

**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](http://www.jcida.com)

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**Special Meeting Notice**

**Date:** July 2, 2024

**To:** Chairman Robert E. Aliasso, Jr.  
W. Edward Walldroff  
David Converse  
Paul Warneck  
William Johnson  
Lisa L’Huillier  
John Condino

**From:** Marshall Weir, CEO

**Re:** **SPECIAL Board of Directors’ Meeting**

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A Special Board of Directors’ Meeting has been scheduled for **Monday, July 8, 2024 at 8:00 a.m.** in the board room at 800 Starbuck Avenue, Watertown, NY.

The purpose of the special meeting:

1. Supplemental Project Authorizing Resolution No. 07.08.2024.01 for 4XL, LLC – Amended Application and Project Documents

Please confirm your attendance with Peggy Sampson at 315-782-5865 or by email [pssampson@jcida.com](mailto:pssampson@jcida.com).

The live stream link will be available at [www.jcida.com](http://www.jcida.com).

pss

c: Jay Matteson  
Lyle Eaton  
Robin Stephenson  
Justin Miller, Esq.  
Media

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**Special Meeting**  
**Monday, July 8, 2024**  
**8:00 a.m.**

**Agenda**

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Special Business**
  - 1. Supplemental Project Authorizing Resolution No. 07.08.2024.01 for 4XL, LLC – Amended Application and Project Documents**
- IV. Adjournment**

# Jefferson County Industrial Development Agency

## MRB Cost Benefit Calculator

Date July 2, 2024  
 Project Title L2,LLC (Lawman )  
 Project Location CR 200 Corp Park Watertown, NY 13601



### Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment

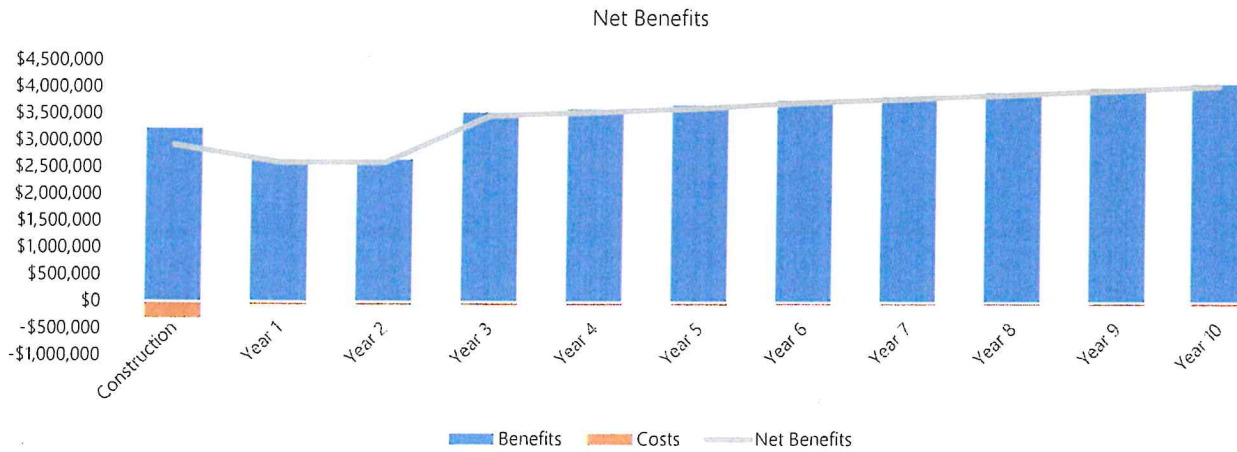
\$5,995,000

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	24	12	36
Earnings	\$2,479,153	\$566,324	\$3,045,477
Local Spend	\$5,995,000	\$2,033,684	\$8,028,684

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	40	20	60
Earnings	\$43,751,616	\$9,893,292	\$53,644,909

Figure 1



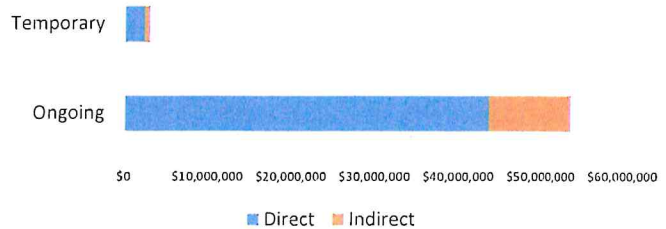
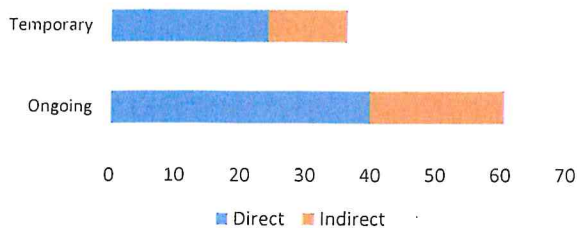
Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

Figure 3

### Total Jobs

### Total Earnings



## Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

### Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$618,211	\$541,910
Sales Tax Exemption	\$280,000	\$280,000
Local Sales Tax Exemption	\$140,000	\$140,000
State Sales Tax Exemption	\$140,000	\$140,000
Mortgage Recording Tax Exemption	\$30,750	\$30,750
Local Mortgage Recording Tax Exemption	\$10,250	\$10,250
State Mortgage Recording Tax Exemption	\$20,500	\$20,500
<b>Total Costs</b>	<b>\$928,961</b>	<b>\$852,660</b>

### State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$57,748,465	\$49,369,512
To Private Individuals	<u>\$56,690,386</u>	<u>\$48,488,087</u>
Temporary Payroll	\$3,045,477	\$3,045,477
Ongoing Payroll	\$53,644,909	\$45,442,609
Other Payments to Private Individuals	\$0	\$0
To the Public	<u>\$1,058,079</u>	<u>\$881,426</u>
Increase in Property Tax Revenue	\$661,246	\$542,009
Temporary Jobs - Sales Tax Revenue	\$21,318	\$21,318
Ongoing Jobs - Sales Tax Revenue	\$375,514	\$318,098
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$2,947,900	\$2,521,381
To the Public	<u>\$2,947,900</u>	<u>\$2,521,381</u>
Temporary Income Tax Revenue	\$137,046	\$137,046
Ongoing Income Tax Revenue	\$2,414,021	\$2,044,917
Temporary Jobs - Sales Tax Revenue	\$21,318	\$21,318
Ongoing Jobs - Sales Tax Revenue	\$375,514	\$318,098
<b>Total Benefits to State &amp; Region</b>	<b>\$60,696,365</b>	<b>\$51,890,893</b>

### Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$49,369,512	\$692,160	71:1
State	\$2,521,381	\$160,500	16:1
<b>Grand Total</b>	<b>\$51,890,893</b>	<b>\$852,660</b>	<b>61:1</b>

\*Discounted at 2%

### Additional Comments from IDA

Current Town of Watertown tax rates escalated by 3% for full taxation over the 15 year period.

