

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
MEETING AGENDA**

**\*Agenda subject to change\***

February 22, 2022

**Ernest J. LaBaff Industrial Building, 19 Commerce Lane, Suite 1, Canton, New York 13617**

Call to Order

Roll Call

Public Notice                      February 16, 2022

Public Comment

Approval of Minutes              December 21, 2021 ..... 1-3

Financial Report                      November 2021 ..... 4-10

Report of Committees

Staff Report                              Patrick Kelly

Old Business

New Business                              Resolution: Inducement Resolution and Preliminary Agreement for LF  
Bioenergy LFI, LLC..... 11-28

Resolution: Accepting the Comprehensive Economic Development Strategy  
..... 29-30

Executive Session

Adjournment

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**ST. LAWRENCE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY  
Meeting of December 21, 2021**

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**CALL TO ORDER:** Chairman Staples calls the meeting to order at 9:08AM in the Thomas A. Plastino Conference Room at the Ernest J. LaBaff Industrial Building, Canton.

**ROLL CALL:**

LaBaff.....	Present (via teleconference)	Morrill.....	Present (via teleconference)
McMahon.....	Present (via teleconference)	Hall .....	Present
Blevins .....	Present	Reagen .....	Absent
Staples.....	Present (via teleconference)		

Mr. Kelly announces there is a quorum.

Others: IDA Staff (Patrick Kelly, Kimberly Gilbert, and Richard Williams)

**PUBLIC NOTICE:** Public notifications sent December 16, 2021, to at a minimum: newspapers designated for the publication of local laws and other matters required by law to be published; additional local media sources and websites.

**PUBLIC COMMENT:** None. Andrew Gardner, a representative with the Watertown Daily Times, is present.

**APPROVAL OF MINUTES:** Motion to accept the minutes of the November 12, 2021 meeting by Mr. LaBaff, seconded by Mr. Hall. Motion carried unanimously.

**FINANCIAL REPORTS:** *September 2021:* Ms. Gilbert refers to the summary of highlights sheet for the September 2021 financials, pointing out that a little over \$300,000 was received in project fees, mainly from the Nexamp Solar projects, in addition to application fees for the GSPP and Oswegatchie Solar projects.

*October 2021:* Ms. Gilbert refers to the October 2021 summary of highlights payments for the Actuarial study for 2021 as well as reimbursement from the RVRDA for partial marketing expenses for 2021. Ms. Gilbert asks if there are any specific questions, hearing none, Mr. Blevins calls the motion. Motion to accept financials of September and October 2021 by Mr. Hall, seconded by Mr. Morrill. Motion carried unanimously.

**REPORT OF COMMITTEES:** The Governance Committee met on December 10, 2021. Blevins (Chair), LaBaff, Hall. On behalf of the committee, Mr. Hall provides the following summary

- **Conflict of Interest Policy** – After comparing the current IDA policy to the ABO model policy, no changes are recommended at this time.
- **Assessment of the Effectiveness of Internal Controls** – After comparing the current IDA policy to the ABO model policy guidelines, no changes are recommended at this time.
- **Procurement Policy** – Governance Committee Members reviewed the current Procurement Policy and the current ABO guidelines. The policy was revised last year to increase threshold limits. There are no recommended changes needed at this time.
- **Mission Statement** – After comparing the current Mission Statement and the ABO recommended guidelines it was determined that there were a few minor grammatical changes to the policy only. No other changes needed at this time

- Review of Sexual Harassment Policy – As part of the annual review procedures, the committee reviewed the requirements established by New York State Law and determined there are no recommended changes to the current policy at this time. Staff participated in the required annual training this Fall.

STAFF REPORT: Patrick Kelly reports the following:

Empire State Mines: Last week the company announced a plan for 2022 to include a 2-year project for surface mining. Zinc is currently at \$1.56/lb. Employment is currently above 120 workers, and they expect modest growth for the coming year.

American Rescue Plan Act (ARPA): Recent conversations with the County included discussions for recommended uses involving ARPA funding that the County has received from the federal government. There may be a role for the IDA to assist the County with the administration of the funds they have received.

Unemployment and Workforce: Currently St. Lawrence County has an unemployment rate of 4.4%, compared to the NYS rate of 6.9%. St. Lawrence County's total workforce, per the New York State Department of Labor, currently stands at approximately 42,200 individuals. Though it is atypical that the St. Lawrence County unemployment rate is lower than the NYS unemployment rate, it has been the case since the early days of the pandemic. We are working through supply chain issues, as is everyone elsewhere. We are also looking at training programs, initiatives, and funding to support and grow the workforce.

OLD BUSINESS: None

NEW BUSINESS:

The following four resolutions are required annual reviews of our policies that were reviewed by the Governance Committee on December 10, 2021.

