

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
Resolution No. 18-12-36  
December 7, 2018

**AMENDING RESOLUTION**  
**EMPIRE STATE MINES, LLC. Formerly**  
TITAN MINING CORPORATION (“ST. LAWRENCE ZINC COMPANY, LLC”)  
ST. LAWRENCE ZINC RESTART PROJECT  
[IDA Project # 4001-17-07]

A regular meeting of the St. Lawrence County Industrial Development Agency (the “SLCIDA”) was convened on December 7, 2018 at 8:30 AM, local time, in the Main Conference Room of the Ernest J. LaBaff Industrial Building, 19 Commerce Lane, Canton, New York.

The meeting was called to order by the Chairman, and upon roll being called, the following members of the SLCIDA were:

<b>MEMBER</b>	<b>PRESENT</b>	<b>ABSENT</b>
Blevins, Lynn		X
Hooper, Donald	X	
Hall, Mark C.	X	
LaBaff, Ernest	X	
McMahon, Andrew	X	
Morrill, Steven	X	
Staples, Brian W.	X	

The following persons were ALSO PRESENT: SLCIDA Staff: Patrick Kelly, Tom Plastino, Kimberly Gilbert, Richard Williams, Lori Sibley; and Andrew Silver, Esq., (Legal Counsel).

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project amendment for the benefit of Empire State Mines, LLC.

On motion duly made by Hall and seconded by Hooper, the following resolution was placed before the members of the St. Lawrence County Industrial Development Agency:

**RESOLUTION OF THE ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AMENDING RESOLUTION IDA-17-11-38 DATED NOVEMBER 21, 2017**

- (i) AUTHORIZING THE AMENDMENT OF AGENT STATUS OF EMPIRE STATE MINES, LLC (THE “COMPANY”) FOR A CERTAIN PROJECT (AS MORE PARTICULARLY DESCRIBED HEREIN);**
- (ii) AMENDING THE FORMS OF FINANCIAL ASSISTANCE BEING CONVEYED BY THE SLCIDA WITH RESPECT TO THE PROJECT;**
- (iii) AUTHORIZING THE UNDERTAKING OF FINANCIAL ASSISTANCE TO EMPIRE STATE MINES, LLC. FOR A PROJECT DESCRIBED HEREIN IN THE FORM OF (a) A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS**

**RELATED THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, and;**  
**(iv) AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS.**

**WHEREAS**, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 358 of the Laws of 1971 of the State of New York (the “Act”), the **ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the “Agency”) was created with the authority and power to issue its special revenue bonds for the purpose of, among other things, acquiring, constructing, reconstructing and equipping, manufacturing, warehousing, research, commercial, or industrial facilities as authorized by the Act; and

**WHEREAS**, by resolution adopted November 21, 2017 (the “Project Authorizing Resolution”), the Agency previously appointed **EMPIRE STATE MINES, LLC.** (the “Company”) as agent to undertake a certain project (the “Project”) consisting of: exemption from sales and use tax on purchases and rentals of goods and services related to the undertaking of a certain project, as the Company invests in its facility located at 408 Sylvia Lake Road, Gouverneur, New York 13642 (the “Facility”). The undertaking includes the Purchase of materials, parts, and services to refurbish equipment and infrastructure and improving efficiency through the purchase of new technology and modernization, along with the purchase of new equipment and tools, (the “Improvements”), and collectively, with the Facility, (the “Project”) and as more thoroughly described within the Application; and

**WHEREAS**, the Company has requested the Agency’s approval of (i) a modification to the amount of benefit provided for the start-up of mining operations as they better understand restart needs and expenses since the adoption of the Project Authorizing Resolution, and

**NOW, THEREFORE, BE IT RESOLVED** by the members of the St. Lawrence County Industrial Development Agency as follows:

Section 1. The Agency hereby authorizes the modification of benefit of the Company as agent to undertake the Project (as hereinafter defined), subject to (i) the ratification of that certain Agency Compliance Agreement, dated as of November 21, 2017 and entered into by the Agency and the Company, or (ii) modification of Lease documents to include the additional expansion, the execution and delivery by the Company of an Agent and Financial Assistance Agreement (the “Agent Agreement”), and in all events the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to continue with the acquisition, construction and equipping of the Project (as hereinafter defined) and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and equip the Project (as hereinafter defined) ; (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 (as hereinafter defined) , all with the same powers and the same validity that the Agency could do if acting in its own behalf.