Does the IDA believe that the project can be accomplished in a timely fashion? Yes

# Application to Jefferson County Industrial Development Agency (JCIDA)

- Tax Exempt Bond Financing
- Taxable Bond Financing
- Lease Leaseback Transaction

Please contact the agency for more information regarding project eligibility and application process.

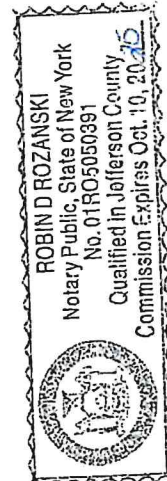
Applicant (Company) Name:  
L2, LLC

Applicant Address:  
206 Ambrose Street, P.O. Box 599, Sackets Harbor, New York 13685

Phone:  
315-646-2919

E-mail:  
CL.HQ@lawmanhc.com

Application Date: 08/16/2022 06/25/2024 - Revised pages 10, 12, 14 & 20



**Internal Use Only**

Staff Signature and Date of Submission: \_\_\_\_\_

Completed Application Date: \_\_\_\_\_ Staff Initial \_\_\_\_\_

Revised Date: \_\_\_\_\_, Revision #: \_\_\_\_\_

Document Date: July 28, 2022

# Fee Schedule

Updated as of the date of the document

## Taxable and Tax Exempt Industrial Development Revenue Bonds

<b>Application Fee:</b>	A non-refundable fee of \$2,500.00 is payable to the JCIDA at the time the application is submitted. This fee will be credited towards the total fee at closing.
<b>Fee:</b>	First \$10 million – 1.5% of the principal amount of the bond series. \$10 million - \$20 million – 1% of the bond series. Any amount over \$20 million – 0.5% of the bond series.  Annual Fee - \$1,500.00
<b>Point of Contact:</b>	David Zembiec – CEO JCIDA+1 (315) 782-5865

## Lease Leaseback Transactions

<b>Application Fee:</b>	A non-refundable fee of \$2,500.00 is payable to the JCIDA at the time the application is submitted. This fee will be credited towards the total fee at closing.
<b>Fee:</b>	With a PILOT: First \$10 million – 1.5% Second \$10-\$20 million - 0.5% Any amount over \$20 million - 0.25%  No PILOT – 25% of the abatement value  Annual Fee - \$1,000.00  Application for Re-Assignment of benefits to new ownership - \$2,000.00
<b>Renewable Energy Projects:</b>	Annual Administrative Fee - \$1,500.00
<b>Point of Contact:</b>	David Zembiec - CEO JCIDA +1 (315)782-5865

Revised Date: \_\_\_\_\_, Revision #: \_\_\_\_\_

Document Date: 7/28/2022

### Section I: Applicant Information

Please answer all questions. Use "None" or "Not Applicable" where necessary.

**A) Applicant Information-company receiving benefit:**

Applicant Name: L2, LLC  
 Applicant Address: 206 Ambrose Street, PO Box 599, Sackets Harbor, New York 13685  
 Phone: 315-646-2919 Fax: 315-646-2920  
 Website: www.lawmanhc.com E-mail: CL.HQ@lawmanhc.com  
 Federal ID#: 16-1100145 NAICS: 236220  
 Will a Real Estate Holding Company be utilized to own the Project property/facility?  Yes or  No  
 What is the name of the Real Estate Holding Company: L2, LLC  
 Federal ID#: 87-1753612  
 State and Year or Incorporation/Organization: 2021  
 List of stockholders, members, or partners of Real Estate Holding Company: \_\_\_\_\_  
Michael Lundy; Corry Lawler

**Renewable Energy Projects:** Attach ownership chart and indicate companies that will eventually own and operate project Not Applicable

**B) Individual Completing Application:**

Name: Corry Lawler  
 Title: Owner L2, LLC / CEO Lawman Heating & Cooling, Inc.  
 Address: 206 Ambrose Street, PO Box 599, Sackets Harbor, New York 13685  
 Phone: 315-646-2919 Fax: 315-646-2920  
 E-Mail: CL.HQ@lawmanhc.com

**C) Company Contact (if different from Section B above):**

Name: Michael Lundy  
 Title: Owner L2, LLC / President Design Build Innovations, LLC  
 Address: 206 Ambrose Street, PO Box 599, Sackets Harbor, New York 13685  
 Phone: 315-646-2919 Fax: 315-646-2920  
 E-Mail: mlundy@mlundygroup.com

Revised Date: \_\_\_\_\_, Revision #: \_\_\_\_\_

Document Date: 7/28/2022

**D) Company Counsel:**

Name of Attorney: Gerald Stack  
 Firm Name: Barclay Damon, LLP  
 Address: 125 E. Jefferson Street, Syracuse, New York 13202  
 Phone: 315-425-2700 Fax: 315-703-7377  
 E-mail: gstack@barclaydamon.com

**E) Identify the assistance being requested of the Agency (select all that apply):**

1. Exemption from Sales Tax  Yes or  No  
 2. Exemption from Mortgage Tax  Yes or  No  
 3. Exemption from Real Property Tax  Yes or  No  
 4. Tax Exempt Financing \*  Yes or  No

\* (typically for not-for-profits and qualified small manufacturers)

**F) Applicant Business Information (check appropriate category):**

Corporation  Partnership   
 Public Corporation  Joint Venture   
 Sole Proprietorship  Limited Liability Company   
 Other (please specify) \_\_\_\_\_  
 Year Established: L2, LLC - 2021; LHC - 1978; DBI - 2021  
 State in which Organization is established: New York (all)

**G) List all applicant stockholders, members or partners with % of ownership greater than 5% (including all parent entities) [INCLUDE CHART]**

NOTE: All applicants must include a current ownership chart reflecting equity ownership. Applications will not be accepted or deemed complete without this information.

