

AGREEMENT FOR PAYMENTS IN LIEU OF TAXES

AGREEMENT FOR PAYMENTS IN LIEU OF TAXES (the "PILOT Agreement"), dated as of August 26, 2015, by and between the COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York having its principal place of business at 5 Warren Street, Glens Falls, New York 12801 (the "Agency") and BOATS BY GEORGE, INC. (the "Company"), a New York corporation having an office for the transaction of business at 18 State Route 149, Lake George, New York, 12845 (the "Company").

RECITALS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "State"), as amended, and Section 890-c of the General Municipal Law of the State (collectively, the "Act"), the Agency was created and granted the authority to enter into agreements for the purpose of acquiring, constructing and equipping certain commercial facilities; and

WHEREAS, to advance the public purposes for which it was created, the Agency, upon application of the Company, has agreed to undertake a project (the "Project") consisting of : (i) the acquisition of an interest in a certain commercial parcel or parcels of land located at 10018 State Route 149, Town of Fort Ann, County of Washington, State of New York (the "Land"); (ii) the construction and equipping of four (4) separate buildings, comprising an aggregate of 38,680 +/- square feet of boat storage and maintenance space (the "Facility"); (iii) the acquisition and installation therein of certain furnishings and fixtures (the "Equipment" together with the Land and the Facility, collectively the "Project Facility") to be used in connection with the contemplated uses; and (iv) the lease of the Project Facility to the Company, all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, Chapter 862 of the Laws of 1971 of the State of New York (collectively, the "Act"), as amended; and

WHEREAS, the Agency has agreed to lease and the Company has agreed to rent the Project Facility pursuant to a lease agreement dated as of August 26, 2015 (the "Lease Agreement"); and

WHEREAS, the Agency will hold a leasehold interest to the Land and all improvements thereon until such time as it may convey its leasehold interest to the Project Facility pursuant to the Lease Agreement; and

WHEREAS, under Section 412-a of the Real Property Tax Law of the State and Section 874 of the General Municipal Law of the State, the Agency is exempt from the payment of taxes and assessments on any real property acquired by it or taken under its jurisdiction, supervision or control; and

WHEREAS, the Agency shall file, on or prior to March 1, 2016, a NYS Real Property Form 412-a with the assessor of the taxing jurisdiction, together with a copy of this PILOT Agreement; and

WHEREAS, Section 6.3 of the Lease Agreement provides that the Company will make certain payments in lieu of town, county, school district and other governmental taxes and charges; and

WHEREAS, in accordance with Section 874(4)(a) of the General Municipal Law of the State, the Agency has established a uniform tax exemption policy (the "Uniform Tax Exemption Policy").

NOW, THEREFORE, in partial consideration of the Agency undertaking the Project, the Company and Agency agree as follows:

AGREEMENT

SECTION 1. Definitions. Unless the context or use unambiguously indicates otherwise, all capitalized terms used herein shall have the meanings given to them in the Lease Agreement.

SECTION 2. Description of Property. This PILOT Agreement shall apply to the Land and Facility, as more particularly described within Schedule A hereto.

SECTION 3. Company Obligations.

(A) Throughout the period, a leasehold interest to the Land and the Facility is conveyed to the Agency, the Company shall pay to the Agency, in accordance with the terms of this agreement, certain taxes, assessments, rents and other governmental charges levied upon or against the Land and the improvements thereon (the "PILOT Payments"). In determining the amount of any PILOT Payment, such payment shall be calculated (1) as if title and interest to the Land is in the Company and not the Agency, (2) as if the improvements contemplated by the Plans and Specifications are completed on or before the Completion Date and (3) in accordance with the PILOT Payment Schedule as set forth in Schedule B hereto. Payments hereunder shall be made at such times and in such amounts as would be due were title to the Land and the improvements in the Company and not the Agency.

(B) In addition to the payments set forth in paragraph (A) of this Section 3, the Company shall be responsible for the payment to the Agency of all assessments, water/sewer rents and other governmental charges not included in Schedule B that would be levied upon or against the Land and the improvements thereon were title to them in the Company and not the Agency.

(C) If the lease of the Facility to the Agency remains in effect beyond the term allowed herein, the Company shall pay to the Agency all taxes that would have been levied on or against

the Facility were title to it in the Company and not the Agency. Payments hereunder shall be made at such times and in such amounts as would be due were title to the Facility in the Company and not the Agency.

(D) If any payments under paragraph (A) and (B) of this Section 3 are untimely, such payments shall be subject to late charges, costs, expenses and penalties in accordance with Section 874(5) and Section 874(6) of the General Municipal Law of the State, as amended.

SECTION 4. Sales Tax Exemption.

(A) The initial construction and equipping of the Facility shall be exempt from sales tax. The initial sales tax exemption period for the Facility shall expire at the end of the Construction Period, subject to extension by approval of the Agency. No sales tax exemption shall be granted to the Company for the operations of the Facility.

(B) The Agency and the Company agree that the sales tax exemption shall be provided in accordance with Section 875 of the General Municipal Law, as amended. The Agency shall keep records of the amount of State and local sales and use tax exemption benefits provided to this Project and Company and its subagents, shall make such records available to the Commissioner of Tax & Finance upon request.

