

**Inducement Resolution
BAE Systems Technology Solutions and Services, Inc.
2021 Equipment Lease**

RESOLUTION OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING BAE SYSTEMS TECHNOLOGY SOLUTIONS AND SERVICES, INC., THE PRINCIPALS OF BAE SYSTEMS TECHNOLOGY SOLUTIONS AND SERVICES, INC., AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT OF THE AGENCY IN CONNECTION WITH AN EQUIPMENT LEASE-LEASEBACK TRANSACTION, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT.

WHEREAS, BAE Systems Technology Solutions and Services, Inc., on behalf of itself, BAE Systems Intelligence & Security, their respective principals, or an entity to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Agency to enter into a transaction in which the Agency will assist in renovations of a 24,632± square foot building (the "Existing Improvements"), the first floor of which is occupied by the Company and is comprised of 12,144± square feet (the "Improvements") located at 581 Phoenix Drive, Griffiss Business and Technology Park, City of Rome, Oneida County, New York (the "Land") and acquisition and installation of equipment in the Improvements (the "Equipment"), all for the purpose of accommodating a special purpose room that will be used for future contracts and to expand operational capacity (the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Improvements is referred to as the "Project"); and

WHEREAS, The Agency owns the Land and the Existing Improvements, pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 372 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "Act") and leases the same to Griffiss Local Development Corporation (the "Landlord") pursuant to a Lease Agreement dated as of April 1, 2010 (the "Lease Agreement"), and the Landlord subleases the Improvements to the Company pursuant to a Sublease Agreement dated June 15, 2010, amended on May 1, 2014, July 15, 2015, September 15, 2015, August 23, 2018 and _____, 2020 (collectively, the "Sublease Agreement"); and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of of exemptions from sales and use taxes on materials and/or equipment acquired and installed in the Improvements in connection with the Project, the value of which is estimated at \$52,000.00 but shall not exceed \$57,200.00, which is consistent with the Agency's Uniform Tax Exemption Policy (the "Financial Assistance"), to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein; and

WHEREAS, because the value of Financial Assistance is less than \$100,000.00, the Agency is not required to conduct a public hearing prior to adopting a final authorizing resolution approving Financial Assistance; and

WHEREAS, The Company will install fixtures in the Improvements, title to which will immediately vest in the Agency as fee owner of the Existing Improvements; and

WHEREAS, the Company will lease to the Agency the Equipment pursuant to an Equipment Lease Agreement (the "Equipment Lease Agreement"); and

WHEREAS, the Agency will lease the Equipment back to the Company pursuant to an Equipment Leaseback Agreement (the "Equipment Leaseback Agreement"); and

WHEREAS, as a condition to the Financial Assistance, the Company will commit to (a) retain 67 full time equivalent employees at the Facility, (b) create 32 full time equivalent employees at the Facility within three years and (c) maintain all 99 full time employees at the Facility for the full term of the Sublease Agreement, in each case as a result of undertaking the Project (the "Employment Obligation"); and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed Project and proposed lease transaction, is either an inducement to the Company to maintain and expand its operations in the County or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the "SEQR Act" or "SEQRA"), the Agency constitutes a "State Agency"; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form and related documents (the "Questionnaire") with respect to the Facility, a copy of which is on file at the office of the Agency; and

WHEREAS, the Agency has completed its environmental review and determined for purposes of SEQRA that there are no adverse environmental impacts as a result of the Project and therefore, a Negative Declaration has been adopted.

NOW, THEREFORE, BE IT RESOLVED by the Oneida County Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. (a) The renovation and equipping of the Facility in furtherance of the Project and the Agency's financial assistance therefor, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the County and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and the same is, therefore, approved.

(b) It is desirable and in the public interest for the Agency to enter into a lease transaction, for the purpose of providing financial assistance for the renovation and equipping of the Facility in furtherance of the Project, as reflected in the Application and as amended from time to time prior to the closing of the equipment lease-leaseback transaction.

Section 2. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and between the Agency and the Company setting forth the undertakings of the Agency and the Company with respect to the closing of the lease transaction, and the development of the Project (the "Agreement") is hereby approved. The Chairman of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, with such changes in terms and form as the Chairman shall approve. The execution thereof by the Chairman shall constitute conclusive evidence of such approval.