The Agency's acceptance of this application will be specific to the existing equity ownership of the applicant and the Agency's ultimate approval is likewise specific to the applicant equity ownership (the taxpayer beneficiaries of the Agency's financial assistance). The Agency's approval of any proposed project shall be specific to the equity ownership of the Company at the time of application to the Agency. The Agency's approval of any financial assistance, including real property tax exemptions, is non-transferrable and may not be assigned or assumed without the Agency's prior written consent. Any

Revised Date: \_\_\_\_\_, Revision #: \_\_\_\_\_

Document Date: 7/28/2022



**PAGE 4 - SECTION 1 - ITEM G**

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**L2, LLC - OWNER**

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Michael Lundy	Owner	50%
Corry Lawler	Owner	50%

**Lawman Heating & Cooling, Inc. - TENANT**

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Corry J. Lawler	President / Treasurer / CEO	55%
Patrick J. Lawler	Vice President	20%
Neil J. Lawler	Secretary	20%
Lawman Heating & Cooling, Inc.		5%

**Design Build Innovations, LLC (DBI, LLC) - TENANT**

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Lawman Heating & Cooling, Inc. / Corry Lawler	Managing Member	
The Lundy Group / Michael Lundy	President	9.9%
Corry Lawler	Member	90.1%

transfer in excess of fifty percent (50%) of the equity voting interests of the Company (including all parent companies of the Company through and including the ultimate taxpayer(s) owning or controlling the Company), other than to a Related Person of the Company, shall be deemed an assignment and require the prior written consent of the Agency. Any proposed assignment shall require the prior written consent of the Agency upon written application no less than 45 days prior to a regularly scheduled meeting of the Agency.

<u>Name</u>	<u>% of ownership</u>
See Attached	

**H) Applicant Business Description:**

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility: Construction / Development

\_\_\_\_\_

Estimated % of sales within Jefferson County: 50%

Estimated % of sales outside Jefferson County, but within New York State: 10%

Estimated % of sales outside New York State but within the U.S.: 40% (prior to 2022)

Estimated % of sales outside the U.S. 0%

(\*Percentage to equal 100%)

**I) What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Jefferson County. Include list of vendors, raw material suppliers and percentages for each.**

Provide supporting documentation including estimated percentage of local purchases.

**See attached**

\_\_\_\_\_

Revised Date: \_\_\_\_\_, Revision #: \_\_\_\_\_

Document Date: 7/28/2022

**Section II: Project Description & Details**

**A) Project Location:**

List your current operation(s) locations in Jefferson County:

Sackets Harbor; Pamelaia; Leray

List your current operation(s) locations in New York State:

Sackets Harbor; Pamelaia; LeRay; Lakeville

Provide the Property Address of the proposed Project:

Lot 10 - Jefferson County Corporate Park

County Route 200, Watertown, New York 13601

Will the completion of the Project result in the removal, or reduction of an industrial or manufacturing plant of the Applicant from: one area of New York State to Jefferson County; or within Jefferson County?

Yes or No

If Yes, please provide details Consolidation of all facilities

Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant located within New York State?

Yes or No

If Yes, please provide details Sell all existing facilities

Will the Proposed Project cause Applicant's current operations within Jefferson County to be closed or be subjected to reduced activity?

Yes or No

If Yes, please provide details \_\_\_\_\_

If Yes to any of the above three (3) questions, Applicant must complete Section IV of this Application.

Revised Date: \_\_\_\_\_, Revision #: \_\_\_\_\_

Document Date: 7/28/2022

**PAGE 6 - SECTION II - PROJECT LOCATION**

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	Lawman Heating & Cooling, Inc.	# of Personnel
206 Ambrose Street Sackets Harbor, New York 13685	Corporate Office Will Sell Facility	14
23791 Lawler Drive Watertown, New York 13601	Offices /Sheet Metal Shop Will Sell Facility	8
29701 Martin Road North Evans Mills, New York 13637	Leased Office / Warehouse Will Terminate Lease	2

Will the completion of the Project result in the abandonment, removal, or reduction of an industrial or manufacturing plant of a closely aligned competitor from one area of New York State or Jefferson County?

Yes or No

If Yes, please provide details \_\_\_\_\_  
\_\_\_\_\_

SBL Number for Property upon which proposed Project will be located: 73.20-1-2.17

What are the current real estate taxes on the proposed Project Site? \$1,418.67

If amount of current taxes is not available, provide assessed value for each:

Land: \$71,500.00 Buildings(s): \$0.00

\*\* If available please include a copy of current tax bill.

Are Real Property Taxes current?  Yes or  No. If no, please explain \_\_\_\_\_  
\_\_\_\_\_

Town/City/Village: Town of Watertown School District: Watertown

Does the Applicant or any related entity currently hold fee title to the Project site?  Yes or  No

If No, indicate name of present owner of the Project Site: \_\_\_\_\_

Does Applicant or related entity have an option/contract to purchase the Project site?  Yes or  No

**B) Please provide narrative of project and the purpose of the project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility):** \_\_\_\_\_

*Erect new 30,000 sf office and manufacturing facility for consolidation of all operations*

Lawman will be the anchor tenant for the consolidation of 3 offices to one location. LHC will expand its' sheet metal and roofing manufacturing capacity by investing in additional manufacturing equipment.

DBI will be a co-tenant it's fabrication processes. In conjunction with the structure, the exterior parking and site needs will be met with appropriate paved areas including storm water control for the entire site

**Describe the reasons why the Agency's Financial Assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary):** Approvals and grants will provide financial justification to consolidate in Jefferson County

Revised Date: \_\_\_\_\_, Revision #: \_\_\_\_\_

Document Date: 7/28/2022

**TOWN OF WATERTOWN: TOWN & COUNTY 2022 TAXES**

FISCAL YEAR: 01/01/2022 to 12/31/2022	WARRANT DATE: 12/14/2021	STATE AID - COUNTY: \$29,717,521.00	TOWN: \$377,665.00
<b>MAKE CHECK PAYABLE TO:</b>		<b>BANK</b>	<b>BILL NUMBER</b>
		580016	<b>PAGE</b>
			1 OF 1

**PAMELA DESORMO**  
**TAX COLLECTOR**  
 22867 CO. RTE. 67  
 WATERTOWN, NY. 13601  
 (315)782-8248

**PROPERTY INFORMATION:**

**TAX MAP #: 225800 73.20-1-2.17**  
 DIMENSION: 8.80 acres  
 RS: 1 CLASS: Vacant indus  
 ADDRESS: Co Rte 200  
 SCHOOL: General Brown  
 FULL MARKET VALUE: 124348.00  
 UNIFORM % OF VALUE: 57.50  
 ASSESSMENT: 71500

**PROPERTY OWNER:**

Lundy Construction LLC  
 18841 US Rte 11  
 Watertown, NY 13601

**COPY**

**RECEIPT**

If you feel the assessment on your property is too high, you have the right to file a grievance to lower it for future tax bills. For information, please contact your assessor for the booklet "How to File a Complaint on Your Assessment" and to inquire about exemptions. Any reduction in assessment will NOT be reflected on this bill.

