

**Jefferson County Industrial Development Agency
Board Meeting Minutes
November 2, 2023**

The Jefferson County Industrial Development Agency held their board meeting on Thursday, November 2, 2023 in the board room at 800 Starbuck Avenue, Watertown, NY.

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

Excused: None

Absent: None

Also Present: Christine Powers, Zach Grady (Channel 7 News), Craig Fox (Watertown Daily Times)
Zoom: Justin Miller, Esq. (Harris Beach)

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

- I. Call to Order:** Chairman Aliasso called the meeting to order at 8:26 a.m.
- II. Privilege of the Floor:** Guests were invited to speak. No one spoke.
- III. Minutes:** Minutes of the meeting held October 5, 2023 were presented. A motion to approve the minutes as presented was made by Mr. Johnson, seconded by Mr. Condino. Minutes of the special meeting held October 11, 2023 were presented. A motion was made by Mr. Condino to approve the special minutes as presented was made by Mr. Condino, seconded by Mr. Walldroff. All in favor. Carried.
- IV. Treasurer's Report:** Mr. Warneck reviewed the financials for the period ending October 31, 2023. Mr. Warneck reviewed the delinquent loans. LCO Destiny is two months behind. After discussion, a motion was made by Mr. Warneck to accept the financial statement as presented, seconded by Mr. Condino. All in favor. Carried.
- V. Committee Reports:**
 - a. Loan Review Committee** - Mr. Converse said the committee met with Tom Scozzafava (Sackets Harbor Brew Pub, LLC d/b/a 1812 Brewing Company) for his proposed project. The committee requested more financial information. Ms. Stephenson said the information was received yesterday and will be presented at next month's loan review meeting.
 - i. Proposed Lending/Collection Policy and Procedures** – The Loan Review Committee is recommending the following changes to the policy:
 - Change the word 'will' to 'may' in Section 6 when referring to including a balloon payment at the end of a five (5) year period.
 - Add 'or ten (10) year period' after the 5-year period.The changes will also be made to the program description pages.A motion was made by Mr. Converse to approve the resolution, seconded by Mr. Warneck. All in favor. Carried.

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- b. Alternative Energy Ad Hoc Committee** – Mr. Warneck said that the AES proposed project in the towns of Lyme and Brownville was granted an award from NYSERDA. He noted that they have not submitted an application to us yet.

Mr. Warneck said that he recently attended a meeting in Lewis County and learned that several companies plan to build support to challenge the state's approval of the final model and sue them. He said that he hears the struggles of solar projects across the state.

- c. Corporate Park Ad Hoc Committee** – No report.

VI. Unfinished Business:

- 1. 146 Arsenal Street update** – Mr. Zembiec said the grand opening will be held on December 11, 2023. He noted that the JCLDC will be processing the \$400,000 grant to the YMCA this month.
- 2. Three Mile Bay Ventures, LLC** – A request to waive the keyman life insurance policy for the RLF participation loan (with NCA) commitment. Mr. Bennett is a veteran which makes it harder to obtain insurance and if able to obtain will cost an astronomical amount of money each month. A motion was made by Mr. Converse to approve the request and waive the life insurance requirement for the listed circumstances (not conditioned on NCA's approval), seconded by Mr. Condino. All in favor. Carried.

VII. New Business: None.

VIII. Counsel:

- 1. Authorizing Resolution No. 11.02.2023.01 for Convalt Energy, Inc. and Convalt Manufacturing, LLC (LDA renewal and loan extension)** – A request from Convalt to extend the Land Development Agreement and working capital loan until June 1, 2024. Chairman Aliasso read the purpose of the resolution. A motion was made by Mr. Converse to approve the resolution, seconded by Mr. Condino. Mr. Walldroff asked why the survey map shows several parcels and asked if they would be combined. Attorney Miller said they will be combined once filed and the property is transferred. Roll call vote. Mr. Aliasso – Yea, Mr. Converse – Yea, Mr. Condino – Yea, Mr. Johnson – Yea, Ms. L'Huillier – Yea, Mr. Walldroff – Yea, and Mr. Warneck – Yea. Carried.
- 2. Supplemental Authorizing Resolution No. 11.02.2023.02 for North American Tapes, LLC** – North American Tapes, LLC updated parts of their application to include minor site modifications to the project. The increased project construction costs require adjustment to the amount of sales and use tax exemptions. Attorney Miller noted that the project is scheduled to close on November 6, 2023 and commented that it was good to receive and adjust the information prior to closing. A motion was made by Mr. Warneck to approve the resolution, seconded by Mr. Johnson. Roll call vote. Mr. Aliasso – Yea, Mr. Converse – Yea, Mr. Condino – Yea, Mr. Johnson – Yea, Ms. L'Huillier – Yea, Mr. Walldroff – Yea, and Mr. Warneck – Yea. Carried.

