

Jefferson County Industrial Development Agency
800 Starbuck Avenue, Suite 800
Watertown, New York 13601
Telephone: (315) 782-5865 or (800) 553-4111 Facsimile (315) 782-7915
www.jcida.com

Notice of Board Meeting

Date: October 20, 2022

To: John Jennings
David Converse
W. Edward Walldroff
Paul Warneck
William Johnson
Lisa L'Huillier

From: Chairman Robert Aliasso

Re: Notice of Board of Directors' Meeting

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The Jefferson County Industrial Development Agency will hold their monthly Board Meeting on **Thursday, November 3, 2022 at 8:30 a.m.** in the board room at 800 Starbuck Avenue, Watertown, NY.

The live stream link will be available at www.jcida.com.

Zoom:
<https://us02web.zoom.us/j/84355250468?pwd=R0t4VjRPdGJBZDJrL2JQYVVVjKytDdz09>
Meeting ID: 843 5525 0468
Passcode: 011440
1-929-205-6099 US (New York)

Please confirm your attendance with Peggy Sampson pssampson@jcida.com at your earliest convenience.

pss

c: David Zembiec, CEO
Marshall Weir
Lyle Eaton
Jay Matteson
Joy Nuffer
Robin Stephenson
Christine Powers
Greg Gardner
Kent Burto
Rob Aiken
Justin Miller, Esq.
Media

BOARD MEETING AGENDA
Thursday, November 3, 2022 - 8:30 a.m.

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Privilege of the Floor**
- IV. Minutes – October 6, 2022**
- V. Treasurer’s Report – October 31, 2022**
- VI. Committee Reports**
 - a. Alternative Energy Ad Hoc Committee**
- VII. Unfinished Business**
 - 1. 146 Arsenal Street update**
 - 2. Resolution No. 11.03.2022.01 for Amendment to Convalt LDA**
- VIII. New Business**
- IX. Counsel**
- X. Adjournment**

**Jefferson County Industrial Development Agency
Board Meeting Minutes
October 6, 2022**

DRAFT

The Jefferson County Industrial Development Agency held their board meeting on Thursday, October 6, 2022 in the board room at 800 Starbuck Avenue, Watertown, NY.

Present: Robert E. Aliasso, Jr., Paul Warneck, Lisa L'Huillier, David Converse, William Johnson, W. Edward Walldroff

Excused: John Jennings

Absent: None

Also Present: Rob Aiken, Christine Powers

Zoom: Justin Miller, Esq., Craig Fox (Watertown Daily Times), Brian Drake (Town of Cary)

Staff Present: David Zembiec, Marshall Weir, Lyle Eaton, Peggy Sampson, Jay Matteson, Joy Nuffer, Robin Stephenson

- I. Call to Order:** Chairman Aliasso called the meeting to order at 8:32 a.m.
- II. Pledge of Allegiance**
- III. Privilege of the Floor:** Chairman Aliasso invited guests to speak. No one spoke.
- IV. Minutes:** Minutes of the meeting held September 1, 2022 were presented. A motion to approve the minutes as presented was made by Mr. Converse, seconded by Mr. Walldroff. All in favor. Carried.
- V. Treasurer's Report:** Mr. Warneck reviewed the financials for the period ending September 30, 2022. He said that changes are due to the ARPA grant funds. He mentioned that we received \$300,000 from National Grid to put towards the 146 Arsenal Street remediation project. Mr. Warneck reviewed the delinquent accounts. He said that two demand letters have been issued and noted that Taste of Design and Colleen's Cherry Tree Inn are behind. Mr. Eaton said that he will be reaching out to Harris Beach about the two demand letters that have been issued in order to begin the collection process. After discussion, a motion was made by Mr. Johnson to accept the financial statement as presented, seconded by Mr. Walldroff. All in favor. Carried.
- VI. Committee Reports:**
 - a. Alternative Energy Ad Hoc Committee** – Mr. Warneck said that he, Mr. Zembiec and Ms. Stephenson met with county officials about their policy for large scale projects. He said that the county confirmed that there have been no changes in their policy which means they expect to receive full taxes on large scale projects.

Mr. Warneck said that there has been no change for the state's temporary restraining order on their valuation model.

b. Finance Committee

- i. 2023 Proposed Budget** – Mr. Converse reviewed the committee meeting minutes. He pointed out that the MICRO bad debt reserve was increased to \$90,000. A motion was made Mr. Converse to adopt the budget as presented, seconded by Mr. Walldroff. All in favor. Carried.

VII. Unfinished Business:

- 1. 146 Arsenal Street update** – Mr. Zembiec said the project is moving along well and is on schedule. He mentioned that Washington Street Properties sold their portion of the building to Jake Johnson.