LEVY DESCRIPTION	TAX LEVY	% Change From Prior YR Levy	RATE	TAXABLE VALUE	AMOUNT DUE
COUNTY TAXABLE	62556720	1.8000	12.92484600	71500.00	924.13
WATERTOWN ZONE I FIRE	1037281	13.9000	3.02572900	71500.00	216.34
WATERTOWN SEWER 3	0	0.0000	0.00000000	0.00	212.09
WATERTOWN WATER 1	0	0.0000	0.00000000	0.00	66.11

**PAYMENTS RECEIVED**

Receipt#: 1755      Date Paid: 02/01/2022      1st Installment Payment

Tax: 472.89      Penalty: 0.00      Surcharge: 42.56      Notice Fee: 0.00      Ret. Check Fee: 0.00

Cash: 0.00      Check: 515.45      Check #: 1893

Received from Lundy Construction LLC - Via Mail: \$515.45

<b>TOTAL TAXES PAID TO DATE:</b>	<b>\$472.89</b>	<b>REMAINING TAXES DUE EXCLUDING ANY INTEREST OR PENALTY:</b>	<b>\$945.78</b>
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Please confirm by checking the box, below, if there is a strong possibility that the Project would not be undertaken but for the Financial Assistance provided by the Agency?

Yes or  No

If Yes, please provide details: Without financial assistance, operations may stay as they are or may consider consolidation to another community

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

Consolidation allows for growth of the company; to increase efficiency; employment opportunities and additional profitability.

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant?

Without financial assistance will not move forward with consolidaton plan and may consider alternate community

C) Will Project include leasing any equipment  Yes or  No

If Yes, please describe: \_\_\_\_\_

TBD

D) Site Characteristics:

Describe the present use of the proposed Project site: \_\_\_\_\_

Vacant site in Corporate Park

Will the Project meet zoning/land use requirements at the proposed location?  Yes or  No

If Yes, please provide local zoning reference that applies: \_\_\_\_\_

Preliminary site plan submission to planning board has been approved

For Renewable Energy Projects – provide acres  leased or  owned: N/A

Revised Date: \_\_\_\_\_, Revision #: \_\_\_\_\_

Document Date: 7/28/2022

Describe the present zoning/land use: \_\_\_\_\_

Describe required zoning/land use, if different: \_\_\_\_\_

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements: \_\_\_\_\_

N/A

Is the proposed project located on a site where the known or potential presence of contaminants is complicating the development/use of the property? If yes, please explain: \_\_\_\_\_

No, Clean Phase 1 environmental assessment performed in 2014

Have site plans been submitted to the appropriate planning board or department?

Yes or  No

\*\* If yes, please provide the Agency with a copy of the related State Environmental Quality Review Act ("SEQR") Environmental Assessment Form that may have been required to be submitted along with the site plan application to the appropriate planning department. Please provide the Agency with the status with respect to any required planning department approval: \_\_\_\_\_

See Attached - previous negative declaration 2014

Has the Project received site plan approval from the planning department?  Yes or  No.

If Yes, please provide the Agency with a copy of the planning department approval along with the related SEQR determination.

E) Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed project site?  Yes or  No If yes, please provide a copy.

F) Have any other studies or assessments been undertaken with respect to the proposed project site that indicate the known or suspected presence of contamination that would complicate the site's development?

Yes or  No. If yes, please provide copies of the study

G) Provide any additional information or details: Previously completed deep hole testing and rock topography

Revised Date: \_\_\_\_\_, Revision #: \_\_\_\_\_

Document Date: 7/28/2022



**H) Select Project Type for all end users at project site (you may check more than one):**

\*\* Please check any and all end users as identified below.

Industrial	<input checked="" type="checkbox"/>	Back Office	<input type="checkbox"/>
Acquisition of Existing Facility	<input type="checkbox"/>	Retail	<input type="checkbox"/>
Housing	<input type="checkbox"/>	Mixed Use	<input type="checkbox"/>
Equipment Purchase	<input checked="" type="checkbox"/>	Facility for Aging	<input type="checkbox"/>
Multi-Tenant	<input type="checkbox"/>	Civic Facility (not for profit)	<input type="checkbox"/>
Commercial	<input type="checkbox"/>	Other <u>Corporate Office</u>	<input checked="" type="checkbox"/>

\*\* Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Questionnaire contained in Section III of the Application.

Retail Sales:  Yes or  No

Services:  Yes or  No

For purposes of this question, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

**I) Project Information:**

**Estimated costs in connection with Project:**

*Renewable Energy Projects use Cost Section on page 11.*

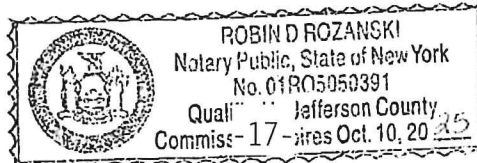
1. Land and/or Building Acquisition:	<u>345,000.00</u>	
<u>4.25</u> acres _____ square feet	<u>3,500,000.00**</u>	
2. New Building Construction: <del>30,000</del> <u>35,000.00</u> square feet	<del>\$ 3,000,000.00</del>	<u>4,100,000.00</u>
3. New Building Addition(s): _____ square feet	<u>\$ N/A</u>	
4. Infrastructure Work	<u>\$ 150,000.00</u>	
5. Reconstruction/Renovation: _____ square feet	<u>\$ N/A</u>	
6. Manufacturing Equipment:	<u>\$ 1,000,000.00</u>	
7. Non-Manufacturing Equipment (furniture, fixtures, etc.):	<u>\$ 200,000.00</u>	
8. Soft Costs: (professional services, etc.):	<u>\$ 200,000.00</u>	
9. Other, Specify: _____	<u>\$ N/A</u>	
<b>TOTAL Capital Costs:</b>	<del>\$ 4,895,000.00</del>	<u>5,995,000.00</u>

Revised Date: 06/25/2024

Revision #: 1

\*\*Should have been 3,500,000.00 per sheet 14

Document Date: 7/28/2022



*Robin D. Rozanski*

**Renewable Energy Project: Project Costs**

- |   |                       |
|---|-----------------------|
| 1. Project size   | _____ MWac _____ MWdc |
| 2. Solar equipment costs<br>(panels, racking, all solar equipment to inverters)   | \$ _____              |
| 3. Site equipment and FF&E costs<br>(on-production equipment from inverter to interconnection,<br>including site fencing, security and other equipment)                                 | \$ _____              |
| 4. Site work and land preparation costs<br>(earthwork, roadways, landscaping, and site plan<br>improvements, highway cuts, wetland mitigation and<br>other onsite infrastructure costs) | \$ _____              |
| 5. All interconnection costs whether direct or indirect<br>expense through utility  | \$ _____              |
| 6. All pre-development costs, including planning, engineering,<br>site plan and permitting  | \$ _____              |
| 7. Battery storage costs  | \$ _____              |
| 8. Battery storage capacity   | _____ MWac _____ MWdc |
| 9. All other soft costs including legal, planning and permitting  | \$ _____              |
| 10. Community benefit payments or impact fees   | \$ _____              |
| 11. Community adder   | \$ _____              |
| 12. Community or market transition credit   | \$ _____              |
| 13. Total annual lease amount for project   | \$ _____              |
| 14. Other (please identify):  | \$ _____              |
| _____   |                       |
| _____   |                       |
| _____   |                       |
| Total:  | \$ _____              |