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Executive Session

At 8:45 a.m., a motion was made by Mr. Warneck to enter into executive session to discuss the potential sale of real estate and to seek advice of counsel, seconded by Mr. Condino. All in favor. Board Members including LDC Board Member Powers, Staff, and Counsel remained.

At 9:24 a.m., a motion was made by Mr. Warneck to leave executive session, seconded by Mr. Condino. All in favor. No action was taken.

- IX. Adjournment:** With no further business before the board, a motion to adjourn was made by Mr. Condino, seconded by Mr. Warneck. All in favor. The meeting was adjourned at 9:24 a.m.

Respectfully submitted,

Peggy Sampson

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 2, 2023 at 8:30 a.m.

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

Resolution No. 11.02.2023.01

RESOLUTION OF THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY APPROVING (i) THE EXTENSION OF DEVELOPMENT RIGHTS PURSUANT TO A CERTAIN LAND DEVELOPMENT AGREEMENT WITH LICENSE AND EXCLUSIVE OPTION AND TRANSACTIONS CONTEMPLATED THEREBY, (ii) THE EXTENSION OF THE MATURITY OF A CERTAIN WORKING CAPITAL LOAN, AND (iii) THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND AGREEMENT RELATING THERETO

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, 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, as amended pursuant to a LDA Amendment Number 1, dated as of November 4, 2022 (collectively, 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, pursuant to request from the Company pursuant to Section 2.1 of the LDA, the Agency previously approved and granted the first available six (6) month extension of the Development Term (as defined in the LDA) by resolution adopted October 6, 2022 and as memorialized within that certain First Extension to Land Development Agreement with License and Exclusive Option, dated as of October 11, 2022, whereby the LDA Development Term currently expires as of March 15, 2023; and

WHEREAS, pursuant to request from the Company pursuant to Section 2.1 of the LDA, the Agency previously approved and granted the second available six (6) month extension of the Development Term (as defined in the LDA) by resolution adopted March 9, 2023 and as memorialized within that certain Second Extension to Land Development Agreement with License and Exclusive Option, dated as of March 15, 2023, whereby the LDA Development Term expired as of September 15, 2023; and

WHEREAS, the Company has submitted a request to the Agency for approval of a renewal of the LDA to provide a final extension of the Development Term through June 1, 2024 (the "LDA Renewal"); and

WHEREAS, in furtherance of the Project, the Company also previously applied to the Agency for a working capital loan in the amount of \$1,050,000.00 (the "Loan"), such loan having been memorialized pursuant to a certain Loan Agreement, dated as of July 12, 2022, and was secured in part by a first security interest in all assets of the Company and Convalt Manufacturing, LLC as set forth within the Security Agreement executed by the Company and Convalt Manufacturing, LLC in favor of the Agency (the "Security Agreement"); and

WHEREAS, the Loan was also evidenced by a Promissory Note in the amount of \$1,050,000.00 (the "Note"), the Security Agreement, the unconditional guaranty of certain Guarantors (the "Guaranty"), financing statements, and other instruments of collateral security (collectively, the "Loan Documents"); and

WHEREAS, the Loan originally matured as of May 12, 2023 (the "Maturity Date"), however pursuant to a certain Note Modification Agreement, dated as of May 31, 2023, the Agency agreed to extend the Maturity Date to December 1, 2023; and

WHEREAS, the Company has submitted a request to the Agency for approval of a final extension of the Maturity Date to June 1, 2024 (the "Loan Extension"); and

WHEREAS, pursuant to the requests of the Company, the Agency desires to adopt a resolution authorizing the LDA Renewal and Loan Extension, all subject to the terms and conditions as set forth herein.