VIII. New Business: None.

IX. Counsel:

- 1. Project Authorizing Resolution No. 10.06.2022.01 for L2, LLC** – Chairman Aliasso read the purpose of the resolution. He asked for a motion to discuss the resolution/project. A motion was made by Mr. Warneck, seconded by Mr. Converse. Roll call vote. Mr. Aliasso – Yea, Mr. Converse – Yea, Mr. Jennings – Absent, Mr. Johnson – Yea, Ms. L’Huillier – Yea, Mr. Walldroff – Yea, Mr. Warneck – Yea. Carried.
- 2. Project Authorizing Resolution No. 10.06.2022.02 for Three Mile Bay Ventures, LLC** – Chairman Aliasso read the purpose of the resolution. He asked for a motion to discuss the resolution/project. A motion was made by Ms. L’Huillier, seconded by Mr. Johnson. Roll call vote. Mr. Aliasso – Yea, Mr. Converse – Yea, Mr. Jennings – Absent, Mr. Johnson – Yea, Ms. L’Huillier – Yea, Mr. Walldroff – Yea, Mr. Warneck – Yea. Carried.
- 3. Project Authorizing Resolution No. 10.06.2022.03 for Wilna PV, LLC** – Chairman Aliasso read the purpose of the resolution. He asked for a motion to discuss the resolution/project. A motion was made by Mr. Converse, seconded by Mr. Walldroff. Roll call vote. Mr. Aliasso – Yea, Mr. Converse – Yea, Mr. Jennings – Absent, Mr. Johnson – Yea, Ms. L’Huillier – Yea, Mr. Walldroff – Yea, Mr. Warneck – Yea. Carried.
- 4. Authorizing Resolution No. 10.06.2022.04 for Convalt Energy, Inc. and Convalt Manufacturing, LLC (Phase I Project)** – Chairman Aliasso read the purpose of the resolution. He said it is a six-month extension until 3/15/23 of development rights pursuant to a certain land development agreement with license and exclusive option and transactions. He asked for a motion to discuss the resolution/project. A motion was made by Mr. Johnson, seconded by Ms. L’Huillier. Mr. Zembiec said Convalt needs to get the Town of Hounsfield Planning Board the final drawings. He said the project is moving slowly, but noted that they anticipate breaking ground in November. Roll call vote. Mr. Aliasso – Yea, Mr. Converse – Yea, Mr. Jennings – Absent, Mr. Johnson – Yea, Ms. L’Huillier – Yea, Mr. Walldroff – Yea, Mr. Warneck – Yea. Carried.

5. **Authorizing Resolution No. 10.06.2022.05 for Digicollect LLC** – Chairman Aliasso read the purpose of the resolution. He said it is a six-month extension until 3/15/23 of development rights pursuant to a certain land development agreement with license and exclusive option and transactions. He asked for a motion to discuss the resolution/project. A motion was made by Mr. Warneck, seconded by Mr. Walldroff. Mr. Zembiec said that they have not started the site plan process since they have been focusing on Convalt. Roll call vote. Mr. Aliasso – Yea, Mr. Converse – Yea, Mr. Jennings – Absent, Mr. Johnson – Yea, Ms. L’Huillier – Yea, Mr. Walldroff – Yea, Mr. Warneck – Yea. Carried.
- X. **Adjournment:** With no further business before the board, a motion to adjourn was made by Mr. Johnson, seconded by Mr. Warneck. All in favor. The meeting adjourned at 8:52 a.m.

Respectfully submitted,

Peggy Sampson

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Income Statement for the Ten Month Period Ending October 31, 2022

