY INDUSTRIAL DEVELOPMENT AGENCY, is hereby established for the accomplishment of any or all of the purposes specified in title one of article eighteen-A of this chapter. It shall constitute a body corporate and politic, and be perpetual in duration. It shall have the powers and duties now or hereafter conferred by title one of article eighteen-A of this chapter upon industrial development agencies and provided that the exercise of the powers by such agency with respect to the acquisition of real property whether by purchase, condemnation or otherwise, shall be limited to the corporate limits of the county of Essex, and such agency shall take into consideration the local zoning and planning regulations as well as the regional and local comprehensive land use plans. It shall be organized in a manner prescribed by and be subject to the provisions of title one of article eighteen-A of this chapter. Its members shall be appointed by the governing body of the county of Essex. The agency, its members, officers and employees and its operations and activities shall in all respects be governed by the provisions of title one of article eighteen-A of this chapter.

§ 2. This act shall take effect immediately.

CHAPTER 564

AN ACT to confer jurisdiction on the court of claims to hear, audit and determine the claim or claims of Ramona K. Beals and Carlton Beals for compensation for damages for certain lands owned by them and appropriated by the state and to render judgment thereon

Became a law June 5, 1973, with the approval of the Governor. Passed by a majority vote, three-fifths being present

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Jurisdiction is hereby conferred upon the court of claims to hear, audit and determine the claim or claims of Ramona K. Beals and Carlton Beals of 10212 Allegheny Road, Darien Center in the Town of Darien, Genesee County, New York, or their successors in interest, against the state for compensation, value and damages, including consequential and severance damages to real property alleged to have been sustained by Ramona K. Beals and Carlton Beals by reason of the appropriation pursuant to section six hundred seventy-six-a of the conservation law of certain lands in the county of Genesee in the construction or reconstruction of Darien Lakes State Park in such county and described as follows:

ALL THAT TRACT OR PARCEL OF LAND being part of Great Lot 5, Township 11, Range 4, Town of Darien, County of Genesee, State of New York as shown on a map entitled "Acquisition Map, Darien Lakes State Park, County of Genesee, State of

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New York Consolidated Laws, General Municipal Law - GMU § 914-a. Essex county industrial development agency

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law/gmu-sect-914-a.html) <[As amended by L.1973, c. 563. Other §§ 914-a were added by other acts.]>

For the benefit of the county of Essex and the inhabitants thereof, an industrial development agency is hereby established for the benefit of the ESSEX COUNTY INDUSTRIAL DEVELOPMENT AGENCY, is hereby established for the accomplishment of any or all of the purposes specified in title one of article eighteen-A of this chapter. It shall constitute a body corporate and politic, and be perpetual in duration. It shall have the powers and duties now or hereafter conferred by title one of article eighteen-A of this chapter upon industrial development agencies and provided that the exercise of the powers by such agency with respect to the acquisition of real property whether by purchase, condemnation or otherwise, shall be limited to the corporate limits of the county of Essex, and such agency shall take into consideration the local zoning and planning regulations as well as the regional and local comprehensive land use plans. It shall be organized in a manner prescribed by and be subject to the provisions of title one of article eighteen-A of this chapter. Its members shall be appointed by the governing body of the county of Essex. The agency, its members, officers and employees and its operations and activities shall in all respects be governed by the provisions of title one of article eighteen-A of this chapter.

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BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

Essex County Industrial Development Agency

(Name of Issuer and Co-Issuer(s), if applicable)

May 8, 2017

(Date)

The Depository Trust Company
570 Washington Blvd, 4th FL
Jersey City, NJ 07310
Attention: Underwriting Department

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request to be made eligible for deposit by The Depository Trust Company ("DTC").

Issuer is: **(Note: Issuer shall represent one and cross out the other.)**

[incorporated in] [formed under the laws of] the State of New York.