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

Section 1. The Agency, upon review of a request from the Company relating to the LDA Renewal, and to allow sufficient time to perfect certain debt financing relating to the Project, hereby approves the renewal and extension of the Development Term, as defined within and governed by Article II of the LDA, to June 1, 2024. Such LDA Renewal and extension shall be subject to the payment by the Company of certain outstanding expenses of the Agency, along with the execution and delivery of a Renewal to Land Development Agreement with License and Exclusive Option (the "Renewal Agreement"), such Renewal Agreement to include the following terms and conditions:

- (i) The "Land", as defined within the LDA, shall be modified to include 81.76 acres of real property as depicted as "Lot 2" in the attached Lot Line Adjustment Survey, dated as of June 23, 2023, and as approved by the Town Planning Board as of July 11, 2023;
- (ii) The Company shall acknowledge that the Agency Infrastructure Project, as defined within the LDA, is redefined and limited to include (a) the Agency's installation of 2 curb cuts for driveway entrances into the Land and Project, which

- shall include sub-base installation in coordination with the Company's undertaking of the Project and top coat installation upon the Company's completion of the Project; and (b) the Agency's coordination with the Town in connection with proposed wastewater and pump station improvements to be constructed by the Town within and upon the Land (with the Company and/or Agency providing the Town with all necessary easements and rights of way in connection therewith), with the Agency providing the Town with applicable third party grant proceeds received by the Agency for such purposes; and
- (iii) The Company may not exercise the Option to acquire the Land from the Agency unless the Company first complies with all requirements contained within LDA Amendment Number 1, dated as of November 4, 2022, wherein the Company is required to pay all amounts due to applicable contractors performing Site Work (as defined therein) and delivers to the Agency a lien release executed by all contractors relative to the Site Work.

Section 2. The Agency, upon review of a request from the Company relating to the Loan Extension, and to allow sufficient time to perfect certain debt financing relating to the Project, hereby approves the Loan Extension to June 1, 2024. Such Loan Extension shall be subject to the payment by the Company of certain outstanding expenses of the Agency, along with the execution and delivery of a Note Modification Agreement (the "Loan Extension Agreement").

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.	X			
David J. Converse	X			
John Condino	X			
William W. Johnson	X			
Lisa L'Huillier	X			
W. Edward Walldroff	X			
Paul J. Warneck	X			

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:

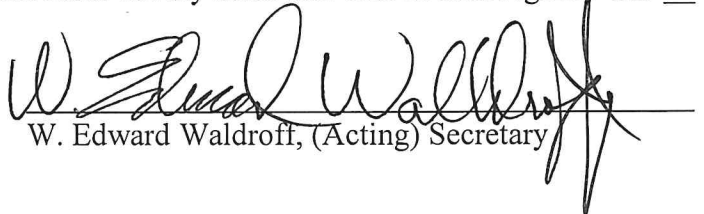
That I have compared the foregoing extract of the minutes of the meeting of the Jefferson County Industrial Development Agency (the "Agency") including the resolution contained therein, held on November 2, 2023, with the original thereof on file in my office, and that the same is a true and correct copy 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.

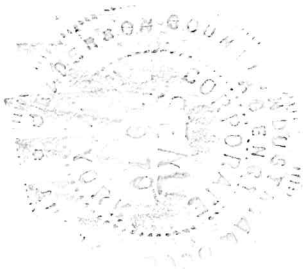
I FURTHER CERTIFY that there was a quorum of the members of the Agency present throughout said meeting.

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 11/21, 2023.


W. Edward Waldroff, (Acting) Secretary

[SEAL]



SUPPLEMENTAL PROJECT AUTHORIZING RESOLUTION
(North American Tapes, LLC Project)

A regular meeting of the Jefferson County Industrial Development Agency was convened on Thursday, November 2, 2023 at 8:30 a.m.