Resolution IDA-21-12-30: Annual Review Conflicts of Interest Policy

Mr. Hall makes a motion to approve, seconded by Mr. Staples. The motion is approved by unanimous vote.

Resolution IDA-21-12-31: Annual Review of Procurement Policy

Mr. Hall makes a motion to approve, seconded by Mr. Staples. The motion is approved by unanimous vote.

Resolution IDA-21-12-32: Annual Review of Investment Policy

Mr. Hall makes a motion to approve, seconded by Mr. Staples. The motion is approved by unanimous vote.

Resolution IDA-21-12-33: Annual Review of Sexual Harassment Prevention Policy

Mr. Hall makes a motion to approve, seconded by Mr. Staples. The motion is approved by unanimous vote.

Resolution IDA-21-12-34: Approving Resolution for TJA-NY-1454 CR 15 Oswegatchie, LL

Mr. Kelly refers to Exhibit A of the resolution and notes that the project is 5 megawatts at \$5,000 per megawatt, which is consistent with other recently approved solar projects. This is approximately a 28-acre parcel and the lead company is Source Renewables. IDA staff will continue to work with local assessors closely to make sure the assessment is accurate. With the new income-based formula, created by the state, the project ends up with the project benefits being much less than previously anticipated. Early projections result in the PILOT payment being higher than the actual prior tax payments, but some refinement to the state guidance is still expected. In the end, it is expected that the tax payments and the PILOT payments will be very close in value. Mr. LaBaff makes a motion to approve, seconded by Mr. Hall. The motion is approved by unanimous vote.

Reappointment: Mr. Kelly mentions that Mr. Hall's term is due to expire the end of the month. Mr. LaBaff motions and Mr. Blevins seconds a recommendation that Mr. Hall be reappointed. The motion is approved by unanimous vote.

EXECUTIVE SESSION: None

ADJOURNMENT: A motion to adjourn is made by Mr. Hall and seconded by Mr. Blevins. The meeting adjourns at 9:23AM by unanimous vote.

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(Mr.) Lynn Blevins, Secretary

DRAFT

St. Lawrence County Industrial Development Agency  
Highlights for  
**November 2021**

Revenue

- Building Revenues	0.00
- Project Fees (GSPP)	284,294.68
- Interest Income	<u>3,234.71</u>

\$287,529.39

Expenses

- Building Expenses	2,537.73
-Office Equipment Expenses (New Laptop)	1,139.36
-Marketing	1,995.00
-Educ Workshops (Cooperstown & EDC Academy)	2,176.62
- Other Operating Expenses	3,641.88
- Payroll Expenses	<u>57,803.18</u>

\$69,293.77

Net Income \$218,235.62

St. Lawrence County Industrial Development Agency

**Balance Sheet**

As of November 30, 2021

	<u>Nov 30, 21</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
200 - Cash	2,080,703.78
200P - Cash - Payroll Checking Account	54,089.91
201 - Cash in Time Deposits	
201N - NBT Bank Cash in Time	1,421,284.13
201K - Key Bank Cash in Time	1,386,422.87
<b>Total 201 - Cash in Time Deposits</b>	<u>2,807,707.00</u>
203 - Cash - Rental Deposits	9,056.81
<b>Total Checking/Savings</b>	<u>4,951,557.50</u>
<b>Other Current Assets</b>	
260 - Grant Receivable	19,000.00
210 - Prepaid Expenses	61,341.00
211 - Special Reserve	
211A - Special Reserve-Key MM Treasury	585.00
211B - Special Reserve -Key Treasury	1,003,536.25
<b>Total 211 - Special Reserve</b>	<u>1,004,121.25</u>
220 - Due from Others	
220A - Misc. Due from Others	11,060.03
<b>Total 220 - Due from Others</b>	<u>11,060.03</u>
<b>Total Other Current Assets</b>	<u>1,095,522.28</u>
<b>Total Current Assets</b>	<u>6,047,079.78</u>
<b>Fixed Assets</b>	
111 - Gouverneur Industrial Park	
111-A - Gouverneur Industrial Park	74,139.65
<b>Total 111 - Gouverneur Industrial Park</b>	<u>74,139.65</u>
112 - Vehicles	
112-A - Vehicles	39,560.00
112-B - Vehicles Depreciation	-35,661.67
<b>Total 112 - Vehicles</b>	<u>3,898.33</u>
119 - Massena Industrial Park-Lot 12	40,963.08
122 - Furnishings	
122-A - Furnishing	25,880.04
122-B - Furnishing Depreciation	-25,880.04
<b>Total 122 - Furnishings</b>	<u>0.00</u>
128 - Canton Industrial Park	
128A - Canton Industrial Park - Land	166,250.00
128B - Canton Industrial Park - Imp-ND	176,990.00
128BD - Canton Ind Park - Imp Deprec	24,269.00
128-C - CIP Depreciation	-13,636.48
<b>Total 128 - Canton Industrial Park</b>	<u>353,872.52</u>
129 - Canton Industrial Building	