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Very truly yours,

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Essex County Industrial Development Agency

(Issuer)

By: *Darren B. Darrah*

(Authorized Officer's Signature)

Darren Darrah

(Print Name)

P.O. Box 217 7566 Court Street

(Street Address)

Elizabethtown, NY 12932

(City)

(State)

(Country)

(Zip Code)

(518) 873-9114

(Phone Number)

info@essexcountyida.com

(E-mail Address)

DTCC

**Certificate of Authorized Representative
Regarding Sales Tax Exemption**

Pursuant to the Installment Sale Agreement, dated as of May 1, 2017, between the Essex County Industrial Development Agency (the "Issuer") and Champlain Valley Milling Corp., Inc. (the "Company"), the undersigned does hereby certify:


1. That the aggregate dollar amount of all sales tax exemptions availed of or by the Company from January 1 through December 31, ____ is \$_____.

2. That the aggregate dollar amount of all sales tax exemption availed of or by the Company from the date of original issuance of execution of the form ST-60 and the form ST-123_____, ____ is \$_____.

[The remainder of this page intentionally left blank]

3. That all sales tax exemptions so availed are in compliance with the provisions of the Sales Tax Letter.

Dated: May 10, 2017

By: 
Name: Samuel Sherman
Title: President

[Signature Page to Certificate of Authorized Representative
Regarding Sales Tax Exemption]

AFFIDAVIT

STATE OF NEW YORK)

)SS:

COUNTY OF ESSEX)

Darren Darrah, being duly sworn, deposes and says:

I am the Chairman of the Essex County Industrial Development Agency (the “Issuer”).

1. That the Issuer is a governmental agency and instrumentality constituting a body corporate and politic and a public benefit corporation of the State of New York.

2. Pursuant to the resolutions adopted by the Issuer and that certain Indenture of Trust, dated as of May 1, 2017 between the Issuer and the ZB, National Association, as trustee (“Trustee”) (as amended, supplemented and/or otherwise modified from time to time, the “Indenture”), has authorized the issuance of its \$4,245,000 principal amount Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 (the “Bonds”).

3. The Bonds are being sold by the Issuer in accordance with a Bond Purchase Agreement, dated as of May 10, 2017 by and among the Issuer, Champlain Valley Milling Corp., Inc. (the “Company”), and Janney Montgomery Scott LLC (the “Underwriter”) for the purpose of providing funds to finance a Project (as defined in the hereinafter Indenture) for the benefit of the Company.

4. The proceeds of the Bonds will be loaned by the Issuer to the Company pursuant to an Installment Sale Agreement, dated as of May 1, 2017 (the “Installment Sale Agreement”) pursuant to which the Company will covenant, among other things, to make installment payments sufficient to pay all principal of, redemption premium, if any, and interest on the Bonds.

5. To secure their obligations under the Installment Sale Agreement, the Company together with the Issuer will grant a Mortgage and Security Agreement, dated as of May 1, 2017 (the “Mortgage”) to the Trustee. Following recordation of the Mortgage, the Issuer will execute and deliver for recording the Pledge and Assignment Agreement, dated as of May 1, 2017, pursuant to which the Issuer assigns all of its right, title and interest in and to the Installment Sale Agreement (other than Unassigned Rights) to the Trustee.

6. To further secure the payment obligations of the Company and the amounts due under the Bonds, the Company will execute and deliver a Guaranty Agreement, (the "Guaranty") dated as of May 1, 2017, from both the Company and the majority owners thereof to the Issuer and the Trustee.


7. Pursuant to Article 18-A of the General Municipal Law, the Issuer, and the Company as the agent of the Issuer, are regarded as performing a governmental function and the Issuer is generally not required to pay taxes or assessments upon any property acquired by it or under its jurisdiction or control or supervision or upon its activities, and the Issuer through the Installment Sale Agreement is regarded as owner of fee title to the Project, to hold the Project under its jurisdiction, control and supervision pursuant to the provisions of §874(1) of the General Municipal Law and Opns.St.Compt. 82-188 (June 2, 1982) and decided law interpreting such advisory opinion.

8. The documents are being executed and delivered by the Issuer, and/or the Company, as agent for the Issuer, which was created by the State of New York and the use by the Issuer of its powers is deemed by Article 18-A of the General Municipal Law as a public purpose essential to the public interest; and

9. This affidavit is submitted by the Issuer in connection with the recordation of the Mortgage, as tendered by the Issuer to the County Clerk of the County of Essex, State of New York, for recording in the real property records in Essex County, New York.