Have any of the above costs been paid or incurred as of the date of this Application?  Yes or  No

If Yes, describe particulars: \_\_\_\_\_

Revised Date: \_\_\_\_\_, Revision #: \_\_\_\_\_

Document Date: 7/28/2022

**Project refinancing; estimated amount**

**(for refinancing of existing debt only)**

\$ N/A

**Sources of Funds for Project Costs:**

Bank Financing:

\$ 2,500,000.00      4,100,000.00

Equity (excluding equity that is attributed to grants/tax credits)

\$ 1,395,000.00

Tax Exempt Bond Issuance (if applicable)

\$ N/A

Taxable Bond Issuance (if applicable)

\$ N/A

Public Sources (Include sum total of all state and federal grants and tax credits)

\$ 1,000,000.00      500,000.00

Identify each state and federal grant/credit:

State Grants

\$ 500,000.00

2nd Mortgage (ABC Organizations)

\$ 500,000.00

\$ \_\_\_\_\_

Total Sources of Funds for Project Costs:

\$ 5,995,000.00

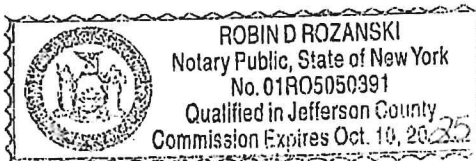
Have any of the above costs been paid or incurred as of the date of this Application?  Yes or  No

If Yes, describe particulars: Architectural & Engineering, Site Preparation, Steel Delivery (partial)

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*Robin Rozanski*

**Mortgage Recording Tax Exemption Benefit:** Amount of mortgage that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing): \$ \_\_\_\_\_

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage Amount as indicated above multiplied by \_\_%): \$ \_\_\_\_\_

**Construction Cost Breakdown:**

Total Cost of Construction \$ \_\_\_\_\_ (sum of 2,3,4,5, and/or 7 in Question I, above)

Cost for materials: \$ \_\_\_\_\_  
 % sourced in Jefferson County: \_\_\_\_\_ %  
 % sourced in New York State \_\_\_\_\_ % (including Jefferson County)  
 List major material suppliers if known \_\_\_\_\_

Cost for labor: \$ \_\_\_\_\_  
 Expected Full-Time Equivalent Jobs during construction \_\_\_\_\_  
 Expected Total Labor Hours during construction \_\_\_\_\_  
 List major subcontractors, if known \_\_\_\_\_

**Sales and Use Tax:** Gross amount of costs for goods and services that are subject to State and local Sales and Use tax - said amount to benefit from the Agency's Sales and Use Tax exemption benefit:

\$ \_\_\_\_\_

Estimated State and local Sales and Use Tax Benefit (product of \_\_\_\_% multiplied by the figure, above):

\$ \_\_\_\_\_

*\*\* Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.*

**Real Property Tax Benefit:**

Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency's PILOT benefit: \_\_\_\_\_

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**JCIDA PILOT Benefit:** Agency staff will indicate the amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit year and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in Section II(I) of the Application.

**Percentage of Project Costs financed from Public Sector sources:** Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon Sources of Funds for Project Costs as depicted above in Section II(I) of the Application.

J) For the proposed facility, please indicate the square footage for each of the uses outlined below:

\*If company is paying for FFE for tenants, please include in cost breakdown

	Square Footage	Cost	% of Total Cost of Project
Manufacturing/Processing	19,200 18,750	1,250,000.00 1,200,000.00	
Warehouse	4,800 8,750	500,000.00 900,000.00	
Research & Development	N/A		
Commercial	N/A		
Retail (see section K)	N/A		
Office	5,000	1,500,000.00	
Specify Other	1,000 2,500	250,000.00 500,000.00	

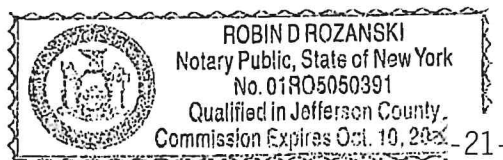
K) What is your project timetable (Provide dates):

1. Start date: acquisition of equipment or construction of facilities: ASAP
2. Estimated completion date of project: 09/01/2023
3. Project occupancy – estimated starting date of operations: 09/01/2023
4. Have construction contracts been signed?  Yes or  No
5. Has Financing been finalized?  Yes or  No

**\*\* If constructions contracts have been signed, please provide copies of executed construction contracts and a complete project budget. The complete project budget should include all related construction costs totaling the amount of the new building construction, and/or new building addition(s), and/or renovation.**

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*Robin D Rozanski*

L) Is the proposed Project necessary to expand Applicant employment:  Yes or  No

Is the proposed Project necessary to retain existing employment:  Yes or  No

M) Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE jobs to be CREATED upon THREE Years after Project completion
**Full time (FTE)	30	30	10

\*\* By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the Three-Year time period following Project completion. convert part-time jobs into FTE jobs by dividing the number of part-time jobs by two (2). A FTE job is one that works the equivalent of a 40-hour week for 48 weeks. A part-time job is one that works the equivalent of a 20-hour week for 24 weeks.

Salary and Fringe Benefits for Jobs to be Retained and Created:

Category of Jobs to be Retained and Created	FTE	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management	5	\$120,000.00	\$10,000.00
Professional	13	\$80,000.00	\$10,000.00
Administrative	5	\$50,000.00	\$10,000.00
Production	10	\$50,000.00	\$7,000.00
Transportation/Logistics	2	\$45,000.00	\$7,000.00
Warehousing			
Other	5	\$40,000.00	\$6,000.00
<b>TOTAL</b>	<b>40</b>		

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Employment at other locations in County/City/Town/Village: (provide address and number of employees at each location):

Location Address	5813 Stone Hill Road, Lakeville, NY	
Full time	10	
Part Time	0	
Total	10	

N) Will any of the facilities described above be closed or subject to reduced activity?  Yes or  No

*\*\* If any of the facilities described above are located within the State of New York, and you answered Yes to the question, above, you must complete Section IV of this Application.*

*\*\* Please note that the Agency may utilize the foregoing employment projections, among other items, to determine the Financial Assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.*

O) Is the proposed Project reasonably necessary to prevent the Applicant from moving out of New York State?  Yes or  No. Out of Jefferson County?  Yes or  No.