St. Lawrence County Industrial Development Agency

**Balance Sheet**

As of November 30, 2021

	<b>Nov 30, 21</b>
129-A · Canton Industrial Building	2,047,308.63
129-B · Canton Industrial Bldg Improv	143,388.76
129-C · Canton Ind Bldg - Depreciation	-463,779.34
<b>Total 129 · Canton Industrial Building</b>	<b>1,726,918.05</b>
<b>Total Fixed Assets</b>	<b>2,199,791.63</b>
<b>Other Assets</b>	
299 · Deferred Outflow - Pension	611,914.00
<b>Capital Lease Receivable</b>	
590 · L/R - Capital Lease OpTechLot20	108,644.41
592 · L/R - NY Power Tools - Lot 17	199,942.51
594 · L/R - From the Heart Cabinetry	583,504.15
<b>Total Capital Lease Receivable</b>	<b>892,091.07</b>
<b>Notes Receivable (N/R)</b>	
591 · N/R - LC Drives RDBG EquipLease	20,975.76
593 · N/R - LC Drives 2018 RDBG	34,434.54
<b>Total Notes Receivable (N/R)</b>	<b>55,410.30</b>
<b>Total Other Assets</b>	<b>1,559,415.37</b>
<b>TOTAL ASSETS</b>	<b>9,806,286.78</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
526 · Deferred Grant Revenue(RDBG)	65,455.18
2100 · Deposit - Rental	9,056.81
<b>Total Other Current Liabilities</b>	<b>74,511.99</b>
<b>Total Current Liabilities</b>	<b>74,511.99</b>
<b>Long Term Liabilities</b>	
511 · Deferred Inflow of Pension	564,152.00
510 · Net Pension Liability	368,736.00
<b>Notes Payable (N/P)</b>	
654 · N/P - SLCIDA-LDC CIB Loan	545,946.53
655 · N/P - SLRVRA CIB Loan	470,697.70
<b>Total Notes Payable (N/P)</b>	<b>1,016,644.23</b>
500 · Emp Compensated Time Accruals	247,882.55
501 · PostEmpBenft Other Than Pension	1,873,017.00
<b>Total Long Term Liabilities</b>	<b>4,070,431.78</b>
<b>Total Liabilities</b>	<b>4,144,943.77</b>
<b>Equity</b>	
3700 · Investment in Capital Assets	1,127,070.66
3800 · Net Assets - Assigned	2,000,000.00
3900 · Net Assets - Unassigned	1,420,213.57
<b>Net Income</b>	<b>1,114,058.78</b>
<b>Total Equity</b>	<b>5,661,343.01</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>9,806,286.78</b>



St. Lawrence County Industrial Development Agency  
Budget Report  
January 1 - November 30, 2021