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

Resolution No. 11.02.2023.02

SUPPLEMENTAL PROJECT AUTHORIZING RESOLUTION OF THE
JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
RELATING TO THE APPOINTMENT OF NORTH AMERICAN TAPES, LLC,
FOR ITSELF AND/OR ON BEHALF OF ONE OR MORE ENTITIES TO BE
FORMED (COLLECTIVELY, THE "COMPANY") AS ITS AGENT TO
UNDERTAKE A CERTAIN PROJECT (AS MORE FULLY DESCRIBED
BELOW)

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, pursuant to a certain Project Authorizing Resolution adopted on August 10, 2023 (the "Authorizing Resolution"), the Agency previously appointed **NORTH AMERICAN TAPES, LLC**, for itself and/or for an entity or entities to be formed (collectively, the "Company") as agent to undertake a certain project (the "Project") consisting of: (i) the acquisition by the Agency of a leasehold interest in approximately 8.08 acres of real property located at 22430 County Route 196 in the Town of Watertown, New York (the "Land", being more particularly described as tax parcel No. 73.20-1-17) and the existing improvements located thereon, consisting principally of an approximately 48,000 square foot manufacturing facility (the "Existing Improvements"); (ii) the planning, design, construction and operation of an approximately 19,200 square feet addition to the Existing Improvements of building space for operation as a manufacturing facility, along with warehousing spaces, exterior utility and site improvements, parking lots, loading docks, access and egress improvements, signage, curbage, sidewalks, landscaping and stormwater retention improvements (collectively, the "Improvements"); (iii) the acquisition of and installation in and around the Land, the Existing Improvements and Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property (the "Equipment"; and, collectively with the Land, the Existing Improvements 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, the Company has advised the Agency that it contemplates making certain minor site modifications to the Project and that increased project construction costs require adjustment to the amount of sales and use tax exemption benefits approved by the Agency within the Authorizing Resolution; and

WHEREAS, in furtherance of the foregoing, the Company has submitted an updated Application to the Agency for consideration, and upon review of same, the Agency desires to authorize: (i) the incorporation of an approximately 800 square feet of loading dock space and an approximately 2,400 square foot overhang into the definition of the Project, and (ii) an increase in the amount of authorized sales and use tax exemptions to be provided to the Company in furtherance of the Project.

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

Section 1. Based upon the representations made by the Company to the Agency in the updated Application, the Agency hereby authorizes the incorporation of an approximately 800 square feet of loading dock space and an approximately 2,400 square foot overhang into the definition of the Project, as set forth above.

Section 2. The Agency hereby authorizes an additional \$60,000.00 in sales and use tax exemption benefits for the Company in connection with undertaking the Project as agent of the Agency. The foregoing does not require any supplemental public hearing or additional approvals. In furtherance of the foregoing, Section 3 of the Authorizing Resolution is amended to read as follows:

Based upon the representation and warranties made by the Company the Application, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount up to approximately **\$2,250,000.00**, which result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed **\$180,000.00**. The Agency agrees to consider any requests by the Company for increase to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services, and, to the extent required, the Agency authorizes and conducts any supplemental public hearing(s).

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 and all other provisions of the Authorizing Resolution shall remain unchanged and in full force and effect.

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.	X			
David J. Converse	X			
John J. Condino	X			
William W. Johnson	X			
Lisa L'Huillier	X			
W. Edward Walldroff	X			
Paul J. Warneck	X			

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:

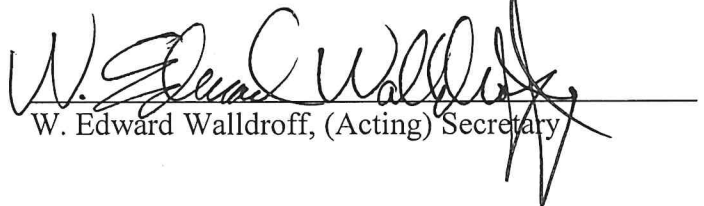
That I have compared the foregoing extract of the minutes of the meeting of the Jefferson County Industrial Development Agency (the "Agency") including the resolution contained therein, held on November 2, 2023, with the original thereof on file in my office, and that the same is a true and correct copy 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 11/2/23, 2023.



W. Edward Walldroff, (Acting) Secretary

[SEAL]