Prepared by Lyle Eaton, October 25, 2022

UNRECONCILED

	Current Year Budget	Year-to-Dat e Total	Current Month	Previous Month	Balance Remaining
Revenues					
Application & Process Fees	\$ 11,000.00	26,250.00	\$ 0.00	2,500.00	(15,250.00)
Bond Admin Fee	6,000.00	3,000.00	0.00	0.00	3,000.00
FTZ Annual Fee	1,200.00	0.00	0.00	0.00	1,200.00
PILOT/Sale Leaseback Fees	1,227,142.00	1,006,867.33	328,347.00	146,345.00	220,274.67
Fee Income - RLF Program	24,474.00	47,041.28	3,618.56	3,618.56	(22,567.28)
Fee Income - Micro Program	13,389.00	27,264.46	2,097.26	2,097.26	(13,875.46)
Gain on Property Acquisition,	0.00	118,000.00	118,000.00	0.00	(118,000.00)
Grant Income - Federal ARPA	0.00	3,351,000.00	0.00	292,000.00	(3,351,000.00)
Interest Income	2,481.00	732.16	0.00	10.76	1,748.84
Interest Income - RLF Program	29,085.00	25,216.39	5,247.13	2,217.62	3,868.61
Late Payment Penalty RLF	0.00	114.42	0.00	0.00	(114.42)
Interest Income - City Fund	3,600.00	1,945.39	0.00	0.00	1,654.61
Interest Income - Micro Prog.	9,650.00	9,413.19	464.89	621.64	236.81
Late Payment Penalty - Micro	0.00	330.78	0.00	7.46	(330.78)
Grant Income	0.00	300,000.00	0.00	300,000.00	(300,000.00)
Miscellaneous Income	1,500.00	(160,309.07)	588.00	(91,225.00)	161,809.07
YMCA Income	0.00	39,117.60	0.00	8,756.22	(39,117.60)
YMCA Grant Income	0.00	1,531,240.14	0.00	1,034,487.45	(1,531,240.14)
Overhead Recovery	0.00	91,225.00	0.00	0.00	(91,225.00)
Total Revenues	1,329,521.00	6,418,449.07	458,362.84	1,701,436.97	(5,088,928.07)
Operations					
Office Expense	2,036.00	3,532.28	75.22	200.00	(1,496.28)
Admin Services Exp	792,260.00	674,286.00	58,985.00	58,985.00	117,974.00
Electric Service	0.00	734.96	0.00	734.96	(734.96)
Depreciation Expense - Siding	40,739.00	17,653.48	1,357.96	1,357.96	23,085.52
D&O Insurance	19,000.00	17,728.28	1,300.66	2,561.24	1,271.72
Commercial Insurance	36,354.00	30,180.07	635.71	2,462.03	6,173.93
FTZ Expense	1,250.00	1,250.00	0.00	0.00	0.00
Legal- Retainer	0.00	19,500.00	1,500.00	1,500.00	(19,500.00)
Legal - Unrestricted	50,000.00	22,762.45	0.00	426.26	27,237.55
Legal YMCA	10,000.00	18,949.85	0.00	5,349.85	(8,949.85)
Accounting & Auditing	16,000.00	11,400.00	0.00	0.00	4,600.00
Coffeen Park Taxes	1,800.00	1,743.44	0.00	0.00	56.56
Airport Park Taxes	1,200.00	1,056.39	0.00	0.00	143.61
Fees Expense	3,000.00	110.00	0.00	0.00	2,890.00
Grant Expense - Federal ARPA	0.00	2,351,000.00	0.00	292,000.00	(2,351,000.00)
Grant Expense YMCA	0.00	1,531,240.14	0.00	1,034,487.45	(1,531,240.14)
Bad Debt-RLF	190,000.00	(19,699.50)	0.00	0.00	209,699.50
Bad Debt-Micro	31,000.00	59,358.25	59,358.25	0.00	(28,358.25)
RLF Program Expense	24,474.00	47,041.28	3,618.56	3,618.56	(22,567.28)
Microenterprise Program Exp	13,389.00	27,264.46	2,097.26	2,097.26	(13,875.46)
RLF Audit Expense	800.00	0.00	0.00	0.00	800.00
146 Arsenal Bldg Maintenance	0.00	1,057.19	0.00	0.00	(1,057.19)
Plowing 146 Arsenal	0.00	15,900.00	0.00	0.00	(15,900.00)
IDA 146 Arsenal Bldg Expense	0.00	27,023.05	680.91	77.35	(27,023.05)
Building Depreciation	29,321.00	43,124.10	8,076.64	8,076.64	(13,803.10)
146 Arsenal Gas	0.00	7,962.72	0.00	0.00	(7,962.72)
146 Arsenal Electric	0.00	36,234.70	0.00	827.78	(36,234.70)
146 Arsenal Water	0.00	3,703.86	0.00	312.27	(3,703.86)
Miscellaneous - Unrestricted	200.00	103.23	0.00	0.00	96.77
Total Operations	1,262,823.00	4,952,200.68	137,686.17	1,415,074.61	(3,689,377.68)
Total Revenue	1,329,521.00	6,418,449.07	458,362.84	1,701,436.97	(5,088,928.07)
Total Expenses	1,262,823.00	4,952,200.68	137,686.17	1,415,074.61	(3,689,377.68)
Net Income Over Expenditures	\$ 66,698.00	1,466,248.39	\$ 320,676.67	286,362.36	(1,399,550.39)