If yes, please explain and identify the other locations being investigated, type of assistance offered and provide supporting documentation if available: Have not yet explored other locations

P) What competitive factors led you to inquire about sites outside of Jefferson County or New York State? \_\_\_\_\_

Past occupancy and familiarity of other locations

Q) Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?  Yes or  No.

Have you applied, or intend to apply for additional Grant Funding, or tax incentives?  Yes or  No.

If yes, please identify which agencies and what other Local, State and/or Federal assistance and the assistance sought and dollar amount that is anticipated to be received: Initiating conversation with ESD

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**Section III Retail Questionnaire**

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

- A. Will any portion of the Project (including that portion of the cost to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

Yes or  No. If the answer is yes, please continue. If no, proceed to section V

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

- B. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? \_\_\_\_\_%. **If the answer is less than 33% do not complete the remainder of the retail determination and proceed to section V.**

If the answer to A is Yes **AND** the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

1. Will the Project be operated by a not-for-profit corporation  Yes or  No.
  
  2. Is the Project location or facility likely to attract a significant number of visitors from outside the economic development region (list specific County or ED region) in which the project will be located?  
 Yes or  No
- If yes, please provide a third-party market analysis or other documentation supporting your response.
3. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the municipality within which the proposed Project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services?  
 Yes or  No

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If yes, please provide a third-party market analysis or other documentation supporting your response.

4. Will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?

Yes or  No.

If yes, explain \_\_\_\_\_

5. Is the Project located in a Highly Distressed Area?  Yes or  No

#### Section IV Inter-Municipal Move Determination

The Agency is required by State law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the Applicant from one area of New York State to another area of the State; or in the abandonment of one or more plants or facilities of the Applicant located within the New York State, Agency Financial Assistance is required to prevent the Applicant from relocating out of the New York State, or is reasonably necessary to preserve the Applicant's competitive position in its respective industry.

Explain how the Agency's Financial Assistance is required to prevent the Project from relocating out of New York State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry: Consolidating to one facility will help preserve the competitive edge and efficiencies of the companies for each respective business while reducing costs associated with maintaining 4 separate locations, i.e., energy costs, building & property maintenance, taxes, etc.

Lawman had an office in Virginia for 10+ years, and without assistance would consider all options, including relocation to Virginia

#### Section V Adaptive Reuse Determination

(Adaptive Reuse is the process of adapting old structures or sites for new purposes)

Are you applying for a tax incentive under the Adaptive Reuse Program?  Yes or  No

If No, please proceed to next Section

A) What is the age of the structure (in years) \_\_\_\_\_

B) Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended)  Yes or  No. How many years? \_\_\_\_\_

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C) Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class)  Yes or  No  
If yes, please provide dollar amount of income being generated, if any \_\_\_\_\_

D) Does the site have historical significance?  Yes or  No

E) Are you applying for either State/Federal Historical Tax Credit Programs?  Yes or  No. If yes, provide estimated value of tax credits \_\_\_\_\_

F) Summarize the financial obstacles to development that this project faces without Agency or other public assistance. Please provide the Agency with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections, documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages): \_\_\_\_\_

G) Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide the Agency documentation of this support in the form of signed letters from these entities:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

H) Please indicate other factors that you would like the Agency to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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Section VI: Estimate of Real Property Tax Abatement Benefits and Percentage of Project Costs  
financed from Public Sector sources

**\*\* Section V of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

**PILOT Estimate Table Worksheet**

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$3,500,000.00	<del>\$4,000,000.00</del>			

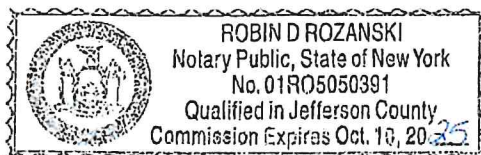
\*Apply equalization rate to value  
\$4,100,000.00 \$4,400,000.00

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
<b>TOTAL</b>							

**\*Estimates provided are based on current property tax rates and assessment values**

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*Robin Rozanski*

**Percentage of Project Costs financed from Public Sector Table Worksheet:**

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)

**Calculate %**

**(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: \_\_\_\_\_%**

**JCIDA will also complete a Cost-Benefit analysis using information contained within this Application, and available to the Public.**

### Section VII Representations, Certifications and Indemnification

Corry J. Lawler (name of CEO or other authorized representative of Applicant) confirms and says that he/she is the Owner / CEO (title) of L2, LLC / LHC, Inc. / DBI, LLC (name of corporation or other entity) named in the attached Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and as follows:

- A. **Job Listings:** In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B. **First Consideration for Employment:** In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C. **Annual Sales Tax Filings:** In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with

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Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant. Copies of all filings shall be provided to the Agency.

- D. **Employment Reports:** The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under the Agent Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Employment Report may be reported to Agency board members, said report being an agenda item subject to the Open Meetings Law.
- E. The Applicant acknowledges that certain environmental representations will be required at closing. The Applicant shall provide with this Representation, Certification and Indemnification Form copies of any known environmental reports, including any existing Phase I Environmental Site Assessment Report(s) and/or Phase II Environmental Investigations. The Agency may require the Company and/or owner of the premises to prepare and submit an environmental assessment and audit report, including but not necessarily limited to, a Phase I Environmental Site Assessment Report and a Phase II Environmental Investigation, with respect to the Premises at the sole cost and expense of the owner and/or the Applicant. All environmental assessment and audit reports shall be completed in accordance with ASTM Standard Practice E1527-05, and shall be conformed over to the Agency so that the Agency is authorized to use and rely on the reports. The Agency, however, does not adopt, ratify, confirm or assume any representation made within reports required herein.
- F. The Applicant and/or the owner, and their successors and assigns, hereby release, defend and indemnify the Agency from any and all suits, causes of action, litigations, damages, losses, liabilities, obligations, penalties, claims, demands, judgments, costs, disbursements, fees or expenses of any kind or nature whatsoever (including, without limitation, attorneys', consultants' and experts' fees) which may at any time be imposed upon, incurred by or asserted or awarded against the Agency, resulting from or arising out of any inquiries and/or environmental assessments, investigations and audits performed on behalf of the Applicant and/or the owner pursuant hereto, including the scope, level of detail, contents or accuracy of any environmental assessment, audit, inspection or investigation report completed hereunder and/or the selection of the environmental consultant, engineer or other qualified person to perform such assessments, investigations, and audits.
- G. **Hold Harmless Provision:** The Applicant acknowledges and agrees that the Applicant shall be and is responsible for all costs of the Agency incurred in connection with any actions required to be taken by the Agency in furtherance of the Application including the Agency's costs of general counsel and/or the Agency's bond/transaction counsel whether or not the Application, the proposed Project it describes, the attendant negotiations, or the issue of bonds or other

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transaction or agreement are ultimately ever carried to successful conclusion and agrees that the Agency shall not be liable for and agrees to indemnify, defend, and hold the Agency harmless from and against any and all liability arising from or expense incurred by: (i) the Agency's examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the proposed Project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Agency; (ii) the Agency's acquisition, construction and/or installation of the proposed Project described herein; and (iii) any further action taken by the Agency with respect to the proposed Project including, without limiting the generality of the foregoing, all causes of action and attorney's fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law and the policies of the Agency that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency, any mortgage recording tax exemption claimed by the Applicant and approved by the Agency, and/or any real property tax abatement claimed by the Applicant and approved by the Agency, in connection with the Project, may be subject to recapture and/or termination by the Agency under such terms and conditions as will be established by the Agency and set forth in transaction documents to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this Application, including without limitation information regarding the amount of the New York State and local sales and use tax exemption benefit, the amount of the mortgage recording tax exemption benefit, and the amount of the real property tax abatement, if and as applicable, to the best of the Applicant's knowledge, is true, accurate and complete.

