

**COUNTY OF CATTARAUGUS INDUSTRIAL
DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**CIMOLAI-HY LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES),
OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF**

A regular meeting of the County of Cattaraugus Industrial Development Agency was convened on Monday, November 21, 2022 at 11:15 a.m.

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

RESOLUTION OF THE COUNTY OF CATTARAUGUS INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF CIMOLAI-HY LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE “COMPANY”) IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; and (iv) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT, AND (C) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

WHEREAS, County of Cattaraugus Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 536 of the 1971 Laws of New York, as amended, constituting Section 890-b of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general

prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, the Company has submitted an application to the Agency (the “Application”) requesting the Agency’s assistance with a certain project (the “Project”) consisting of: (i) the acquisition by the Agency of a leasehold or other interest in an approximately 88 acre parcel of land located on 500 Paul Clark Drive, City of Olean, Cattaraugus County, New York (the “Land”), (ii) the acquisition and renovation of the approximately 950,000+/- sq. ft. existing industrial manufacturing facility consisting of 2 industrial plants, 1 large and 2 small office building and 7 satellite buildings for storage and testing (the “Improvements”) and (iii) the acquisition in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the “Equipment” and, collectively with the Land and the Improvements, the “Facility”). The Facility will be initially operated and/or managed by the Company; and

WHEREAS, on September 8, 2022, the Agency resolved to accept the Company’s Application, authorized the Agency to hold a public hearing pursuant to General Municipal Law Section 859-a, and authorized the Agency to undertake the appropriate review of the Project under and pursuant to the regulations promulgated with respect to the New York State Environmental Quality Review Act, and to coordinate such review, as may be required, with other interested or involved agencies; and

WHEREAS, pursuant to General Municipal Law Section 859-a, on November 15, 2022, at 9:30 a.m., at the Olean City Municipal Building, Conference Room #119, 101 East State Street, Olean, New York, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) being contemplated by the Agency (the “Public Hearing”) whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of undertaking the Project pursuant to an Agent and Financial Assistance Project Agreement (the “Agent Agreement”), (ii) negotiate and enter into a lease agreement (the “Lease Agreement”) and related leaseback agreement (the “Leaseback Agreement”) with the Company, pursuant to which the Agency will retain a leasehold interest in the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company in the form of (a) an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility, (b) a mortgage recording tax exemption benefit for the financing related to the Project, and (c) a partial abatement from real property taxes benefit through a fifteen (15) year term PILOT Agreement for the benefit of each municipality and school district

having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit, the mortgage recording tax exemption benefit, and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, the Agency contemplates that the Financial Assistance provided to the Company under the PILOT Agreement will deviate from the Agency’s Uniform Tax Exemption Policy (the “UTEP”) standard Enhanced Manufacturing Facility PILOT providing for a fixed PILOT Agreement payment amount as follows:

PILOT Year	Fixed Dollar Amount PILOT Payment
1	\$250,000
2	\$255,000
3	\$260,000
4	\$265,000
5	\$270,000
6	\$325,000
7	\$330,000
8	\$335,000
9	\$345,000
10	\$350,000
11	\$406,189
12	\$412,282
13	\$418,466
14	\$424,743
15	\$431,115
16	Full Tax, a real property tax payment to be made as if the Agency did not have an interest in the Property

WHEREAS, Notice Letters detailing the requested PILOT Agreement deviation as so described herein were mailed or delivered to the chief executive officers of each Affected Tax Jurisdiction on October 31, 2022; and

WHEREAS, at this November 21, 2022 regular meeting of the Agency, the Agency allowed representatives of all Affected Tax Jurisdictions present at the meeting to address the Agency with respect to the deviation from the Agency’s UTEP; and

WHEREAS, by resolution adopted November 21, 2022, the Agency adopted a negative declaration in with respect to the Project in compliance with the New York State Environmental Quality Review Act; and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance that the Agency is contemplating with respect to the Project.