SECTION 5. Mortgage Tax Exemption. All mortgages placed against the Facility shall be exempt from the payment of mortgage recording tax, as would otherwise be charged pursuant to the Tax Law of the State, as amended.

SECTION 6. Recapture of Benefits. All benefits derived hereunder shall be subject to the Uniform Recapture of Benefits Policy of the Agency as set forth on Schedule C hereto.

SECTION 7. Distribution of Payments. The Agency shall distribute each payment hereunder among the tax districts within which the Facility is located in accordance with Section 858(15) of the General Municipal Law of the State, as amended.

SECTION 8. Event of Default. Failure of the Company to make any payment required hereunder shall constitute an Event of Default under the Lease Agreement.

SECTION 9. Remedies on Default.

(A) General. Whenever 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 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, agreement and covenants of the Company under this Payment in Lieu Agreement.

(B) Cross-Default. In addition, Default hereunder shall constitute an event of default under Article X of the Lease Agreement. Upon occurrence 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 Lease Agreement, among other remedies, the right to terminate the Lease Agreement, thus subjecting the Project Facility to immediate full taxation pursuant to Section 520 of the Real Property Tax Law of the State.

SECTION 10. Term of Agreement. The term of the PILOT Agreement shall be from the date leasehold interest to the Land is leased to the Agency by the Company by the Underlying Lease to the date the leasehold interest to the Land is conveyed by assignment to the Company (or any other Person) by the Agency pursuant to the provisions of the Lease Agreement. Until the leasehold interest in the Land and improvements is transferred into the Agency on the next ensuing taxable status date, the Company shall be liable for all real property taxes levied on, or which could be levied on, the Land and improvements based on the assessment roll in effect on the date of the Underlying Lease from the Company to the Agency. The Company shall be liable for all real property taxes levied on, or which could be levied on, the Land and improvements from the date of conveyance from the Agency to the Company pursuant to the provisions of Section 520 of the Tax Law of the State.

SECTION 11. Grievance Procedure.

(A) The Agency hereby assigns to the Company all of the Agency's rights under the Real Property Tax Law of the State to contest any assessment on or real property tax levied against the Land and the Facility. Should the Company commence any real property assessment review proceeding under this Section 11, the Company shall have the right to prosecute such action or administrative adjudication in the name of the Agency. If the Company shall prevail in such proceeding, the Agency shall pass through to the Company any refunds of payments in lieu of taxes the Agency receives from the taxing jurisdictions based upon the final order or judgment of the court or Governmental Authority reviewing the assessment or tax.

(B) The rights assigned in paragraph (A) of this Section 11 are subject to those rights and obligations created by the Lease Agreement.

SECTION 12. Assignment of Company Obligations. The obligations of the Company under the PILOT Agreement may not be assigned in whole or in part to any other Person without the prior written consent of the Agency.

SECTION 13. Merger of Agency.

(A) Nothing contained in the PILOT Agreement shall prevent the consolidation of the Agency with, or merger of the Agency into or assignment by the Agency of its rights and interests hereunder to any other body corporate and politic and public instrumentality of the State or political subdivision thereof which has the legal authority to perform the obligations of the Agency hereunder, provided that upon any such consolidation, merger or assignment, the due and punctual

performance and observance of all the agreements and conditions of the PILOT Agreement and the Lease Agreement to be kept and performed by the Agency shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Agency's rights and interests hereunder shall be assigned.

(B) As of the date of any such consolidation, merger or assignment, the Agency shall give notice thereof in reasonable detail to the Company. Pursuant to Section 9.2 of the Lease Agreement, the Agency shall promptly furnish to the Company such additional information with respect to any such consolidation, merger or assignment as the Company reasonably may request.

SECTION 14. Uniform Tax Exemption Policy. This PILOT Agreement and its provisions are in compliance with the Agency's Uniform Tax Exemption Policy.

SECTION 15. Counterparts. This PILOT Agreement may be executed in several counterparts each of which shall be an original and all of which shall constitute but one instrument.

SECTION 16. Applicable Law. This PILOT Agreement shall be governed exclusively by the applicable laws of the State of New York.

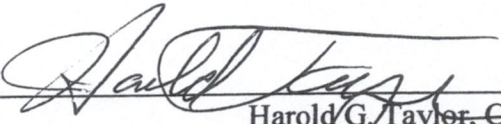
SECTION 17. Section Headings. The section headings of this PILOT Agreement have been prepared for convenience only and shall not affect the meaning of any provision of this PILOT Agreement.

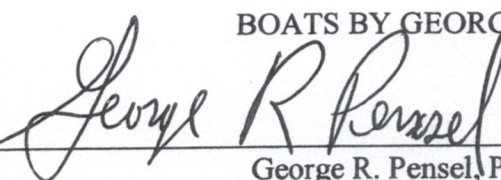
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[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Agency and the Company have caused this PILOT Agreement to be executed by their Authorized Representatives as of the date first above written.