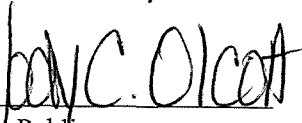
WHEREFORE it is respectfully requested that the Mortgage be recorded without demand for payment or payment of the mortgage recording tax or any other transfer or recording taxes for the filing or recording of the documents on the ground that each such document is exempt from the mortgage recording tax imposed pursuant to the provisions of Section 253 and 253-a of the Tax Law of State of New York.

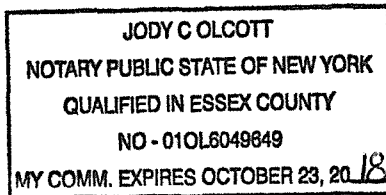
ESSEX COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Name: Darren Darrah
Title: Chairman

Sworn to before me this

9th day of May, 2017


Notary Public



[Signature Page to Affidavit relating to Mortgage Recording Tax Exemption]



Janney Montgomery Scott LLC
 575 Lexington Ave, 20th Floor
 New York, NY 10022
 212-888-2528

To: The Working Group
From: Janney Montgomery Scott LLC (“Janney”)
Date: May 16, 2017
Re: Essex County Industrial Development Agency
 \$4,245,000 Tax-Exempt Revenue Bonds
 (Champlain Valley Milling Corp., Inc. Project), Series 2017

The Closing for the above-referenced transaction will be completed via phone on upon receipt of funds. The following is a description of the Sources and Uses of Funds for the Series 2017 Bonds:

Sources and Uses of Funds	
Sources:	
<i>Bond Proceeds:</i>	\$4,245,000.00
Par Amount	
<i>Other Sources of Funds:</i>	101,200.00
Equity Contribution for COI	
Total Sources	\$4,346,200.00
Uses:	
Project Fund	\$3,377,240.55
Loan Payoff	260,000
Debt Service Reserve Fund	325,468.76
Capitalized Interest Fund	143,710.95
Cost of Issuance	111,100.00
Underwriter's Discount	75,000.00
Other Delivery Date Expenses	53,679.74
Total Uses	\$4,346,200.00

Step 1

On the morning of Monday, May 15, 2017 by approximately 9:00am Eastern Standard Time, Champlain Valley Milling Corp., Inc. will cause to be delivered a wire in the amount of \$101,200 to initiate the closing of the Series 2017 Bonds.

Wired Funds	Wire Instructions
\$101,200.00	Zions Bank ABA: 124000054 Acct: 080000672 F/C: 2516630E Name: ECIDA Champlain Valley Milling – 2017 Cost of Issuance

Step 2

On the morning of Tuesday, May 16, 2017 by approximately 9:30am Eastern Standard Time, Janney will cause to be delivered a wire to effect the closing of the Series 2017 Bonds. Janney will wire **\$4,170,000.00**, representing the following:

Series 2017 Bonds

Principal Amount of Bonds	\$4,245,000.00
Less: Underwriter’s Discount	- 75,000.00
Purchase Price:	\$4,170,000.00

The purchase price will be wired as follows:

Wired Funds	Wire Instructions
\$4,170,000.00	Zions Bank ABA: 124000054 Acct: 080000672 F/C: 2516630E Name: ECIDA Champlaine Valley Milling – 2017 Cost of Issuance

Step 3

Upon receipt of the funds, the Trustee will deposit the funds as follows:

Fund Name	Amount (\$)
Project Fund – Project Account (Project Fund and Loan Payoff)	\$3,637,240.55
Project Fund – Capitalized Interest Account	\$143,710.95
Reserve Fund	\$325,468.76
Cost of Issuance	\$ 164,779.74
Total:	\$4,271,200.00

Step 4

On the morning of Tuesday, May 16, 2017, the Trustee will use a portion of the project fund to pay off the commercial loan in the amount of \$260,000.00. Wire instructions are below.

Wired Funds	Wire Instructions
\$260,000.00	Champlaine National Bank 3900 NYS Rt. 22, Willsboro, NY 12996 Short Name: Champlaine Willsboro Routing #: 021310407 Credit To: Loan #2124162 Name: Champlaine Valley Milling Corp., Inc.