For Intern-6-Use Only

Jefferson County IDA
Balance Sheet
October 31, 2022

ASSETS

Current Assets		
General Checking	\$	1,390,141.06
Savings Account		258,422.16
Microenterprise Account		103,359.70
City Loan Account		287,870.14
Revolving Loan Fund Account		2,444,484.08
PILOT Monies Receivable		35,647.88
Miscellaneous Receivable		347,257.30
Acct Receivable - Rogers		17,519.31
RLF Loans Receivable		2,001,167.42
Microenterprise Loans Rec.		187,213.35
Allowance for Bad Debt-RLF		(190,000.00)
Allow. for Bad Debts-MICRO		(90,000.00)
Prepaid Expense		20,449.62
		<hr/>
Total Current Assets		6,813,532.02
Property and Equipment		
Accum Depr - Building	(1,058,831.16)	
Accum Depr. Equipment	(52,269.66)	
Accumulated Depreciation Sidin	(24,443.28)	
		<hr/>
Total Property and Equipment		(1,135,544.10)
Other Assets		
IT Server	6,050.00	
Equipment	13,366.00	
Corp. Park Improvements	209,995.14	
Airport Property	884,326.02	
Intangible Asset	53,195.00	
WIP Airport	332,170.51	
WIP Intersection	244,973.52	
Woolworth Building	505,000.00	
Rail Siding CCIP	244,434.00	
Land 146 Arsenal	126,577.50	
146 Ars Building Improvements	3,264,556.08	
		<hr/>
Total Other Assets		5,884,643.77
		<hr/>
Total Assets	\$	<u><u>11,562,631.69</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
PILOT Monies Payable	\$	35,647.88
RLF Loan Payable		700,000.00
Due HUD - RLF Interest		758.00
Due HUD - MICRO Interest		6.91
Maintenance Reserve Convergys		14,445.48
Maintenance Expense Convergys		25,927.57
ARPA Airport Sewer		1,208,000.00
Car Freshner Signage		11,000.00
		<hr/>
Total Current Liabilities		1,995,785.84

Long-Term Liabilities	
Due NYS/IAP L.T.	180,159.78

Unaudited - For Mar⁻⁷-tent Purposes Only

Jefferson County IDA
Balance Sheet
October 31, 2022

Deferred Revenue - Rogers	<u>18,000.51</u>	
Total Long-Term Liabilities		<u>198,160.29</u>
Total Liabilities		2,193,946.13
Capital		
General Fund Bal - Unrestrict.	1,826,227.59	
Fund Bal - RLF Restricted	4,419,309.27	
Fund Bal - Micro Restricted	414,850.76	
Fund Bal - City Restricted	262,489.22	
Cap. Impr. Convergys	979,560.33	
Net Income	<u>1,466,248.39</u>	
Total Capital		<u>9,368,685.56</u>
Total Liabilities & Capital		<u>\$ 11,562,631.69</u>

Jefferson County IDA
General Checking Cash Receipts Journal
For the Period From Oct 1, 2022 to Oct 31, 2022

Filter Criteria includes: Report order is by Check Date. Report is printed in Detail Format.

Date	Account ID	Transaction	Line Description	Debit Amnt	Credit Amnt
10/6/22	125001 100001	2194	Invoice: 3729 JEFFERSON COUNTY INDUSTRIAL	3,618.56	3,618.56
10/6/22	125001 100001	1244	Invoice: 3730 JEFFERSON COUNTY INDUSTRIAL	2,097.26	2,097.26
10/6/22	125001 100001	0709	Invoice: 3759 YMCA	3,406.37	3,406.37
10/13/22	425001 100001	21416	REFUND FOR 146 ARSENAL ST ABJ COMFORT SYSTEMS	588.00	588.00
10/18/22	205602 202702 100001	ACH	DUE SHLDC 10/22 & 11/22 DUE JCIDA-RLF 10/22 & 11/22 CONVALT ENERGY. LLC	5,250.00	1,000.00 4,250.00
10/19/22	207005 205602 100001	19636	DUE MICRO DUE SHLDC PAINFULL ACRES	989.39	565.37 424.02
10/19/22	125001 100001	0711	Invoice: 3760 YMCA	5,349.85	5,349.85
				<u>21,299.43</u>	<u>21,299.43</u>

Jefferson County IDA
Miscellaneous Receivables
As of Oct 31, 2022

Filter Criteria includes: 1) Includes Drop Shipments. Report order is by ID. Report is printed in Detail Format.

Customer ID Customer Bill To Contact Telephone 1	Invoice/CM	0 - 30	31 - 60	61 - 90	Over 90 days	Amount Due
CONVALT CONVALT ENERGY, LLC	3669				27,486.30	27,486.30
CONVALT CONVALT ENERGY, LLC					27,486.30	27,486.30
MLR,LLC MLR,LLC	3660 3716 618		-91,225.00		182,450.00 -91,225.00	182,450.00 -91,225.00
MLR,LLC MLR,LLC			-91,225.00		91,225.00	
WATERTOWN RENEW-N WATERTOWN RENEWABLES, LLC	3776	166,407.00				166,407.00
860-806-0298 WATERTOWN RENEW-N WATERTOWN RENEWABLES, LLC		166,407.00				166,407.00
WATERTOWN RENEW-S WATERTOWN RENEWABLES, LLC	3777	161,940.00				161,940.00
860-806-0298 WATERTOWN RENEW-S WATERTOWN RENEWABLES, LLC		161,940.00				161,940.00
Report Total		328,347.00	-91,225.00		118,711.30	355,833.30