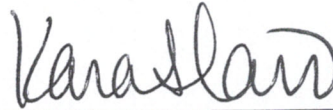
COUNTIES OF WARREN AND WASHINGTON
INDUSTRIAL DEVELOPMENT AGENCY

By: 
Harold G. Taylor, Chairman

BOATS BY GEORGE, INC.
By: 
George R. Pensel, President

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

On the 25th day of August in the year 2015, before me, the undersigned, personally appeared **Harold G. Taylor**, 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

KARA I. LAIS

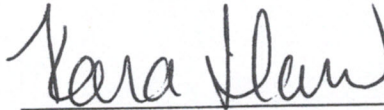
Notary Public, State of New York

Saratoga Co. #02LA6105701

Commission Expires Feb. 17, 20 16

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

On the 26th day of August in the year 2015, before me, the undersigned, personally appeared **George Pensel**, 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

KARA I. LAIS

Notary Public, State of New York

Saratoga Co. #02LA6105701

Commission Expires Feb. 17, 20 16

Schedule A

Legal Description

ALL THAT TRACT OR PARCEL OF LAND, situate, lying and being in the Town of Fort Ann, County of Washington and State of New York, being Lot No. 5A as shown on a map of a survey and subdivision prepared for Christopher M. Penney by Richard W. Bennett, Land Surveyor, Queensbury, New York, dated May 2001 and filed in the Washington County Clerk's Office on August 17, 2001, in Drawer 23C, Map No. 23C-64.

SCHEDULE B

PILOT PAYMENT SCHEDULE

During the term of this PILOT Agreement, the Company shall make payments equal to a percentage of the taxes which would have been due to the relevant taxing entities based on the total assessed value of the Land and the Facility, as follows:

- (a) One hundred percent (100%) of the taxes due on the land and existing structures and improvements;
- (b) 50% exemption on new construction for a period of five (5) years; 25% exemption for the next five (5) years; then payment of 100% of the taxes due beginning in year 11.

ABATEMENT SCHEDULE

Pilot Year	Town/County Tax: Year Jan 1 - Dec 31	School Tax Year: July 1 - June 30	Percentage of Abatement on New Facility
Year 1	2016	N/A	0% abatement on new construction
Year 1		2016-17	50% abatement on new construction
Year 2	2017	2017-18	50% abatement on new construction
Year 3	2018	2018-19	50% abatement on new construction
Year 4	2019	2019-20	50% abatement on new construction
Year 5	2020	2020-21	50% abatement on new construction
Year 6	2021	2021-22	25% abatement on new construction
Year 7	2022	2022-23	25% abatement on new construction
Year 8	2023	2023-24	25% abatement on new construction
Year 9	2024	2024-25	25% abatement on new construction
Year 10	2025	2025-26	25% abatement on new construction
Year 10	2026	N/A	25% abatement on new construction
Year 11	2026	2026-27	0% abatement on new construction

SCHEDULE C

UNIFORM RECAPTURE OF BENEFITS POLICY (as may be applicable)

A. For companies receiving real property tax abatements the recapture of benefits schedule (applicable to the real property tax abatements) is as follows:

Within 1 year	100%
Within 2 years	100%
Within 3 years	100%
Within 4 years	50%
Within 5 years	25%
After 5 years	0%

The time period above is from the effective date of the PILOT Agreement. Imposition of any recapture is at the sole discretion of the Agency and is reviewed/considered on a case by case basis. Reasons for the recapture of benefits include the following:

1. Sale or closure of the facility and departure of the company from the counties of Warren and Washington.
2. Significant change in the use of the facility and/or the business activities of the company.
3. Significant employment reductions not reflective of the company's (normal) business cycle and/or local and national economic conditions.
4. Failure to comply with annual reporting requirements.
5. Failure to achieve the minimum number of net new jobs specified in the application within 3 years. (Jobs of thirty (30) or more hours per week will be considered as one full time job. Part time permanent jobs of less than thirty (30) hours per week will be converted to full time equivalent jobs by dividing the total number of part time hours by 30.)

NOTE: The Agency, at its discretion, reserves the right to deviate from its Recapture of Benefits Policy, and to impose more severe penalties and restrictions.

B. In addition to the above reasons for recapture, the Agency shall recover, recapture, receive or otherwise obtain from the Company, or its subagents, sales tax benefits that were taken or purported to be taken which are:

1. In excess of the amounts authorized; or
2. For property or services not authorized; or

3. For a project that failed to comply with a material term or condition to use property or services in the manner required by any and all provisions of the agreements that the Company has entered into with the Agency.

For purposes of this Recapture of Benefits Policy, the Company and its subagents shall cooperate with the Agency in its efforts to recover, recapture, receive or otherwise obtain such State sales and use benefit exemptions and shall promptly pay over such amount to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of Taxation and Finance to assess and determine State sales and use taxes due from the Company under Article 28 of the New York State Tax Law, together with any penalties and interest due on such amounts.

In the event that the Agency recovers, recaptures, receives or otherwise obtains any amount of State sales and use tax exemption benefits from the Company or its agents, the Agency shall, within thirty (30) days of coming into possession of such amount, remit it to the Commissioner of Taxation and Finance, together with such other information and report that the Commissioner deems necessary to administer payment over such amount.

PRELIMINARY AGREEMENT

THIS AGREEMENT is between the **COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency"), a public benefit corporation of the State of New York having an address of 5 Warren Street, Glens Falls, New York 12801 and **BOATS BY GEORGE, INC.** (the "Company"), a New York business corporation, having an address of 18 State Route 149, Lake George, New York 12845.

Article 1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of the Agreement are the following:

1.01. The Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "State"), as amended, and Chapter 862 of the Laws of 1971 of the State, as amended (collectively, the "Act"), to undertake industrial development projects (as defined in the Act) and to lease or sell the same upon such terms and conditions as the Agency may deem advisable.

1.02. The policy and purposes of the Act are (i) to promote the economic welfare, recreation opportunities and prosperity of the inhabitants of the State; (ii) to protect and promote the health of the inhabitants of the State by conservation, protection and improvement of the State's natural, cultural and historical resources, including the environment; and (iii) to protect and promote the health of the inhabitants of the State and to increase trade through promoting the development of facilities to provide recreation for the citizens of the State and to attract tourists from other states. The Act further provides that the purposes of an industrial development agency are to advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living. This also includes the authority to encourage and assist in the providing of civic facilities. The Act vests the Agency with all powers necessary to enable it to accomplish such purposes.

1.03. The Company has applied to the Agency to undertake a development project (the "Project") consisting of (i) the acquisition of an interest in a certain commercial parcel or parcels of land located at 1038 State Route 149, Town of Fort Ann, County of Washington, State of New York (the "Land"); (ii) the construction and equipping of four (4) separate buildings, comprising an aggregate of 38,680 +/- square feet of boat storage and maintenance space (the "Facility"); (iii) the acquisition and installation therein of certain furnishings and fixtures (the "Equipment" together with the Land and the Facility, collectively the "Project Facility") to be used in connection with the contemplated uses; and (iv) the lease of the Project Facility to the Company, all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, Chapter 862 of the Laws of 1971 of the State of New York (collectively, the "Act"), as amended.

1.04. The Company hereby represents to the Agency that undertaking the Project will not result in the removal of an industrial or manufacturing plant from one area of the State to another, will not result in the abandonment of one or more plants or facilities of the Company located within the State and is reasonably necessary to maintain the competitive position of the Company in the industry.

1.05. The Agency has determined that the acquisition, construction and equipping of the Project Facility and the leasing of the same to the Company will promote and further the purposes of the Act.

1.06. The Town of Fort Ann Planning Board (the "Planning Board") will act as "lead agency" for purposes of review of the Project pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, the "SEQRA Act").

(A) The Agency has not yet made a preliminary determination as to the potential environmental significance of the Project and therefore has not yet determined whether an environmental impact statement is required to be prepared with respect to the Project; and a final determination (the "Closing Resolution") by the members of the Agency to proceed with the Project and to enter into a lease agreement with the Company will follow a determination by the members of the Agency that all requirements of SEQRA that relate to the Project have been fulfilled. The Agency will not make a SEQRA determination until after the Planning Board review.

1.07. On May 19, 2014, the Agency adopted a resolution (the "Resolution") agreeing to undertake the Project in order to assist the Company and to effectuate the purposes of the Act and, subject to the happening of all acts, conditions and things required precedent to undertake the Project.

1.08. In the Resolution, the Agency appointed the Company its agent for the purposes of acquiring, constructing and equipping the Project Facility, entering into contracts and doing all things requisite and proper for completing the Project Facility.

Article 2. Undertakings on the Part of the Agency. Based upon the statements, representations and undertakings of the Company and subject to the conditions set forth herein, the Agency agrees as follows:

2.01. The Agency will undertake the Project, pursuant to the terms of the Act, as then in force.

2.02. The Agency will adopt such proceedings and authorize the execution of such documents as may be necessary or advisable for (i) the acquisition, construction and equipping of the Project Facility, and (ii) the leasing of the Project Facility to the Company, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company.

2.03. The Agency will enter into an agreement to lease the Project Facility to the Company (the "Lease Agreement"). The Lease Agreement shall obligate the Company to undertake the Project on behalf of the Agency. The Lease Agreement shall contain all provisions required by law and such other provisions as shall be mutually acceptable to the Agency and the Company.

2.04. The Company is hereby appointed the true and lawful agent of the Agency (i) to acquire, construct and equip the Project Facility and (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the agent of the Agency, and in general to do all things which may be requisite or proper for completing the Project Facility, all with the same powers and the same validity as the Agency could do if acting in its own behalf. In addition, the Company is hereby authorized to proceed with the acquisition, construction and equipping of the Project Facility subject to receiving appropriate municipal approvals needed prior to commencement of construction, and to advance such funds as may be necessary to accomplish such purposes and, to the extent permitted by law.

2.05. The Agency will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

Article 3. Undertakings on the Part of the Company. Based upon the statements, representations and undertakings of the Agency and subject to the conditions set forth herein, the Company agrees as follows:

3.01. The Company accepts the appointment as agent of the Agency, with all of the rights, powers, duties and obligations inherent therein.

3.02. The Company will, to the extent deemed by it to be necessary or desirable, enter into a contract or contracts for the acquisition, construction and equipping of the Project Facility.

3.03. The Company will enter into the Lease Agreement with the Agency containing the terms and conditions described in Section 2.03 hereof. The Company, as Agent of the Agency, agrees to pay for all costs associated with undertaking the Project and shall not be entitled to any reimbursement for any costs from the Agency.

THE AGENCY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, THAT THE PROJECT FACILITY WILL BE SUITABLE FOR THE PURPOSES OR NEEDS OF THE COMPANY.

3.04. The Company will enter into a Payment in Lieu of Tax (PILOT) Agreement which is in compliance with the provisions of the Agency's Tax Abatement Policy.

3.05. (a) The Company shall indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on labor, services, materials and supplies, including equipment ordered or used in connection with the acquisition, construction and equipping of the Project Facility, and including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of any of the foregoing, whether such claims or liabilities arise as a result of the Company acting as agent for the Agency pursuant to this Agreement or otherwise.

(b) The Company shall not permit to stand, and will, at its own expense, take all steps necessary to remove, any mechanics' or other liens against the Project Facility for labor or material

furnished in connection with the acquisition, construction and equipping of the Project Facility.

(c) The Company shall indemnify and hold the Agency harmless from all claims and liabilities for loss or damage to property or any injury to or death of any person that may be occasioned subsequent to the date hereof by any cause whatsoever in relation to the Project Facility, including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

3.06. The Company agrees that, as agent for the Agency, it will comply with the requirements of Section 13 of the Lien Law, as amended.

3.07. The Company will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3.08. The Company will pay all costs incurred by the Agency, including but not limited to attorney's fees, which arise out of Company's application for Financial Assistance, whether or not such assistance is ultimately issued. Agency's attorney's fees will be calculated at a time rate of \$190.00 per hour for associate's time and \$275.00 per hour for partner's time, and \$105.00 per hour for senior legal assistant's time, plus disbursements. Upon closing of the Project documents, the Company will pay to the Agency an administrative fee pursuant to the schedule set forth below and contained within the Company's Application for Financial Assistance:

First \$10 Million of Project Costs:	$\frac{3}{4}$ of 1%
Next \$10 Million of Project Costs:	$\frac{1}{2}$ of 1%
Next \$10 Million of Project Costs:	$\frac{1}{4}$ of 1 %
Above \$30 Million of Project Costs:	$\frac{1}{8}$ of 1%.

3.09. To ensure that the Agency's costs are reimbursed if the project does not proceed, the Company shall pay to the Agency the sum of \$10,500.00 as a security deposit.

Article 4. General Provisions.

4.01. This Agreement shall take effect as of June 1, 2014, or upon the date of receipt of the security deposit pursuant to Section 3.09 above, whichever date is earlier, and shall remain in effect until the Lease Agreement becomes effective. It is the intent of the Agency and the Company that this Agreement be superseded in its entirety by the Lease Agreement.

4.02. It is understood and agreed by the Agency and the Company that the provision of financial assistance to the Company and the execution of the Lease Agreement and related documents are subject to (i) completed notice and the Agency having conducted a public hearing relating to the Project pursuant to the Act, (ii) obtaining all necessary governmental approvals, (iii) approval of the members of the Agency, (iv) compliance with the State Environmental Quality Review Act.

4.03. The Company agrees that it will (i) reimburse the Agency for all necessary expenses, including but not limited to legal fees and administrative costs, and (ii) indemnify and hold the Agency harmless from all losses, claims, damages and liabilities, in each case which the Agency may

incur as a consequence of executing this Agreement or performing its obligations hereunder.

4.04. The Company at its option may cause a subsidiary or other designee of the Company acceptable to the Agency to enter into the Lease Agreement and to perform its other duties hereunder.

4.05. (a) The obligations and agreements of the Agency contained in this Preliminary Agreement and in the other documents executed in connection herewith or therewith, and any instrument or document supplemental hereto or thereto, shall be deemed the obligations and agreements of the Agency, and not of any member, officer, agent (other than the Company) or employee of the Agency in his individual capacity, and the members, officers, agents (other than the Company) and employees of the Agency shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based on or in respect hereof or thereof or of any transaction contemplated hereby or thereby. The obligations and agreements of the Agency contained herein or therein shall not constitute or give rise to an obligation of the State or of the Counties of Warren or Washington, New York, and neither the State nor the Counties of Warren or Washington, 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 Agency, but rather shall constitute limited obligations of the Agency, relative to the Project Facility. The Agency does not have the power or authority to levy taxes.

(b) No order or decree of specific performance with respect to any of the obligations of the Agency hereunder or under any of the documents executed herewith or therewith shall be sought or enforced against the Agency unless (1) the party seeking such order or decree shall first have requested the Agency 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 Agency 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, and (2) if the Agency refuses to comply with such request and the Agency'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 Agency an amount or undertaking sufficient to cover such reasonable fees and expenses, and (3) if the Agency refuses to comply with such request and the Agency'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 Agency 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 Agency, furnish to the Agency satisfactory security to protect the Agency 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.

4.06. (a) The Company will, to the extent deemed by it to be necessary or desirable, enter into a contract or contracts for the construction and installation of the Project Facility.

(b) The Company shall include the following or substantially similar exculpatory

language in each contract entered into in connection with the Project Facility:

“THIS AGREEMENT IS EXECUTED BY **BOATS BY GEORGE, INC.** (THE “COMPANY”), THE DULY APPOINTED AGENT OF THE COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY (THE “AGENCY”), A PUBLIC BENEFIT CORPORATION OF THE STATE OF NEW YORK HAVING ITS PRINCIPAL PLACE OF BUSINESS AT 5 WARREN STREET, GLENS FALLS, NEW YORK. IN THE EVENT OF A DEFAULT BY THE COMPANY IN THE PAYMENT OF ANY MONIES DUE FOR WORK, LABOR, GOODS, SERVICES, MATERIALS OR EQUIPMENT FURNISHED IN ACCORDANCE WITH THIS AGREEMENT, SHOULD THE CONTRACTOR (OR VENDOR) SEEK PAYMENT FROM THE AGENCY, IT SHALL BE LIMITED TO A CLAIM AGAINST THOSE FUNDS REMAINING IN PROJECT ACCOUNTS THAT HAVE BEEN ESTABLISHED BY OR ON BEHALF OF THE AGENCY TO FINANCE THE PROJECT FACILITY. THE CONTRACTOR (OR VENDOR) AGREES THAT IT SHALL HAVE NO RIGHTS IN OR CLAIM TO ANY PROPERTY OR ANY FUNDS IN ANY ACCOUNT OF THE AGENCY OTHER THAN THOSE FUNDS OR ACCOUNTS SPECIFICALLY ESTABLISHED BY OR ON BEHALF OF THE AGENCY FOR THE PROJECT FACILITY. THE CONTRACTOR (OR VENDOR) FURTHER AGREES THAT IT MAY NOT MAKE A CLAIM OR OBTAIN A JUDGMENT AGAINST THE AGENCY, ITS MEMBERS, OFFICERS OR EMPLOYEES FOR ANY MONIES OTHER THAN THOSE MONIES REMAINING IN ACCOUNTS ESTABLISHED BY OR ON BEHALF OF THE AGENCY FOR THE PROJECT FACILITY.”

(c) Each contract the Company shall assign to the Agency in connection with the Project Facility shall contain an exculpatory provision substantially similar to or identical to the model provision set forth in paragraph (b) of this Section 4.06.

(d) The Company shall file with the Agency copies of all contracts (and all modifications and amendments thereto) entered into for the construction and installation of the Project Facility.

4.07. All notices, or other communications shall be in writing and shall be sufficiently given when delivered and, if delivered by mail, shall be sent by certified mail, postage prepaid, returned receipt requested, addressed as follows:

To the Agency:

Counties of Warren and Washington
Industrial Development Agency
5 Warren Street
Glens Falls, New York 12801
Attention: Chairman

With Copy to:

FitzGerald Morris Baker Firth P.C.
P.O. Box 2017
16 Pearl Street
Glens Falls, NY 12801-2017
Attention: Kara I. Lais, Esq.

To the Company:

Boats By George, Inc.
18 State Route 149
Lake George, New York 12845
Attention: George Pensel, President

With Copy to:

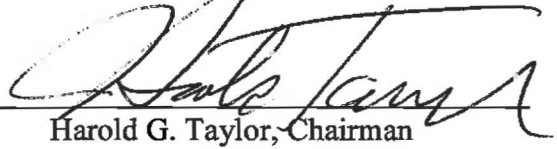
Garry & Garry
600 Broadway
Albany, New York 12207
Attention: Michael Garry, Esq.

4.08. In the event the Agency is required to take title to the Land, the Agency will re-convey the Land by Bargain and Sale deed only. In no event will the Agency warrant title to the Land, either through deed, mortgage or otherwise.

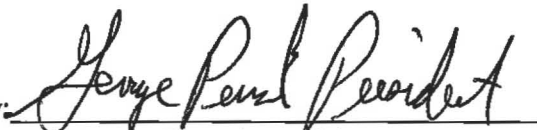
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the 18th day of March, 2015.

**COUNTIES OF WARREN AND
WASHINGTON INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Harold G. Taylor, Chairman

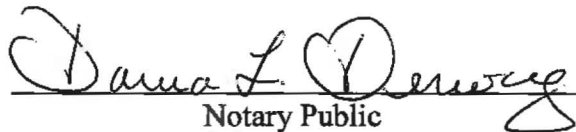
BOATS BY GEORGE, INC.

By: 
George Pensel, President

[SEAL]

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

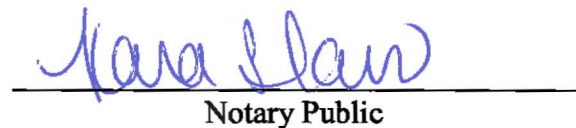
On the 10th day of March in the year 2015, before me, the undersigned, personally appeared **Harold G. Taylor**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed 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

DONNA L. DERWAY
Notary Public, State of New York
Warren County #4647371
Commission Expires Aug. 31, 2017

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

On the 18th day of March in the year 2015, before me, the undersigned, personally appeared **George Pensel**, 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.


Notary Public

KARA L. LAISS
Notary Public, State of New York
Saratoga Co. #02LA6195701
Commission Expires Feb. 17, 2016



IDA Appointment of Project Operator or Agent For Sales Tax Purposes

ST-60

(4/13)

The industrial development agency or authority (IDA) must submit this form within 30 days of the appointment of a project operator or agent, whether appointed directly by the IDA or indirectly by the operator or another agent.

