

**Final Authorizing Resolution
SQ1 Holdings, LLC Facility**

Transcript Document No. 8(b)

Date: March 26, 2021

At a meeting of the Oneida County Industrial Development Agency (the "Agency") held at 584 Phoenix Drive, Rome, New York 13441 on the 26th day of March 2021, the following members of the Agency were:

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

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

Other Attendees: Webex/Teleconference: Linda Romano, Bond, Schoeneck & King; Mark Levitt & Jenna Peppenelli, Levitt & Gordon; Rome Mayor Jackie Izzo; Gregg Evans and Michelle Lesser, Bonadio & Associates; Barry Carrigan, Nixon Peabody; Genevieve Trigg and Kevin McCauliffe, Barclay Damon, and Peter McCauliffe, Omni Navitas

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to proposed financial assistance to SQ1 Holdings, LLC.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

Ferris Betrus
L. Michael Fitzgerald
David Grow
Kirk Hinman
Mary Faith Messenger
Eugene Quadraro
Steven Zogby

RESOLUTION AUTHORIZING THE AGENCY TO EXECUTE THE FIRST AMENDED AND RESTATED LEASE AGREEMENT, THE FIRST AMENDMENT TO LEASEBACK AGREEMENT, THE FIRST AMENDED AND RESTATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT, THE FIRST AMENDED AND RESTATED RECAPTURE AGREEMENT, THE LOAN DOCUMENTS AND RELATED DOCUMENTS WITH RESPECT TO THE SQ1 HOLDINGS, LLC FACILITY LOCATED IN THE TOWN OF WHITESTOWN, ONEIDA COUNTY.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended and Chapter 372 of the Laws of 1970 of the State of New York (collectively, the "Act"), the Agency was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, SQ1 Holdings, LLC, on behalf of itself and/or the principals of SQ1 Holdings, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") previously applied to the Oneida County Industrial Development Agency (the "Agency") to enter into a lease-leaseback transaction in which the Agency will assist in the acquisition and renovation of a 14,000± square foot, one-story manufacturing/office building, parking lot and two loading docks (collectively, the "Existing Improvements") situated on a 5.5± acre parcel of land located at 170 Base Road, Town of Whitestown, County of Oneida (the "Land") and acquired and installed equipment in the Existing Improvements (the "Existing Equipment"), all for the purpose of providing metal finishing services (the Land, Existing Improvements and Existing Equipment is referred to as the "2017 Facility" and the acquisition, renovation and equipping of the 2017 Facility is referred to as the "2017 Project"); and

WHEREAS, the Company leases the 2017 Facility to the Agency pursuant to a Lease Agreement dated as of February 27, 2017 (the "2017 Lease Agreement") and the Agency leases the 2017 Facility back to the Company pursuant to a Leaseback Agreement dated as of February 27, 2017 (the "2017 Leaseback Agreement"); and

WHEREAS, the Company subleases the 2017 Facility to Square One Coating Systems, LLC (the "Sublessee") for its operation pursuant to a lease agreement dated February 27, 2017 (the "2017 Sublease Agreement"); and

WHEREAS, the Company now desires to construct a 15,000± square foot addition to the Existing Improvements (the "Addition") and acquire and install furniture and equipment in the Addition (the "Equipment"), all for the purpose of increasing efficiency and expanding production (the Addition and the Equipment is referred to as the "2021 Facility" and the construction and equipping of the Addition is referred to as the "Project"); and

WHEREAS, in order to induce the Company to develop the 2021 Facility, the Agency is willing to accept a leasehold interest in the 2021 Facility pursuant to a Lease Agreement (the "First Amended Lease") and lease the 2017 Facility together with the 2021 Facility (collectively, the "Facility") back to the Company pursuant to the terms and conditions contained in the 2017 Leaseback Agreement as amended by a First Amendment to Leaseback Agreement (the "First Leaseback Amendment") (collectively, the "Leaseback Agreement"); and

WHEREAS, the Company and the Sublessee will extend the term of the Sublease Agreement by way of a First Amendment to Sublease Agreement (the "First Sublease Amendment" and together with the 2017 Sublease Agreement, the "Sublease Agreement"); and

WHEREAS, as a condition of granting financial assistance to the Company in connection with the 2017 Project, the Company is obligated to maintain 17 FTEs for the first ten years of the term of the Lease Agreement (the "2017 Employment Obligation"); and

WHEREAS, the Company has requested that the Agency provide financial assistance relating to the 2021 Project (collectively, the "2021 Financial Assistance") consisting of exemptions from mortgage recording taxes, exemptions from sales tax and reduction of real property tax, which is consistent with the Agency's Uniform Tax Exemption Policy (the "Policy"); and

WHEREAS, based upon representations made by the Company in the Application, the value of the 2021 Financial Assistance is described as follows:

- Sales and use tax exemption estimated at \$39,788 not to exceed \$43,766
- Mortgage recording tax exemption estimated at o \$6,821 not to exceed \$7,503
- Exemptions from real property taxes, valued at approximately \$97,266