Jefferson County Industrial Development Agency
Revolving Loan Fund Receivables
October 31, 2022

	Recipient	Date Issued	Loan Amount	Current Balance	Payment Amount	Current Status	Purpose of Loan
1	Convalt	07/13/22	\$850,000.00	\$850,000.00	\$2,625.00	Current	Participation (SHLDC) Bridge loan
2	JCIDA	08/01/21	\$2,000,000.00	\$700,000.00	\$0.00	Current	146 Arsenal Remediation
3	MLR, LLC	07/01/07	\$250,000.00	\$73,571.16	\$1,307.83	Current	Expand Warehouse
4	Meadowbrook Terrace	08/01/12	\$250,000.00	\$8,658.87	\$2,879.32	Current	Working Cap During Construction
5	RBM Manufacturing	11/22/19	\$400,000.00	\$368,847.39	\$7,187.48	Current	Working Capital Additional 11/2020
Total RLF Receivables			\$3,750,000.00	\$2,001,077.42		-	

Jefferson County Industrial Development Agency
MICRO Loan Fund Receivables
October 31, 2022

	Recipient	Date Issued	Original Amount	Current Balance	Payment Amount	Current Status	Purpose of Loan
	Colleens Cherry Tree Inn	5/1/2019	\$40,000.00	\$23,015.96	\$1,421.18	3 Months	Expand Restaurant - Ice Ceram Shop
	R. L. Gould & Son, LLC	3/1/2019	\$40,000.00	\$15,056.49	\$750.30	Current	Open UPS Store
	Tl Area Habitat For Humanity	4/1/2018	\$40,000.00	\$6,654.18	\$754.85	Current	Open ReStore
	Painfull Acres	3/1/2018	\$40,000.00	\$17,391.37	\$565.35	Current	Amish Furniture Store
	Pink Kettle	2/23/2022	\$24,800.00	\$22,215.13	\$468.01	Current	Retail Beverages
	Sarah's Barber Shop	3/1/2020	\$10,000.00	\$6,867.40	\$188.71	Demand Letter	Barber Shop
	The Scrub Hub	4/1/2018	\$18,656.00	\$2,403.85	\$352.06	Current	Scrubs Clothing
	Standard Machine	8/21/2021	\$40,000.00	\$37,352.70	\$749.30	Demand Letter	Fabrication
	Taste of Design	4/1/2007	\$40,000.00	\$14,487.32	\$277.54	2 Months	Coffee Shop
	Therartpy	7/1/2021	\$10,102.00	\$7,807.59	\$190.64	Current	Art Therapy
	Willowbrook	7/28/2021	\$40,000.00	\$33,961.36	\$754.85	Current	Purchase Golf Club
	Total MICRO Receivables		\$343,558.00	\$187,213.35		-	

Jefferson County IDA
Cash Disbursements Journal
For the Period From Oct 1, 2022 to Oct 31, 2022

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
10/3/22	7830	200001 100001	Invoice: 22-1093 BERNIER, CARR & ASSOCIATES, P.C.	8,002.05	8,002.05
10/3/22	7831	200001 100001	Invoice: 9/22 PAINFULL JEFFERSON COUNTY INDUSTRIAL	565.35	565.35
10/3/22	7832	200001 100001	Invoice: 2370 JEFF COUNTY LDC	58,985.00	58,985.00
10/3/22	7833	200001 200001 100001	Invoice: 45157-9/22 Invoice: 451150-9/22 NATIONAL GRID	31.26 796.52	827.78
10/3/22	7834	200001 100001	Invoice: 22023 COMMERCIAL SELECTIVE INSURANCE CO	7,628.51	7,628.51
10/3/22	7835	200001 100001	Invoice: 9/22 PAINFULL SACKETS HARBOR LDC	424.02	424.02
10/13/22	7836	200001 100001	Invoice: 7-902-02131 FEDERAL EXPRESS CORP.	45.20	45.20
10/13/22	7837	200001 200001 100001	Invoice: 001-9/22 Invoice: 1851-9/22 CITY OF WATERTOWN COMPTROLLER	268.89 43.38	312.27
10/18/22	7838	200001 100001	Invoice: 9/22-17024 NATIONAL GRID	734.96	734.96
10/18/22	7839	200001 100001	Invoice: 34820 WESTELCOM	92.91	92.91
10/18/22	7840	200001 100001	Invoice: REFUND-ABJ WATERTOWN FAMILY YMCA	588.00	588.00
10/19/22	7841	200001 100001	Invoice: 21.1130.7-BALANCE PARADIGM ENVIRONMENTAL, LLC	30.00	30.00
10/27/22	7842	200001 100001	Invoice: 22-1199 BERNIER, CARR & ASSOCIATES, P.C.	8,398.00	8,398.00
10/27/22	7843	200001 100001	Invoice: 8883759 HARRIS BEACH	1,500.00	1,500.00
10/27/22	7844	200001 100001	Invoice: 10/22 PAINFULL JEFFERSON COUNTY INDUSTRIAL	565.39	565.39
10/27/22	7845	200001 100001	Invoice: 11/22 PAINFULL SACKETS HARBOR LDC	424.02	424.02
10/27/22	7846	200001 100001	Invoice: 10/22, 11/22 CONVALT JEFFERSON COUNTY INDUSTRIAL	4,250.00	4,250.00
10/27/22	7847	200001 100001	Invoice: 10/22, 11/22 CONVALT SACKETS HARBOR LDC	1,000.00	1,000.00
Total				94,373.46	94,373.46