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

Section 1. The Company has presented an Application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's Application and any other correspondence submitted by the Company to the Agency, public hearing comments, if any, and Agency board member review of and recommendations related to the Project subject to the terms and conditions as described herein, the Agency board member review of the Project's cost benefit ratio, the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project's contemplated community benefits, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and/or renovating and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing and/or retaining employment opportunities in Cattaraugus County, New York and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries, and, to the extent occupants are relocating from one plant or facility to another in another area of the State, the Agency has complied with the Intermunicipal Movement procedures as required in the Countywide Industrial Development Agency Uniform Tax Exemption Policy; and

(F) The Agency has assessed all material information included in connection with the Application necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project as described herein; and

(G) The Agency has prepared a written cost-benefit analysis satisfactorily identifying the extent to which the Project will create or retain permanent, private sector jobs, the estimated value of any tax exemption to be provided, the amount of private sector investment generated or

likely to be generated by the Project, the likelihood of accomplishing the Project in a timely fashion, and the extent to which the Project will provide additional sources of revenue for municipalities and school districts, and any other public benefits that might occur as a result of the Project; and

(H) The Company has provided a written statement confirming that the Project as of the date of the Application is in substantial compliance with all provisions the Act.

(I) The Project qualifies for Agency Financial Assistance as it meets the Agency's general uniform criteria for project evaluation, said criteria established by New York State and the Agency as required under General Municipal Law Section 859-a(5) as evidenced by the following:

- (i) Extent to which the Project will create or retain jobs: The Project will retain create 246 new FTE employee positions within two years of the contemplated July, 2026 Project Completion Date.
- (ii) The estimated total value of Financial Assistance over the 25-year term of the PILOT Agreement is approximately \$1,285,951.
- (iii) The estimated amount of private sector investment to be made by the Company is \$55,855,544.
- (iv) Likelihood of the Project being accomplished in a timely fashion: There is a high likelihood that the Project will be completed in a timely manner, by July, 2026.
- (v) Extent of new revenue provided to local taxing jurisdictions: It is estimated that revenues will increase due to the undertaking of the Project, in contrast to the facility otherwise being vacant, susceptible to assessment challenges, and new sales tax revenues will be realized as so related to local spending associated with the 246 new FTE employees.
- (vi) Any additional public benefits: Cattaraugus County and the western New York region will positively benefit due to the creation of 246 new jobs, resulting in approximately \$15,000,000 in new annual payroll/wages, and the re-use of a vacant former manufacturing site.
- (vii) The extent to which the Project will create local construction jobs. The Company will utilize local construction workers with respect to construction related aspects of the Project.

(J) The proposed Financial Assistance to be provided under the PILOT Agreement with respect to the Project deviates from the terms of the UTEP and the Agency hereby approves of the PILOT Agreement deviation as described herein. In making this determination, the Agency has considered the following factors as required by the Act and its UTEP, no single one of which is determinative:

- The nature of the proposed project (for example, manufacturing, commercial, civic, etc.). The Project is a manufacturing project providing significant employment opportunities in that it will allow for the creation of approximately 246 full time employee positions and indirect secondary benefits (manufacturing supply side purchases, employee expenditures on local goods and services) to residents of Cattaraugus County.
- The nature of the property before the project begins. The Project will be located upon a vacant, abandoned, former industrial site and facility.
- The economic condition of the area at the time of the application and the economic multiplying effect the project will have on the area. The Project involves the re-opening of an industrial manufacturing facility, that recently closed leading to the loss of approximately 800 FTE jobs. The Project involves the acquisition and renovation of the facility, and outfitting it with new machinery and equipment required for fabrication of structural steel. Payroll for creating approximately 246 direct employee positions will produce over \$15 million in new annual payroll for the region.
- The extent to which the project will create or retain permanent, private sector jobs, the number of jobs to be created/retained and/or the salary ranges of such jobs. The Project will create 246 new full time employee positions. Salary/benefits range from \$54,000 to over \$180,000 per year.
- The estimated value of tax exemptions to be provided. Sales tax exemption benefits are estimated at \$400,000, mortgage recording tax exemption benefits are estimated at \$125,000, and real property tax benefits are estimated at approximately \$760,000 over the term of the 15 year PILOT Agreement.
- The economic impact of the project and the proposed tax exemptions on affected tax jurisdictions. The Project will produce over \$315,000,000 of economic benefits over the term of the PILOT Agreement, and receive \$1,285,000 in total tax exemptions.
- The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity. The Project will utilize local existing supply chains and small businesses that previously provided services to the facility when it was in operation, including processing of scrap metals, trucking and logistics, facilities management, tools and hardware and industrial supply stores.
- The amount of private sector investment generated or likely to be generated by the proposed project. The Project involves up to \$56,000,000 in private sector investment.