WHEREAS, the 2021 Financial Assistance is conditioned upon the Company creating no less than six (6) full-time equivalent positions by the end of the eighth year of the Lease Term, retaining an additional six (6) FTEs and maintaining all for the full Lease Term as a result of undertaking the 2021 Facility, which is more particularly described in the First Amended and Restated Jobs Creation and Recapture Agreement by and among the Company, the Sublessee and the Agency (the "First Amended Recapture Agreement"); and

WHEREAS, the Agency has agreed to acquire a leasehold interest in and grant the Financial Assistance with respect to the 2021 Facility in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, The Company intends to finance a portion of the costs of the 2021 Project through a \$909,450.00 loan from a lender to be determined (the "Bank") to be secured in part by a mortgage from the Agency and the Company to the Bank (the "Mortgage") and such other documents the Bank may deem necessary to secure its interests (collectively, the "Loan Documents"); and

WHEREAS, the Agency by resolution duly adopted on August 14, 2020 as supplemented on September 18, 2020 and March 26, 2021 (collectively, the "Inducement Resolution") decided to proceed under the provisions of the Act to lease the 2021 Facility and directed that a public hearing be held and enter into the First Leaseback Amendment; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities which may arise in connection with the 2021 Project and the Agency's leasehold interest in the 2021 Facility.

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

Section 1. The Agency hereby finds and determines:

(a) By virtue of the Act, the Agency 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 2021 Facility constitutes a “project”, as such term is defined in the Act; and

(c) The acquisition, construction and equipping of the 2021 Facility, the leasing of the 2021 Facility to the Company and the Agency’s 2021 Financial Assistance with respect thereto, will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Oneida County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The acquisition, construction, equipping and financing of the 2021 Facility and the 2021 Financial Assistance with respect thereto is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York; and

(e) Based upon representations of the Company and Company’s Counsel, the Facility conforms with the local zoning laws and planning regulations of Oneida County and all regional and local land use plans for the area in which the Facility is located; and

(f) The SEQR resolution adopted by the Agency on today’s date remains in full force and effect; and

(g) It is desirable and in the public interest for the Agency to undertake the 2021 Project and to provide the Financial Assistance; and

(h) The First Amended Lease, in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument where the Company conveys to the Agency its leasehold interest in the 2021 Facility;

(i) The First Leaseback Amendment, in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Agency leases the 2021 Facility back to the Company; and

(j) The First Amended and Restated Payment-in-Lieu-of-Tax Agreement (the “First Amended PILOT”), by and among the Company, the Sublessee and the Agency, in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Agency and the Company set forth the terms and conditions of their Agreement regarding the Company’s payments in lieu of real property taxes; and

(k) The First Amended Recapture Agreement, in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Company acknowledges the terms and conditions upon which the 2021 Financial Assistance may be terminated or recaptured by the Agency; and

(l) The Loan Documents, in forms satisfactory to the Chairman and Agency Counsel, will be effective instruments whereby the Agency grants the Bank a mortgage and security interest in its interest in the Facility.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) acquire a leasehold interest in the 2021 Facility, (ii) execute, deliver and perform the First Amended Lease; (iii) lease the 2021 Facility together with the 2017 Facility back to the Company pursuant to the Leaseback Agreement as amended by the First Leaseback Amendment, (iv) execute, deliver and perform the First Leaseback Amendment, (v) execute, deliver and perform the First Amended PILOT, (vi) execute, deliver and perform the the First Amended Recapture Agreement; (vii) grant to the Bank a mortgage and security interest in the Facility; (viii) execute, deliver and perform the Loan Documents, subject to review and approval by Agency counsel; and (ix) provide the 2021 Financial Assistance to the Company in support of the 2021 Project as conditioned by the First Amended Recapture Agreement.

Section 3. The Agency is hereby authorized to acquire a leasehold interest in the real property described in Exhibit A to the First Amended Lease and the personal property described in Exhibit B to the First Amended Lease and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 4. The form and substance of the First Amended Lease, the First Leaseback Amendment, the First Amended PILOT and the First Amended Recapture Agreement (each in substantially the forms presented to the Agency and which, prior to the execution and delivery thereof, may be redated) are hereby approved. The form and substance of the Loan Documents are hereby approved, subject to the review and approval by Agency Counsel.

Section 5.

(a) The Chairman, Vice Chairman, Secretary or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the First Amended Lease, the First Leaseback Amendment, the First Amended PILOT and the First Amended Recapture Agreement and the Loan Documents, all in substantially the forms thereof presented to this meeting or in the forms to be approved by Agency Counsel, with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Secretary or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "Closing Documents"). The execution thereof by the Chairman, Vice Chairman, or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Secretary or member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Leaseback Agreement).

Section 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Closing Documents, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Closing Documents binding upon the Agency.

Section 7. 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 (the "Agency"), DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Agency, including the resolutions contained therein, held on the 26th day of March 2021 with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the First Amended Lease, the First Leaseback Amendment, the First Amended PILOT, the First Amended Recapture Agreement and the Loan Documents contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to 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 suspending the Open Meetings Law, the meeting was held electronically via webinar instead of a public meeting open for the public to attend and public notice of the call-in information for 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 as of this 22nd day of September 2021.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Shawna Papale, Secretary

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

I, the undersigned Secretary of the Oneida County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY:

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DEVELOPMENT AGENCY
By: 
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