Jefferson County Industrial Development Agency
 800 Starbuck Avenue, Suite 800
 Watertown, NY 13601
 (315) 782-5865

2022 Board Attendance

Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Aliasso, Robert	P	P	P	P	P	P	P	P	P	P		
Converse, David	P	P	E	P	P	P	E	P	P	P		
Jennings, John	P	P	E	A	P	P	E	P	E	E		
Johnson, William	P	P	P	P	P	P	P	P	E	P		
L'Huillier, Lisa	P	P	P	P	P	P	P	P	P	P		
Walldroff, W. Edward	P	P	P	A	P	P	A	P	A	P		
Warneck, Paul	P	P	P	P	P	P	P	P	P	P		
Totals:	7	7	5	5	7	7	4	7	4	6		
P - Present												
E - Excused												
A - Absent												

AUTHORIZING RESOLUTION

(Convalt Energy, Inc. and Convalt Manufacturing, LLC – Phase 1 Project)

A regular meeting of the Jefferson County Industrial Development Agency was convened on Thursday, November 3, 2022 at 8:30 a.m.

The following resolution was duly offered and seconded, to wit:

Resolution No. 11.03.2022.01

RESOLUTION OF THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO LAND DEVELOPMENT AGREEMENT (AS FURTHER DESCRIBED HEREIN) WITH THE CONVALT ENERGY, INC. (THE “COMPANY”).

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 369 of the Laws of 1971 of the State of New York, (the “Act”), the **JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the “Agency”) was created with the authority and power to promote, develop, encourage and assist in acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research, and recreational facilities as authorized by the Act, and in connection therewith to issue its revenue bonds, and/or enter into straight lease transactions and provide other forms of financial assistance; and

WHEREAS, **CONVALT ENERGY, INC.**, for itself and/or on behalf of an entity or entities to be formed (collectively, the “Company”), has submitted an application (the “Application”) to the Agency requesting the Agency’s assistance with a certain project or projects (collectively, the “Convalt Project”) consisting of: (i) the disposition by the Agency of all or portions of approximately 88.51 acres of real property owned by the Agency and located in the vicinity of State Route 12F in Town of Hounsfield, Jefferson County, New York, (ii) the planning, design, construction, equipping and operation of (a) the phased development of up to 500,000 square foot manufacturing facility to accommodate solar panel manufacturing and solar power plant generation, including building improvements for manufacturing, warehousing, office space, and related internal spaces, external parking improvements, storm water management and related site improvements, and related on and offsite utility improvements, and (b) one or more photovoltaic solar energy arrays installed for testing and energy production and sale for on and offsite usage, including panel foundations, inverters, transformers, interconnect wiring, utility connections, sitework, landscaping, fencing, security and related improvements (collectively, the “Convalt Improvements”), and (iii) the acquisition in and around the Improvements and of certain items of equipment and other tangible personal property and equipment (the “Convalt Equipment” and, collectively with the Land and the Improvements, the “Convalt Facility”), and (iv) entering into a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain one or more leasehold interests in the Convalt Facility for a period of time and sublease such interest in the Facility back to the Company; and

WHEREAS, as and for the first phase of the Convalt Project, the Company, by and through affiliate **Convalt Manufacturing, LLC**, is requesting that the Agency consider undertaking the first phase of a Project (the “Project”) consisting of: (i) the disposition by the Agency of all or portions of approximately 88.51 acres of real property owned by the Agency and located in the vicinity of State Route 12F in Town of Hounsfield, Jefferson County, New York (the “Land”, being more particularly described as one or more tax parcels as may be subdivided and/or merged, including TMID Nos 81.00-1-14.1 (29.93 acres), 81.00-1-13.1 (33.49 acres), 82.00-3-2.2 (8.45 acres), 81.00-3-2.3 (7.27 acres), and 82.00-3-5 (10.78 acres)), (ii) the planning, design, construction, equipping and operation of an approximately 300,000 square foot manufacturing facility to accommodate solar panel manufacturing and solar power plant generation, including building improvements for manufacturing, warehousing, office space, and related internal spaces, external parking improvements, storm water management and related site improvements, and related on and offsite utility improvements (collectively, the “Improvements”), and (iii) the acquisition in and around the Improvements and of certain items of equipment and other tangible personal property and equipment (the “Equipment” and, collectively with the Land and the Improvements, the “Facility”), and (iv) entering into a straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will retain a leasehold interest in the Facility for a period of time and sublease such interest in the Facility back to the Company (the “Straight Lease Transaction”); and