Section 3. The Company is herewith and hereby appointed the agent of Agency for the purposes of the Project. The Company is hereby empowered to delegate its status as agent of the Agency to agents, subagents, contractors, subcontractors, materialmen, suppliers,

vendors and such other parties as the Company may choose in furtherance of the Project. The terms and conditions for the appointment of the Company as agent of the Agency for the purposes described in this resolution are set forth in the form of the attached letter addressed to the Company, marked as **Exhibit A** to this resolution. The form of such letter is incorporated herein by reference and is approved and adopted by the Agency, and the Chairman or Executive Director of the Agency or any other duly authorized official of the Agency are authorized to execute and deliver such letter to the Company. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agents of the Agency solely for purposes of making sales or leases of goods, services, and supplies to the Project, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Agency shall be deemed to be on behalf of the Agency and for the benefit of the Project. The Company shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Agency.

Section 4. Subject to the conditions set forth in Section 4.02 of the Agreement, the Agency shall (a) acquire a leasehold interest in the Equipment pursuant to the Equipment Lease; (b) lease the Equipment to the Company pursuant to the Equipment Leaseback Agreement, (c) assist the Company in its renovation and equipping of the Facility in furtherance of the Project and (d) provide financial assistance with respect thereto.

Section 5. The law firm of Bond, Schoeneck & King, PLLC is appointed "Transaction Counsel" in connection with the equipment lease-leaseback transaction.

Section 6. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Agency, all documents necessary to effect the equipment lease transaction.

Section 7. The Chairman of the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 8.

This resolution shall take effect immediately.

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

I, the undersigned Secretary of the Oneida County Industrial Development Agency DO HEREBY CERTIFY THAT:

I have compared the foregoing copy of a resolution of the Oneida County Industrial Development Agency (the "Agency"), with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Agency duly convened in public session on January 15, 2021 at eight a.m., local time, at Rome, New York which the following members were:

Members Present: Webex: David Grow, Michael Fitzgerald; ; Steve Zogby; Ferris Betrus, Kirk Hinman, Gene Quadraro.

(Mary Faith Messenger was in attendance for the beginning of the meeting but left prior to the motion)

EDGE Staff Present: Webex: Steven DiMeo, Shawna Papale, Maureen Carney, Bill Van Shufflin, Jennifer Waters, Mark Kaucher, Tim Fitzgerald.

Other Attendees: Teleconference: Linda Romano & Laura Ruberto, Bond, Schoeneck & King; Mark Levitt & Jenna Peppenelli, Levitt & Gordon; Rome Mayor Jackie Izzo; David Rapke, Ann Peach Lynch and Ryan Peach, representing MSP; William Parsons, Ryan (representing BAE).

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

Voting Aye
F. Betrus
M. Fitzgerald
D. Grow
K. Hinman
E. Quadraro
S. Zogby

Voting Nay

and, therefore, the resolution was declared duly adopted.

The Agreement and the Application are in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 220.1 issued on March 12, 2020, as continued by 202.29, 202.39, 202.49, 202.55, 202.60, 202.67, 202.72 and 202.79, suspending the Open Meetings Law, the meeting was held virtually instead of a public meeting open for the public to attend in person and public notice of the time, place of, and instructions to access, said meeting was duly given, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____ 2021.

Shawna Papale, Secretary

EXHIBIT A

(To be copied onto IDA letterhead and delivered
to the Company, when appropriate.)

_____ 2021

Heather Spence-Mancini
BAE Systems Technology Solutions and Services, Inc.
520 Gaither Road
Rockville, Maryland 20850

RE: *Oneida County Industrial Development Agency
2021 Equipment Lease-Leaseback
(BAE Systems Technology Solutions and Services, Inc. Project)*

Dear Ms. Spence-Mancini:

Pursuant to a resolution duly adopted on January 15, 2021, Oneida County Industrial Development Agency (the "Agency") appointed BAE Systems Technology Solutions and Services, Inc. and/or an entity formed or to be formed on its behalf (collectively, the "Company") its agent in connection with a transaction in which the Agency will assist in renovations of a 24,632± square foot building (the "Existing Improvements"), the first floor of which is occupied by the Company and is comprised of 12,144± square feet (the "Improvements") located at 581 Phoenix Drive, Griffiss Business and Technology Park, City of Rome, Oneida County, New York (the "Land") and acquisition and installation of equipment in the Improvements (the "Equipment"), all for the purpose of accommodating a special purpose room that will be used for future contracts and to expand operational capacity (the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Improvements is referred to as the "Project").