For IDA use only

Name of IDA Counties of Warren and Washington Industrial Development Agency		IDA project number (use OSC numbering system for projects after 1998) 5202-14-03 A	
Street address 5 Warren Street		Telephone number (518) 792-1312	
City Glens Falls		State NY	ZIP code 12801
Name of IDA project operator or agent Boats By George, Inc.		Mark an X in the box if directly appointed by the IDA: <input checked="" type="checkbox"/>	Employer identification or social security number 14-1631140
Street address 18 NYS Route 149		Telephone number (518) 793-5452	Primary operator or agent? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
City Lake George		State NY	ZIP code 12845
Name of project Boats By George, Inc. Project		Purpose of project (see instructions) Services-Storage and Maintenance	
Street address of project site 10038 NYS Route 149			
City Fort Ann		State NY	ZIP code 12827
Description of goods and services intended to be exempted from New York State and local sales and use taxes Construction materials, rentals, service equipment fixtures and furnishings			

Date project operator or agent appointed (mm/dd/yy) 03/18/15	Date project operator or agent status ends (mm/dd/yy) 08/31/16	Mark an X in the box if this is an extension to an original project: <input type="checkbox"/>
Estimated value of goods and services that will be exempt from New York State and local sales and use tax: \$2,000,000.00		Estimated value of New York State and local sales and use tax exemption provided: \$160,000.00 (based upon 8% tax rate)

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

Print name of officer or employee signing on behalf of the IDA Kara I. Lais	Print title Agency Counsel
Signature 	Date 3/18/15
	Telephone number (518) 745-1400

Instructions

Filing requirements

An IDA must file this form within 30 days of the date the IDA appoints any project operator or other person as agent of the IDA, for purposes of extending any sales and compensating use tax exemptions.

The IDA must file a separate form for each person it appoints as agent, whether directly or indirectly, and regardless of whether the person is the primary project operator or agent. If the IDA authorizes a project operator or agent to appoint other persons as agent of the IDA, the operator or agent making such an appointment must advise the IDA that it has done so, so that the IDA can file a form within 30 days of the date of the new agent's appointment. The IDA should not file this form for a person hired to work on an IDA project if that person is not appointed as agent of the IDA. The IDA need not file this form if the IDA does not extend any sales or use tax exemption benefits for the project.

If an IDA modifies a project, such as by extending it beyond its original completion date, or by increasing or decreasing the amount of sales and use tax exemption benefits authorized for the project, the IDA must, within 30 days of the change, file a new form with the new information.

If an IDA amends, revokes, or cancels the appointment of an agent, or if an agent's appointment becomes invalid for any reason, the IDA must, within 30 days, send a letter to the address below for filing this form, indicating that the appointment has been amended, revoked, or cancelled, or is no longer valid, and the effective date of the change. It should attach to the letter a copy of the form it originally filed. The IDA need not send a letter for a form that is not valid merely because the "Completion date of project" has passed.

Purpose of project

For Purpose of project, enter one of the following:

- Services
- Agriculture, forestry, fishing
- Finance, insurance, real estate
- Transportation, communication, electric, gas, sanitary services
- Construction
- Wholesale trade
- Retail trade
- Manufacturing
- Other (specify)

Mailing instructions

Mail completed form to:

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

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1098, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.

Need help?



Internet access: www.tax.ny.gov
(for information, forms, and publications)



Sales Tax Information Center: (518) 485-2889
To order forms and publications: (518) 457-5431



Text Telephone (TTY) Hotline
(for persons with hearing and speech disabilities using a TTY): (518) 485-5082

COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY

5 Warren Street, Suite 210
Glens Falls, New York 12801

Telephone (518) 792-1312
website: www.warren-washingtonida.com

Effective as of March 18, 2015

TO WHOM IT MAY CONCERN:

Re: Counties of Warren and Washington
Industrial Development Agency
(Boats By George, Inc. Project)
(5202-14-03A)

Ladies and Gentlemen:

The Counties of Warren and Washington Industrial Development Agency (the "Agency"), by this notice, hereby advises you as follows:

1. The Agency constitutes a corporate governmental agency and a public benefit corporation under the laws of the State of New York, and, therefore, in the exercise of its governmental functions, including the issuance of its bonds or notes, is exempt from the imposition of any New York State sales and use tax. As an exempt governmental entity, no exempt organization identification number has been issued to the Agency nor is one required.

2. Pursuant to a resolution adopted by the Agency on May 19, 2014 and a Preliminary Agreement dated as of March 18, 2015 (the "Preliminary Agreement") between the Agency and Boats By George, Inc., a New York corporation, (the "Company"), the Agency has authorized the Company to act as its agent to acquire, lease, construct, install and equip an addition to its existing facilities located in the Town of Fort Ann, County of Washington consisting of:

(i) the acquisition of an interest in a certain commercial parcel or parcels of land located at 1038 State Route 149, Town of Fort Ann, County of Washington, State of New York (the "Land"); (ii) the construction and equipping of four (4) separate buildings, comprising an aggregate of 38,680 +/- square feet of boat storage and maintenance space (the "Facility"); (iii) the acquisition and installation therein of certain furnishings and fixtures (the "Equipment" together with the Land and the Facility, collectively the "Project Facility") to be used in connection with the contemplated uses; and (iv) the lease of the Project Facility to the Company, all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, Chapter 862 of the Laws of 1971 of the State of New York (collectively, the "Act"), as amended.