WHEREAS, on February 18, 2021, the Agency adopted an initial resolution (the “Initial Project Resolution”) which (i) accepted the Company’s application, (ii) authorized the scheduling and conduct of a public hearing in compliance with the Act, (iii) described the contemplated forms of financial assistance to be provided by the Agency; (iv) authorized the negotiation of an Agent and Financial Assistance and Project Agreement (the “Agent Agreement”), Lease Agreement (the “Lease Agreement”), Leaseback Agreement (the “Leaseback Agreement”) and Payment-in-lieu-of-Tax agreement (the “PILOT Agreement”) to be entered into with respect to the Project and (v) authorized the issuance of a notice of disposition with respect to certain real estate owned by the Agency; and

WHEREAS, in furtherance of the Project, the Agency and Company entered into a certain Land Development Agreement with License and Exclusive Option, dated as of September 15, 2021 (the “LDA”), pursuant to which the Agency granted the Company with preliminary Project development access rights to the Land and an exclusive option to acquire the Land from the Agency in furtherance of the Project; and

WHEREAS, the Agency and the Company continue to address several contingencies required to undertake a Closing, as defined within the LDA, and in furtherance of commencing preliminary site work relating to the Project, the Company has requested the Agency’s approval to expand the license rights under the LDA to allow for certain pre-construction site preparation, clearing, grubbing, grading and subbase gravel work (collectively, the “Site Work”) to be undertaken on the Land prior to the Closing; and

WHEREAS, in furtherance of the foregoing, the Company has requested that the Agency authorize an amendment to the LDA to allow for the Site Work prior to Closing; and

WHEREAS, the Agency desires to authorize the execution and delivery of an LDA amendment, in substantially the form attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency hereby authorizes the execution and delivery of LDA Amendment Number 1, in substantially the form attached hereto as Exhibit A (the "LDA Amendment"), wherein the Agency expands the License rights under the LDA to permit the Company to undertake the Site Work prior to the Closing, such authorization being conditioned upon: (i) continued indemnification and insurance coverage of the Agency by the Company, (ii) the Company's release of the Agency from any and all costs expenses, fees or any liability associated with the Site Work, even if a Closing is not achieved, and (iii) the Company's receipt of all approvals and permits necessary to undertake the Site Work. The Company shall also pay all costs incurred by the Agency in connection with the foregoing.

Section 2. The Agency hereby authorizes the execution and delivery of the LDA Amendment, as negotiated, at a time and place for closing as the Chairman (or Vice Chairman), Executive Director (or Deputy Executive Director), on behalf of the Agency, shall determine.

Section 3. 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 and to execute and deliver all such certificates, instruments and documents, to 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 resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 4. These Resolutions shall take effect immediately upon adoption.

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

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
Robert E. Aliasso, Jr.				
David J. Converse				
John Jennings				
William W. Johnson				
Lisa L'Huillier				
W. Edward Walldroff				
Paul J. Warneck				

The resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF JEFFERSON) ss:

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

That I have compared the foregoing extract of the minutes of the meeting of the Jefferson County Industrial Development Agency (the "Agency") including the resolution contained therein, held on November 3, 2022, 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 resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Agency this ____ day of _____, 2022.

W. Edward Walldroff, (Acting) Secretary

[SEAL]

EXHIBIT A

FORM OF LDA AMENDMENT NUMBER 1

THIS LDA AMENDMENT NUMBER 1 (hereinafter, the “Amendment”), dated as of the ___ day of November, 2022, by and between the **JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly existing under the laws of the State of New York (the “State”) with offices at 800 Starbuck Avenue, Suite 800, Watertown, New York 13601 (the “Agency”) and **CONVALT ENERGY, INC.**, a business corporation duly formed and validly existing under the laws of the State of Delaware with offices at 800 Starbuck Avenue, Suite A-15, Watertown, New York 13601 (the “Company”).