This appointment includes authority to purchase on behalf of the Agency all Equipment to be incorporated into and made an integral part of the Facility in connection with the Project, and the following activities as they relate to any construction, reconstruction, improvement, maintenance, equipping, furnishing and completion of the Project, whether or not any Equipment described below is incorporated into or becomes an integral part of the Facility: (i) all purchases, leases, rentals and other uses of Equipment in connection with Project construction, reconstruction, improvement, maintenance, equipping, furnishing and completion (ii) all purchases, rentals, uses or consumption of Equipment and services of every kind and description used in connection with the Project and (iii) all purchases, leases, rentals and uses of Equipment (including installation costs), installed or placed in, upon or under such building, including all repairs and replacements of such Equipment.

The Agency will appoint the Company as its only direct agent for the Project. The agency appointment includes the power of the Company to delegate such agency appointment, in whole or in part, to agents, subagents, contractors, subcontractors, materialmen, suppliers and vendors of the Company and to such other parties as the Company chooses so long as they are engaged, directly or indirectly, in the activities hereinbefore described. Please advise the Executive Director of the Agency if you wish to appoint a contractor or other subagent, and the Agency will issue an ST-60 to that party.

In exercising this agency appointment, you and each of your properly appointed agents and subagents must claim the sales tax exemption for all purchases by giving your vendors New York State Form ST-123. The supplier or vendor should identify the Facility on each bill or invoice as the “**BAE Systems Technology Solutions and Services, Inc. Facility**” and indicate thereon that the Company, its agents, subagents, contractors and subcontractors acted as agent for the Agency in making the purchase.

You and each of your agents, subagents, contractors and/or subcontractors claiming a sales tax exemption in connection with the Facility must complete a New York State Department of Taxation and Finance Form ST-60. Original copies of each completed Form ST-60 must be delivered to the Agency within five (5) days of the appointment of each of your agents, subagents, contractors or subcontractors. Any agent, subagent, contractor or subcontractors of the Company which delivers completed Form ST-60 to the Agency will be deemed to be the agent, subagent, contractor or subcontractor of the Agency for purposes of constructing and equipping the Facility, and shall only then be authorized to use Form ST-123 as described above. Failure to comply with these requirements may result in loss of sales tax exemptions for the Facility.

It is important to note that contractors and subcontractors who have not been appointed subagent cannot use the sales tax exemption for equipment rental, tools, supplies and other items that do not become part of the finished project. Contractors and subcontractors must be appointed as agent or sub-agent of the Agency to use the Agency sales tax exemption for these purchases. Contractors and subcontractors who have not been appointed a subagent and are making purchases that would otherwise be exempt outside of the Agency’s interest in the Facility must claim the sales tax exemption for renovation materials by giving their vendors a completed “Contractor Exempt Purchase Certificate” (Form ST-120.1) checking box (a).

The aforesaid appointment of the Company as agent of the Agency for the purposes of the project shall expire at the earlier of (a) the completion of such activities and improvements, or (b) January 15, 2022, provided, however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

Based upon representations made by the Company, the value of the sales tax to be abated relating to the Project is estimated at \$52,000.00; the value of sales tax exemptions authorized by the Agency is not to exceed \$57,200.00. The Agency is

required by law to recapture any New York State sales tax exemptions claimed by the Company that exceed \$57,200.00 for purchases made relating to the Project in the aggregate.

You should be aware that the New York State General Municipal Law requires you to file an Annual Statement (Form ST-340) with the New York State Department of Taxation and Finance regarding the value of sales tax exemptions you, your agents, consultants or subcontractors have claimed pursuant to the authority we have conferred on you with respect to the Project. We are providing a form of a worksheet for you to track all exempt purchases made in completing the Project, using Forms ST-123 or Form ST-120.1. Please provide the Agency with a copy of Form ST-340 along with your annual report to the Agency and this worksheet. The penalty for failure to file such statement, or to provide a copy to the Agency, is the removal of your authority to act as an agent.

If, for some reason, this transaction never closes, you will be liable for payment of the sales tax, if applicable and you are not otherwise exempt, on all materials purchased.

Please sign and return a copy of this letter for our files. The Agency will issue and deliver Form ST-60 to you upon receipt of this signed agency appointment letter. The Agency reserves the right to issue a revised agency appointment letter with respect to the process for utilizing and reporting exemptions hereunder.

Very truly yours,

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Name Shawna M. Papale
Title: Executive Director

ACCEPTED & AGREED:

BAE SYSTEMS TECHNOLOGY SOLUTIONS AND SERVICES, INC.

By: _____
Name:
Title: