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:

	Yea	***Nay***	***Absent***	***Abstain***
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 July 8, 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 8th day of July, 2024.

[redacted]

W. Edward Walldroff
(Acting) Secretary

[SEAL]