- The likelihood of accomplishing the proposed project in a timely fashion. The Company will begin making investments in 2022 and anticipates completing the Project in July of 2026.
- The effect of the proposed project upon the environment and surrounding property. The Project will not result in a significant adverse impact to the environment pursuant to the New York State Environmental Quality Review Act.
- The extent to which the proposed project will require the provision of additional services including, but not limited to, educational, transportation, emergency medical or police and fire services. The Project will have no impacts on such services.
- The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located. The proposed Project will most likely increase local sales tax revenues resulting from direct purchases made by the Company and its employees within Cattaraugus County. PILOT Agreement payments will provide tax stability in comparison to what may otherwise result in the event that the proposed Project does not move forward and the Facility continues to remain vacant.
- The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located. The Project will create good paying full time employment opportunities, thus increasing local wages and related incidental spending, locally and within the region, providing wealth creation. The impact of the Project is a positive one on the community, as it will continue to promote job opportunities, general prosperity and economic welfare for the residents of Cattaraugus County.

Section 2. The Agency hereby authorizes the undertaking of the Project and the provision of the Financial Assistance to the Company as described herein.

Section 3. Subject to the Company executing an Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of insurance for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and/or renovate 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

appointment of the Company as agent of the Agency, if utilized, shall expire one year from the date of this resolution (unless extended for good cause by the Chair, the Vice Chair, and/or the Executive Director).

A. Financial Assistance. With respect to the foregoing, and based upon the representations and warranties made by the Company in its Application for Financial Assistance, the Agency hereby:

(i) 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 estimated up to \$5,000,000, and, therefore, the value of the sales and use tax exemption benefits (“sales and use tax exemption benefits”) authorized and approved by the Agency cannot exceed \$400,000, however, the Agency may consider any requests by the Company for increases 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

(ii) authorizes and approves that the value of the mortgage recording tax exemption benefit (“mortgage recording tax exemption benefits”) shall not exceed \$125,000; and

(iii) authorizes and approves that the real property tax abatement benefits (“PILOT benefits”) to be provided over the term of the PILOT Agreement are estimated to be approximately \$760,000, resulting in estimated total PILOT payments of \$5,077,795 over the term of the PILOT Agreement.

B. Terms and Conditions of Financial Assistance. Pursuant to Section 875(3) of the New York General Municipal Law, and per the policies of the Agency, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any New York State and local sales and use tax exemption benefits, and/or mortgage recording tax exemption benefits, and/or partial abatements from real property taxes benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the New York State and local sales and use tax exemption benefits; (ii) the New York State and local sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the New York State and local sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; (iv) the Company has made a material false statement on its application for Financial Assistance; and/or (v) the New York State and local sales and use tax exemption benefits and/or mortgage recording tax exemption benefits, and/or the partial abatement from real property taxes benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with the Investment Commitment and/or the Employment Commitment, said

commitments, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

As a condition precedent of receiving Financial Assistance, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must cooperate with the Agency in its efforts to recover or recapture any Financial Assistance, and promptly pay over any such amounts to the Agency that the Agency demands.

(C) Commitments. As an additional condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below, submit, on an annual basis or as otherwise indicated below through the termination of the PILOT Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment - the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$55,855,544, being the total project cost as stated in the Company's application for Financial Assistance.
- (ii) Employment Commitment - that there are at least 246 existing full time equivalent ("FTE") employees located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the "Baseline FTE"); and
 - the number of current FTE employees in the then current year at the Facility; and
 - that within two (2) years of Project completion, the Company has created FTE employment at the Facility equal to 246 FTE

Section 4. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, and/or the Executive Director, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver (A) an Agent Agreement, (B) the Lease Agreement whereby the Company leases the Project to the Agency, (C) the related Leaseback Agreement whereby the Agency leases the Project back to the Company, and (D) the PILOT Agreement and (E) related documents; provided, however, that (i) the rental payments under the Leaseback Agreement to the Company include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy, or procedures for deviation have been complied with accordingly.

Section 5. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, and/or the Executive Director, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal

amount necessary to undertake the Project, acquire the Facility and/or finance or refinance acquisition and Project costs or equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement, and related documents, collectively called the “Agency Documents”); and, where appropriate, the Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, the Vice Chair, and/or the Executive Director of the Agency shall approve, the execution thereof by the Chair, the Vice Chair, and/or the Executive Director of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency’s interest in the Project.

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 negotiate, 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 8. The provision by the Agency of Financial Assistance with respect to the Project as described herein is subject to the Agency’s policies.

Section 9. This resolution shall take effect immediately, and shall expire one (1) year from the date hereof unless extended for good cause by the Chair, the Vice Chair, and/or the Executive Director.

Dated: November 21, 2022