Section 2. The Agency hereby authorizes an amendment to the description of the Project to read as follows: the appointment of the Company as agent to undertake a certain project (the “Project”) consisting of: The Project consists of: exemption from sales and use tax on purchases and rentals of goods and services related to the undertaking of a certain project, as the Company invests in its facility located at 408 Sylvia Lake Road, Gouverneur, New York 13642 facility (the “Facility”). The

undertaking includes the Purchase of materials, parts, and services to refurbish equipment and infrastructure and improving efficiency through the purchase of new technology and modernization, along with the purchase of new equipment and tools, (the “Improvements”), and collectively, with the Facility, (the “Project”)

Section 3. 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 \$1,250,000.00, which result in New York State and local sales and use tax exemption benefits (“sales and use tax exemption benefits”) not to exceed \$100,000.00. The Terms and Conditions of this Financial Assistance shall be subject to the Terms and Conditions as described in the attached **Exhibit A**

Section 4. Pursuant to Section 875(3) of the Act, and in accordance with the Agency’s Recapture Policy, 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 sales and use tax exemption 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 sales and use tax exemption benefits; (ii) the 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 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; (v) the sales and use tax exemption 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 a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the Company obtains mortgage recording tax benefits and/or real property tax abatements and fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project (collectively, items (i) through (vi) hereby defined as a “Recapture Event”).

As a condition precedent of receiving sales and use tax exemption benefits and real property tax abatement benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must (i) if a Recapture Event determination is made by the Agency, cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, mortgage recording tax benefits and/or real property tax abatements abatement benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands, if and as so required to be paid over as determined by the Agency.

Section 5. The Chairman, Vice Chairman, and/or the Chief Executive Officer of the Agency are hereby authorized, on behalf of the Agency to execute and deliver the Agent Agreement and related documents; provided, that, (i) the Company fully indemnifies the Agency within the Agent Agreement and/or the rental payments under the Agent Agreement 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.

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.

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

Member	Aye	Nay	Abstain	Absent
Blevins, Lynn				X
Hall, Mark C.	X			
Hooper, Donald	X			
LaBaff, Ernest	X			
McMahon, Andrew	X			
Morrill, Steven	X			
Staples, Brian W.	X			

The resolution was thereupon declared duly adopted.

## EXHIBIT A

## FINANCIAL ASSISTANCE TERMS AND CONDITIONS

1.	<b>Applicant Name/Project Number:</b>	Empire State Mines, LLC. Project [#4001-17-07]
2.	<b>Project Description (the “Project”):</b>	The undertaking includes the Purchase of materials, parts, and services to refurbish equipment and infrastructure and improving efficiency through the purchase of new technology and modernization, along with the purchase of new equipment and tools, (the “Improvements”), and collectively, with the Facility, (the “Project”) and as more thoroughly described within the Application at the Empire State Mines Facility located at 408 Sylvia Lake Road, Gouverneur, New York.
	<b>Type of Financial Assistance Requested:</b>	Sales and Use Tax Exemption from on purchases and rentals of goods and services relating to the undertaking of the “Project” as described, above.
4.	<b>Total Amount of Project:</b>	\$36,400,000
5.	<b>Benefited Project Amount:</b>	\$1,250,000
6.	<b>Estimated value of NYS Sales &amp; local sales and use tax exemption to be provided to the Company for this Project:</b>	\$100,000 (Amends \$80,000 in exemption approved through Resolution IDA 17-11-38)
7.	<b>PILOT Structure</b>	N/A
8.	<b>Mortgage Recording Tax Exemption</b>	N/A
9.	<b>Full-time Equivalent Jobs to be Retained as a Result of the Project:</b>	8
10.	<b>Full-Time Equivalent Jobs to be Created as a Result of the Project:</b>	172
11.	<b>Expiration of the Financial Assistance:</b>	12/31/2018

**SECRETARY'S CERTIFICATION**

STATE OF NEW YORK                    )  
COUNTY OF ST. LAWRENCE        )        SS.:

The undersigned, being the Secretary of the St. Lawrence County Industrial Development Agency, DOES HEREBY CERTIFY THAT:

I have compared the foregoing extract of the minutes of the meeting of the St. Lawrence County Industrial Development Agency (the "Agency") including the resolution contained therein, held on December 7, 2018 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 in 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 such 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 7<sup>th</sup> day of December 2018.

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(Mr.) Lynn Blevins, Secretary