Step 5

A brief closing call will be held on Tuesday, May 16, 2017 at 10:30am eastern standard time after all parties are satisfied that all amounts have been received and that all documentation is in order. Janney will initiate a conference call with DTC, the Trustee and Bond Counsel to instruct DTC to release the Series 2017 Bonds. The number for DTC is 212-855-3752 and Janney’s Participant # is 0374. Details for the closing call can be found below.

Dial-in: (800) 768-2983
Access Code: 8882529 #

Step 6

Upon a successful closing of the Bonds, The Trustee will proceed to disburse closing costs according to the Initial Requisition from the Costs of Issuance Fund and the Project Fund (Project Account).

REQUISITION NO. 1

Name of Firm	Purpose	Amount (\$)	Fund	Payment Wire Instructions
Trespasz & Marquardt, LLP	Placement Agent Counsel Fee	\$15,000.00	Cost of Issuance Fund	To ACH or EFT fees to checking account: To: Chase Manhattan Bank, Syracuse, NY Routing Number: 021000021 Account Number: 590-5001419-65 Account Title: Trespasz & Marquardt, LLP Account Type: Checking Include following direction: For further credit to upstate account
Squire Patton Boggs	Bond Counsel Fee	\$50,000.00	Cost of Issuance Fund	Squire Patton Boggs (US) LLP US Bank 425 Walnut Street Cincinnati, OH 45264 Bank Routing #: 042000013 Bank Account #: 576762314
William H. Kissel, Esq.	Borrower's Counsel Fee	\$17,325.00	Cost of Issuance Fund	William H. Kissel, Attorney at Law NBT Bank, N.A. 52 South Broad Street Norwich, New York 13815 ABA Routing #: 021303618 For further credit of Lake Placid Office, 2483 Main Street: William H. Kissel, Disbursement Account #: 7001807603 NBT Contact: 518-523-9544
Briggs Norfolk LLP	Issuer's Counsel Fee	\$2,775.00	Cost of Issuance Fund	NBT Bank, N.A. 52 South Broad Street Norwich, New York 13815 Lake Placid, NY 12946 518-523-9544

				ABA #: 021303618 For Credit to Briggs Norfolk LLP 2296 Saranac Avenue Lake Placid, NY 12946 518-523-5555 Account Number: 7002486754
Kevin Wetmore, Esq.	Purchaser's Counsel Fee	\$15,000.00	Cost of Issuance Fund	KeyBank, N.A. ABA/Routing No.: 021300077 For Further Credit To: Kevin Wetmore Account No.: 000544192389
Zions Bank	Trustee Fee	\$8,000.00	Cost of Issuance Fund	Internal Transfer
Paparone Law Pllc	Trustee's Counsel Fee	\$3,000.00	Cost of Issuance Fund	Bank Name: Bank of America, N.A. Bank location: 701 Broadway, Bayonne, NJ 07002 Account Name: Paparone Law PLLC Wire Transfer Number: 026009593 ACH Transfer Number: 021200339 Account Number: 381049013803 Bill Number: 100010 CMN #: ZIONS.000001
Essex County Industrial Development Agency	Issuer Fee	\$31,837.50	Cost of Issuance Fund	Champlain National Bank Routing #021310407 Account #3515645
Various Companies	Title Fees	\$16,717.24	Cost of Issuance Fund	See preferred payment method in title invoice packet
Kevin Hall	Surveyor Fee	\$2,175.00	Cost of Issuance Fund	See preferred payment method in title invoice packet
Atlantic Testing Laboratories	Phase 1 Enviro Fee	\$2,950.00	Cost of Issuance Fund	See preferred payment method in title invoice packet
Codema LLC	Downpayment for equipment and engineering	\$279,501.50	Project Fund (Project Account)	See attached
Kice Industries, Inc	Downpayment Equipment	\$51,959.00	Project Fund (Project Account)	See attached