- H. This obligation includes an obligation to submit an Agency Fee Payment to the Agency in accordance with the Agency Fee policy effective as of the date of this Application
- I. By executing and submitting this Application, the Applicant covenants and agrees to pay the following fees to the Agency and the Agency's general counsel and/or the Agency's bond/transaction counsel, the same to be paid at the times indicated:
- (i) a non-refundable \$<sup>2,500</sup> application and publication fee (the "Application Fee");
  - (ii) a \$\_\_\_\_\_ expense deposit for the Agency's Counsel Fee Deposit.
  - (iii) Unless otherwise agreed to by the Agency, an amount equal to \_\_\_\_\_ percent (\_\_\_\_\_% ) of the total project costs.
  - (iv) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel and/or the Agency's bond/transaction counsel, thus note that the Applicant is entitled to receive a written estimate of fees and costs of the Agency's general counsel and the Agency's bond/transaction counsel; and (2) other consultants retained by the Agency in connection with the proposed project, with all such charges to be paid by the Applicant at the closing.
- J. If the Applicant fails to conclude or consummate the necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable proper or requested action, or withdraws, abandons, cancels, or neglects the Application, or if the Applicant is unable to

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find buyers willing to purchase the bond issue requested, or if the Applicant is unable to facilitate the sale/leaseback or lease/leaseback transaction, then, upon the presentation of an invoice, Applicant shall pay to the Agency, its agents, or assigns all actual costs incurred by the Agency in furtherance of the Application, up to that date and time, including but not necessarily limited to, fees of the Agency's general counsel and/or the Agency's bond/transaction counsel.

- K. The Applicant acknowledges and agrees that all payment liabilities to the Agency and the Agency's general counsel and/or the Agency's bond and/or transaction counsel as expressed in Sections H and I are obligations that are not dependent on final documentation of the transaction contemplated by this Application.
- L. The cost incurred by the Agency and paid by the Applicant, the Agency's general counsel and/or bond/transaction counsel fees and the processing fees, may be considered as a cost of the Project and included in the financing of costs of the proposed Project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.
- M. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.
- N. The Applicant acknowledges that it has been provided with a copy of the Agency's Policy for Termination of Agency Benefits and Recapture of Agency Benefits Previously Granted (the "Termination and Recapture Policy"). The Applicant covenants and agrees that it fully understands that the Termination and Recapture Policy is applicable to the Project that is the subject of this Application, and that the Agency will implement the Termination and Recapture Policy if and when it is so required to do so. The Applicant further covenants and agrees that its Project is potentially subject to termination of Agency financial assistance and/or recapture of Agency financial assistance so provided and/or previously granted.
- O. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:
- § 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.
- P. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

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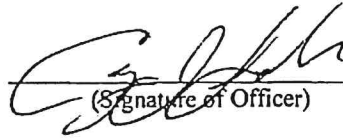
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- Q. The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
- R. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.
- S. The Applicant and the individual executing this Application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

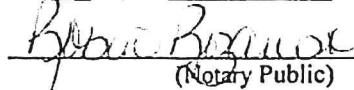
STATE OF NEW YORK )  
 COUNTY OF JEFFERSON ) ss.:

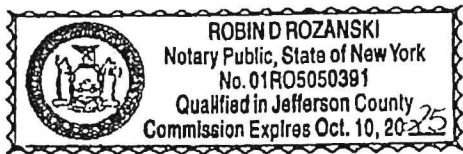
**Corry J. Lawler** \_\_\_\_\_, being first duly sworn, deposes and says:

1. That I am the CEO / Owner (Corporate Office) of Lawman Heating & Cooling; DBI, LLC; L2, LLC (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

  
 \_\_\_\_\_  
 (Signature of Officer)

Subscribed and affirmed to me under penalties of perjury  
 this 16 day of August, 2022.

  
 \_\_\_\_\_  
 (Notary Public)



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**SUPPLEMENTAL PROJECT AUTHORIZING RESOLUTION**  
*(4XL, LLC Project – Amended Application and Project Documents)*

A special meeting of the Jefferson County Industrial Development Agency was convened on July 8, 2024 at 8:00 a.m.

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

Resolution No. 07.08.2024.01

SUPPLEMENTAL PROJECT AUTHORIZING RESOLUTION OF THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY RELATING TO THE APPOINTMENT OF 4XL, LLC (THE “COMPANY”) AS ITS AGENT TO UNDERTAKE A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW) (i) ACCEPTING AN UPDATED APPLICATION FOR FINANCIAL ASSISTANCE; (ii) APPROVING CERTAIN SITE PLAN AMENDMENTS FOR THE PROJECT; (iii) APPROVING THE PROVISION OF ADDITIONAL FINANCIAL ASSISTANCE TO THE COMPANY IN FURTHERANCE OF THE PROJECT; AND (iv) APPROVING THE EXECUTION AND DELIVERY OF CERTAIN AMENDMENTS AND DOCUMENTS RELATIVE TO SAME.