3. In connection with such resolutions and the Preliminary Agreement and pursuant to the authority therein granted, the Agency has authorized the Company to act as its agent in connection with the acquisition, construction, installation and equipping of the Project Facility

and authorized the Company to use this letter as its agent only for the payment of the costs of such acquisition construction, installation and equipping of the Project Facility, all to the extent set forth in, and limited by, Exhibit A attached hereto.

4. As agent for the Agency, the Company has agreed that each contract, agreement, invoice, bill or purchase order entered into by the Company as agent for the Agency for the acquisition, construction, installation and equipping of the Project Facility shall include language in substantially the following form:

“THIS AGREEMENT IS EXECUTED BY **BOATS BY GEORGE, INC.** (THE “COMPANY”), THE DULY APPOINTED AGENT OF THE COUNTIES OF WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY (THE “AGENCY”), A PUBLIC BENEFIT CORPORATION OF THE STATE OF NEW YORK HAVING ITS PRINCIPAL PLACE OF BUSINESS AT 5 WARREN STREET, GLENS FALLS, NEW YORK. IN THE EVENT OF A DEFAULT BY THE COMPANY IN THE PAYMENT OF ANY MONIES DUE FOR WORK, LABOR, GOODS, SERVICES, MATERIALS OR EQUIPMENT FURNISHED IN ACCORDANCE WITH THIS AGREEMENT, SHOULD THE CONTRACTOR (OR VENDOR) SEEK PAYMENT FROM THE AGENCY, IT SHALL BE LIMITED TO A CLAIM AGAINST THOSE FUNDS REMAINING IN PROJECT ACCOUNTS THAT HAVE BEEN ESTABLISHED BY OR ON BEHALF OF THE AGENCY TO FINANCE THE PROJECT FACILITY. THE CONTRACTOR (OR VENDOR) AGREES THAT IT SHALL HAVE NO RIGHTS IN OR CLAIM TO ANY PROPERTY OR ANY FUNDS IN ANY ACCOUNT OF THE AGENCY OTHER THAN THOSE FUNDS OR ACCOUNTS SPECIFICALLY ESTABLISHED BY OR ON BEHALF OF THE AGENCY FOR THE PROJECT FACILITY. THE CONTRACTOR (OR VENDOR) FURTHER AGREES THAT IT MAY NOT MAKE A CLAIM OR OBTAIN A JUDGMENT AGAINST THE AGENCY, ITS MEMBERS, OFFICERS OR EMPLOYEES FOR ANY MONIES OTHER THAN THOSE MONIES REMAINING IN ACCOUNTS ESTABLISHED BY OR ON BEHALF OF THE AGENCY FOR THE PROJECT FACILITY.”

5. The acquisition, construction, equipping and installation of structures, facilities, improvements, systems, trade fixtures, tangible personal property, machinery and equipment constituting a part of the Project Facility shall be exempt from the sales and use tax levied by the State of New York and any political subdivision thereof on the condition that (i) such materials and capital improvements are separately identifiable property of the Agency, and (ii) any capital machinery, equipment or other tangible personal property shall have a useful life of one year or more, and shall solely be for the use by or for the Company at the Project Facility, and by or for no other entity and at no other location, and be effected by or for and at the sole cost of the Company.

6. The Agency shall have no liability or performance obligations under any contract, agreement, invoice, bill or purchase order entered into by the Company as agent for the Agency hereunder. The Agency shall not be liable, either directly or indirectly or contingently, upon any

such contract, agreement, invoice, bill or purchase order in any manner and to any extent whatsoever, and the Company shall be the sole party liable thereunder.

7. Accordingly, until the earlier of (i) August 31, 2016, (ii) the completion of the Project Facility, or (iii) the termination or suspension of this Letter of Authorization for Sales Tax Exemption pursuant to and as provided in the Preliminary Agreement, all vendors, contractors and subcontractors are hereby authorized to rely on this letter (or on a photocopy or fax of this letter) as evidence that purchases of, and improvement and installation contracts relating to, the Project Facility property, to the extent effected by the Company as agent for the Agency (or by a Subagent duly appointed by the Company in writing; and a copy of which is provided to the Agency), are exempt from all New York State sales and use taxes.

COUNTIES OF WARREN AND WASHINGTON
INDUSTRIAL DEVELOPMENT AGENCY

By: FitzGerald Morris Baker Firth, PC



Name: Kara I. Lais

Title: Agency Counsel

Exhibit A

Exemptions from sales or use tax relating to (a) the acquisition and installation of Equipment, trade fixtures and other tangible personal property for use at the Project Facility, (b) the acquisition of building materials for renovation of the building and related structures on the Project Facility, and (c) materials and equipment to be incorporated into the Project Facility, as well as purchases and rentals of supplies, tools, equipment, or services necessary to undertake and/or complete the Project Facility.