A.N. Martin Systems LLC	Downpayment Equipment	\$94,657.87	Project Fund (Project Account)	See attached
John W. Sheehan & Sons	Payment concrete	\$66,530.00	Project Fund (Project Account)	See attached
Rasp, Inc.	Downpayment Equipment	\$149,275.00	Project Fund (Project Account)	See attached
Champlain Valley Milling, Corp. Inc.	Reimbursements work completed	\$156,494.86	Project Fund (Project Account)	See attached
Total*		\$963,197.97		

*\$164,779.74 to be disbursed from the Cost of Issuance Fund and \$798,418.23 to be disbursed from Project Fund (Project Account)

CROSS RECEIPT

May 16, 2017

ZB, National Association
Corporate Trust
401 Liberty Avenue, Suite 1729
Pittsburgh, PA 15222

Ladies and Gentlemen:

We hereby acknowledge receipt of \$4,245,000 aggregate principal amount of Essex County Industrial Development Agency (the "Issuer") Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 (the "Bonds"), consisting of registered bonds without coupons bearing interest, payable quarterly on the first days of March, June, September and December (commencing June 1, 2017), at the rates and maturing on June 1 and December 1 of the years, all as set forth in Schedule A attached hereto.

We have on the date hereof transferred immediately available funds in the amount of \$4,170,000 to you in your capacity as Trustee under the Trust Indenture, dated as of May 1, 2017, between the Issuer and the Trustee, which payment constitutes full payment for the Bonds in accordance with the Bond Purchase Agreement, dated May 10, 2017, between the Issuer, the Company, and Janney Montgomery Scott LLC, as Underwriter.

Principal Amount	[\$4,245,000.00]
Less: Underwriters' Discount	(\$75,000)
Total Amount Due	<u>\$4,170,000.00</u>

[Signature Page Follows]

IN WITNESS WHEREOF, Janney Montgomery Scott LLC has caused this Cross Receipt to be executed on its behalf this 16th day of May, 2017.

JANNEY MONTGOMERY SCOTT LLC,
as Underwriter

By:  _____
Authorized Officer

Receipt is hereby acknowledged
of the amounts mentioned above.

ZB, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

[Signature Page to Cross Receipt]

IN WITNESS WHEREOF, Janney Montgomery Scott LLC has caused this Cross Receipt to be executed on its behalf this 14th day of May, 2017.

JANNEY MONTGOMERY SCOTT LLC,
as Underwriter

By: _____
Authorized Officer

Receipt is hereby acknowledged
of the amounts mentioned above.

ZB, NATIONAL ASSOCIATION,
as Trustee

By:  _____
Authorized Officer

[Signature Page to Cross Receipt]

TRUSTEE'S REPRESENTATIONS AS F.A.S.T. AGENT; RECEIPT FOR THE BONDS

The undersigned hereby confirms that it has accepted the duties and obligations of F.A.S.T. Agent to the Depository Trust Company ("DTC"), New York, New York, in connection with the issuance of \$4,245,000 aggregate principal amount of Essex County Industrial Development Agency Tax Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 (the "Bonds").

We hereby acknowledge receipt of the Bonds in the aggregate principal amount of \$4,245,000.

ZB, NATIONAL ASSOCIATION

By: 
Name: Eric Mizel
Title: Vice President



E. SCOTT BOUSHIE, CPA

BOUSHIE & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

ONE STEVENSON LANE • POST OFFICE BOX 1013
SARANAC LAKE, NEW YORK 12983-1013

TELEPHONE (518) 891-1754

TELEFAX (518) 891-1755

May 16, 2017

Essex County Industrial Development Agency
7566 Court Street
Elizabethtown, New York 12932
Attention: Chairperson

Champlain Valley Milling Corp., Inc.
6679 Main Street
P.O. Box 454
Westport, New York 12993
Attention: President

We agree to the inclusion in the Limited Offering Memorandum dated May 16, 2017 relating to the Essex County Industrial Development Corporation's Tax-Exempt Revenue Bonds (Champlain Valley Milling Corp., Inc. Project), Series 2017 of our report, dated May 23, 2016, on our review of the Financial Statements of Champlain Valley Milling Corp., Inc. for the years ended April 30, 2016 and 2015, appearing in Appendix B to the Limited Offering Memorandum.


Boushie & Associates