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 October 6, 2023 (the “Authorizing Resolution”), the Agency previously appointed **L2, LLC**, for itself and/or for an entity or entities to be formed, to undertake a certain project (the “Project”) consisting of: (i) the acquisition by the Agency of a leasehold interest in approximately 4.21 acres of real property located at County Route 200 in the Town of Watertown, New York (the “Land”, being more particularly described as tax parcel No. 73.20-1-2.17); (ii) the planning, design, construction and operation of approximately 30,000 square feet of building space, portions of which will be leased by the Company to (a) **LAWMAN HEATING & COOLING, INC.** for operation as a sheet metal and roof manufacturing facility and (b) **DESIGN BUILD INNOVATIONS, LLC** for operation as a fabrication facility, along with interior office and 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 and Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property (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 and the Authorizing Resolution, the Agency entered into the Straight Lease Transaction with 4XL, LLC (herein, the “Company”, an affiliate and related party of L2, LLC) as of December 29, 2023, such Straight Lease Transaction having been primarily comprised of the following agreements, each dated as of December 29, 2023: (i) a certain Agent and Financial Assistance and Project Agreement, by and between the Agency and the Company, pursuant to which the Agency appointed the Company as agent to undertake the Project (the “Agent Agreement”); (ii) certain Lease Agreement (and memorandum thereof), from the Company to the Agency, pursuant to which the Company leased the Facility to the Agency for purposes of undertaking the Project (the “Lease Agreement”); (iii) a certain Leaseback Agreement (and memorandum thereof), from the Agency to the Company, pursuant to which the Agency leased its interest in the Facility to the Company (the “Leaseback Agreement”); (iv) a certain Payment-in-lieu-of-Tax Agreement, by and between the Agency and the Company (the “PILOT Agreement”); (v) a certain Environmental Compliance and Indemnification Agreement from the Company to the Agency (the “Environmental Compliance and Indemnification Agreement”); (vi) a certain PILOT Mortgage (the “PILOT Mortgage”) given by the Company and the Agency, as mortgagors, to the Agency, as mortgagee and agent of certain affected tax jurisdictions; and (vii) related documents (collectively, the foregoing being referred to as the “Agency Documents”); and

WHEREAS, the Company has advised the Agency that it contemplates making certain site modifications to the Project that include (i) increased project construction costs, (ii) adjustments to Project public subsidies and borrowing amounts, (iii) adjustment to the amount of sales and use tax exemption benefits approved by the Agency within the Authorizing Resolution, (iv) increase in the amount of requested and approved mortgage recording tax exemptions; 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 acceptance of the amended Application; (ii) the approval and incorporation of approximately 5,000 additional square feet of building spaces into the definition of the Project, (iii) an increase in the amount of authorized sales and use tax and mortgage recording tax exemptions to be provided to the Company in furtherance of the Project; (iv) the execution and delivery of amendments to the Agency Documents in connection with the foregoing.

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 accepts the amended Application. Subject to the terms and conditions contained herein, the Agency also hereby approves and authorizes the site plan revisions submitted to the Town.

Section 2. The Agency hereby authorizes and approves the amendment of the description of the Project as contained within the Authorizing Resolution and Agency Documents to read as follows:

(i) the acquisition by the Agency of a leasehold interest in approximately 4.21 acres of real property located at County Route 200 in the Town of Watertown, New York (the “Land”, being more particularly described as tax parcel No. 73.20-1-2.17); (ii) the planning, design, construction and operation of approximately 35,000 square feet of building space, portions of which will be leased by the Company to (a) **LAWMAN HEATING & COOLING, INC.** for operation as a sheet metal and roof manufacturing facility and (b) **DESIGN BUILD INNOVATIONS, LLC** for operation as a fabrication facility, along with interior office and 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 and Improvements by the Company of machinery, equipment, fixtures and other items of tangible personal property (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

Section 3. (a) The Agency hereby authorizes (i) an additional \$52,800.00 in sales and use tax exemption benefits, and (ii) an additional \$10,000.00 in mortgage recording tax exemptions 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.

(b) 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 \$4,160,000.00, which result in New York State and local sales and use tax exemption benefits (“sales and use tax exemption benefits”) not to exceed \$332,800.00. 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).

(c) In furtherance of the foregoing, Section 2(i)(5)(a) of the Agent Agreement shall be amended to read as follows:

(a) Material Term Commitment #1 – Total Project Expenditure of \$5,995,000.00; and

(d) In furtherance of the foregoing, Section 2(j) of the Agent Agreement shall be amended to read as follows:

(j) In accordance with the Resolution and the Cost-Benefit Analysis (the "CBA") disclosed by the Agency at its public hearing for the Project (the "Public Hearing"), the Company further: (i) covenants that the purchase of goods and services relating to the Project and subject to New York State and local sales and use taxes are estimated in an amount up to \$4,160,000.00, and, therefore, the value of the sales and use tax exemption benefits authorized and approved by the Agency, subject to Section 2(i) of this Agent Agreement, cannot exceed \$332,800.00, (ii) covenants that the mortgage recording tax exemption benefits to be conferred to the Company by the Agency shall not exceed \$32,500.00, and (iii) confirms that real property tax abatement benefits to be provided to the Company shall conform to those disclosed within the CBA at the Public Hearing for the Project and as contained within the PILOT Agreement, a copy of such PILOT Agreement is attached hereto as Exhibit D (and if said PILOT Agreement is entered into after the date hereof, upon execution by the Agency and the Company it shall be deemed and will be automatically become a component hereof).

The Company hereby acknowledges and agrees that the foregoing Agency Financial Assistance constitutes "public funds" unless otherwise excluded under Section 224-a(3) of the New York Labor Law, and by executing this Agreement, (i) confirms that it has received notice from the Agency pursuant to Section 224-a(8)(d) of the New York Labor Law and (ii) acknowledges its obligations pursuant to Section 224-a(8)(a) of the New York Labor Law. Other than the Agency Financial Assistance estimates provided herein and disclosed to the Company, the Agency makes no representations or covenants with respect to the total sources of "public funds" received by the Company in connection with the Project. If and to the extent that the Company determines that it is necessary and desirable to reduce the overall amount of "public funds" to be received by the Company in connection with the Project, the Agency agrees to work cooperatively with the Company to adjust the total amount of Agency Financial Assistance to be provided to the Company, which will include, but may not be limited to amending this Agreement and/or the PILOT Agreement (and if the term of the PILOT Agreement is modified, the corresponding terms of the Lease Agreement and Leaseback Agreement shall be modified accordingly).

Section 4. The Agency hereby authorizes the execution and delivery of an Omnibus Amendment Agreement and related documents (the "Amendments") to amend the Agency Documents in accordance with the above. Subject to (i) the Company executing the Amendments, and (ii) the payment of all costs and fees of the Agency in connection with same, the Agency hereby authorizes the Company to proceed with the acquisition, renovation, construction, reconstruction, rehabilitation and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the

same validity that the Agency could do if acting in its own behalf; *provided, however*, the Agent Agreement shall expire on December 31, 2024 (*unless extended for good cause by the Executive Director of the Agency*).

Section 5. The Chairman, Vice Chairman and/or Executive Director (or Deputy Executive Director) of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Amendments with such changes as shall be approved by the Chairman, Vice Chairman, the Executive Director and counsel to the Agency upon execution.

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 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 7. 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.				
David J. Converse				
John J. Condino				
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 July \_\_, 2024, 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 \_\_\_\_\_, 2024.

\_\_\_\_\_  
W. Edward Walldroff  
(Acting) Secretary

[SEAL]