WITNESSETH:

WHEREAS, the Agency and the Company entered into that certain Land Development Agreement with License and Exclusive Option, dated as of September 15, 2021 (the “LDA”), wherein the Agency and Company have agreed to undertake a certain Project (as defined within the LDA) to be located upon certain Land (as defined within the LDA) owned by the Agency and, pursuant to the LDA, to be acquired by the Company from the Agency in accordance with the terms and conditions thereof; and

WHEREAS, at the Company’s request, and in accordance with that certain Authorizing Resolution adopted by the Agency on November 3, 2022, the Company desires to expand the license rights under the LDA (the “License”, as set forth within Article III of the LDA) to allow for certain pre-construction site preparation, clearing, grubbing, grading and subbase gravel work (collectively, the “Site Work”) to be undertaken on the Land prior to the Closing (as defined within the LDA); and

WHEREAS, the Agency and the Company desire to memorialize the foregoing within this Amendment.

NOW THEREFORE, for and in consideration of the promises and the mutual covenants hereinafter contained, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto formally covenant, agree and bind themselves as follows:

Section 1. Amendment to License.

Section 3.1 of the LDA is hereby replaced in entirety to read as follows:

Section 3.1. Grant of License. (a) Subject and pursuant to the terms, conditions and contingencies contained within this Agreement, the Agency hereby grants to the Company an exclusive, revocable license (the “License”) to enter the Land for the exclusive purposes of surveying, studying, testing, drilling, boring and otherwise analyzing the Land in connection with the planning, design and engineering of the Project, as defined herein. The License Rights shall further include the right of the

Company to store certain solar panel manufacturing and warehousing tools, equipment, and materials on the Land as set forth herein (herein, the "Storage Rights").

The Company shall provide the Agency with copies of all engineering reports and test results associated with the Land and Project received by the Company during the term hereof, including, but not limited to geotechnical boring results and other reports and test results relating to the Land site conditions. The License shall be co-terminus with the Development Term, as defined herein, unless otherwise revoked by the Agency. The Agency, as Licenser, may revoke this license at any time if the Company, as Licensee, is in breach of any term or provision hereof and such breach has not been cured within Sixty (60) days of written notice of such breach has been given to the Company by the Agency.

The foregoing License shall include the right to enter the Land to undertake certain preliminary Site Work improvements (the "Site Work"), such Site Work to be limited to the following activities:

- 1) Install Construction Entrances and required ESC measures in accordance with the SWPPP which shall include silt fence on the perimeter of the building envelope as defined within the Town of Hounsfield site plan approval.
- 2) Grub all stumps within the building envelope and dispose onsite (location to be determined and approved by Agency).
- 3) Strip the first 150-feet +/- of the building envelope to rock and stockpile on the southern portion of the building. Stockpiles will be mulched once stripped in accordance with the SWPPP.
- 4) Import crushed stone in the building envelope up to subgrade at assumed bottom of footings, which will include approximately 12-24" of stone subbase. The stone will be brought in as the stripping occurs to avoid areas to become destabilized.
- 5) Once the foregoing is completed for winter months, areas will be left stabilized and ESC measurers left in place. SWPPP inspections will occur as required by the SPDES permit. No wetland disturbance shall occur.

The Company's authorization and License right to undertake the Site Work shall be governed by the terms hereof. The Company's right to undertake the Site Work shall be subject to the Company's receipt of all local and State approvals and permits necessary to undertake same. The Site Work shall not commence until the Company has delivered the following to the Agency: (i) SWPPP as issued by NYSDEC, along with all applicable permits necessary to undertake the Site Work; (ii) all construction agreements and contracts entered into by the Company for the Site Work; (iii) proof of insurance bound by all contractors provided with limits and coverages as required by this Agreement (with the Agency included as an additional insured); and (iv) proof of liquid funds held by the Company to pay for all contracts bound by the Company to undertake the Site Work. Upon completion of the Site Work, the Company shall immediately pay all amounts due to applicable contractors and deliver to the Agency a lien release executed by all contractors relative to the Site Work.

In the event that a Closing is not achieved during the term hereof, the Company agrees to restore the Land to such condition as required by the Agency (the "Restoration") and the Company shall and hereby does indemnify of the Agency by the Company of all regulatory liabilities associated with the Site Work. In addition, to the extent that a Closing is not achieved pursuant hereto, the Company hereby acknowledges that the Agency shall not be liable for any costs associated with the Site Work improvements to the Land and forever indemnifies and releases the Agency from any cost or responsibility associated therewith.

Section 2. All other provisions of the LDA shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the Agency and the Company have caused this Amendment to be executed in their respective names, all as of the date first above written.

JEFFERSON COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Name: David J. Zembiec
Title: Chief Executive Officer

CONVALT ENERGY, INC.

By: _____
Name: Hari Achuthan
Title: President & CEO

State of New York)
)
County of Jefferson) ss.:

On the ____ day of November in the year 2022 before me, the undersigned, personally appeared **David J. Zembiec**, 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)
)
County of Jefferson) ss.:

On the __ day of November in the year 2022 before me, the undersigned, personally appeared **Hari Achuthan**, 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