	2021 Budget	Nov-21	YTD	Balance
<b>Operating Revenue</b>				
2400 · Late Fees Received	100.00	0.00	0.00	100.00
2401B · Gain/Loss on Investment	40,000.00	0.00	530.76	39,469.24
2409B · Interest Income - Banking	1,000.00	31.52	302.12	697.88
2409L · Interest Income - Lease	32,325.00	3,203.19	26,997.70	5,327.30
2411 · Refund of Prior Years Expenses	0.00	0.00	126,699.00	(126,699.00)
2421 · St. Lawrence County Revenue	300,000.00	0.00	300,000.00	0.00
2422 · IDALDC Administrative Revenue	200,000.00	0.00	100,000.00	100,000.00
2423 · GMEDF Administrative Revenue	7,200.00	0.00	0.00	7,200.00
2505 · Gain/Loss on Sale of Asset	0.00	0.00	0.00	0.00
2999 · Miscellaneous Income	100.00	0.00	850.00	(750.00)
<b>Total Operating Revenue</b>	<b>580,725.00</b>	<b>3,234.71</b>	<b>555,379.58</b>	<b>25,345.42</b>
<b>2450 · Rental Income - CIB</b>				
	0.00	0.00	99,605.00	(99,605.00)
<b>Total Revenue for CIB</b>	<b>0.00</b>	<b>0.00</b>	<b>99,605.00</b>	<b>(99,605.00)</b>
<b>6455408 · Maintenance Expense - CIB</b>				
	5,000.00	1,006.53	10,155.73	(5,155.73)
<b>6455411 · Insurance Expense - CIB</b>				
	5,000.00	0.00	5,228.00	(228.00)
<b>6455416 · Utilities Expense - CIB</b>				
	2,500.00	282.36	5,637.18	(3,137.18)
<b>6455499 · Miscellaneous Expense - CIB</b>				
	100.00	0.00	0.00	100.00
<b>6455500 · Interest Expense - CIB</b>				
	8,150.00	1,248.84	7,032.13	1,117.87
<b>6455510 · Depreciation Expense - CIB</b>				
	65,000.00	0.00	0.00	65,000.00
<b>Total Expenditure for CIB</b>	<b>85,750.00</b>	<b>2,537.73</b>	<b>28,053.04</b>	<b>57,696.96</b>
<b>Total Canton Industrial Building</b>	<b>(85,750.00)</b>	<b>(2,537.73)</b>	<b>71,551.96</b>	<b>(157,301.96)</b>
<b>Canton Industrial Park</b>				
6456408 · Maintenance Expense - CIP	500.00	0.00	0.00	500.00
6456411 · Insurance Expense - CIP	950.00	0.00	946.00	4.00
6456499 · Miscellaneous Expense - CIP	250.00	0.00	0.00	250.00
6456510 · Depreciation Expense - CIP	250.00	0.00	0.00	250.00
<b>Total Canton Industrial Park</b>	<b>(1,950.00)</b>	<b>0.00</b>	<b>(946.00)</b>	<b>(1,004.00)</b>
<b>Total Expenditure for CIP</b>	<b>1,950.00</b>	<b>0.00</b>	<b>946.00</b>	<b>1,004.00</b>
<b>Gouverneur Industrial Park</b>				
6486408 · Maintenance Expense - GIP	2,000.00	0.00	2,750.00	(750.00)
6486411 · Insurance Expense - GIP	50.00	0.00	44.00	6.00
6486499 · Miscellaneous Expense - GIP	250.00	0.00	0.00	250.00
<b>Total Expenditure for GIP</b>	<b>2,300.00</b>	<b>0.00</b>	<b>2,794.00</b>	<b>(494.00)</b>
<b>Total Gouverneur Industrial Park</b>	<b>(2,300.00)</b>	<b>0.00</b>	<b>(2,794.00)</b>	<b>494.00</b>
Total Building Revenues	0.00	0.00	99,605.00	(99,605.00)
Total Building Expenses	90,000.00	2,537.73	31,793.04	58,206.96
Total Building Net Income	<b>(90,000.00)</b>	<b>(2,537.73)</b>	<b>67,811.96</b>	<b>(157,811.96)</b>

	<b>2021</b>			
	<b>Budget</b>	<b>Nov-21</b>	<b>YTD</b>	<b>Balance</b>
<b>Miscellaneous Projects</b>				
2413 · Project Fees	10,000.00	284,294.68	714,618.41	(704,618.41)
2406A - Grant Income RDBG LCDrives	15,068.00	0.00	0.00	15,068.00
2406B - Grant Income RDBG CDLA	0.00	0.00	0.00	0.00
2406C - Grant Income NBRC NAFG	0.00	0.00	64,205.50	(64,205.50)
2424 · NF Rail NBRC Revenue	234,155.00	0.00	40,363.95	193,791.05
2504 · CDC Project Revenue	100.00	0.00	64,837.50	100.00
2510 · NF Rail Revenue	0.00	0.00	289,038.25	(289,038.25)
2515 · Newell Bldg Revenue	0.00	0.00	0.00	0.00
2420 · PILOT Revenue	0.00	0.00	119,774.01	(119,774.01)
6499 · Miscellaneous Income	500.00	0.00	0.00	500.00
<b>Total Revenue for Misc. Projects</b>	<b>259,823.00</b>	<b>284,294.68</b>	<b>1,292,837.62</b>	<b>(968,177.12)</b>
6420617 · NF Rail Rehab Expense	0.00	0.00	43,852.45	(43,852.45)
6420618 · NF Rail NBRC Expense	234,155.00	0.00	0.00	234,155.00
6420621 · Newell Project Expense	0.00	0.00	(0.21)	0.21
6420622 · RDBG Adult Ed CDL Expense	0.00	0.00	39,000.00	(39,000.00)
6490616 · PILOT Payment Expense	0.00	0.00	119,774.01	(119,774.01)
<b>Total Expenditure for Misc. Projects</b>	<b>234,155.00</b>	<b>0.00</b>	<b>202,626.25</b>	<b>31,528.75</b>
<b>Total Miscellaneous Projects</b>	<b>25,668.00</b>	<b>284,294.68</b>	<b>1,090,211.37</b>	<b>(999,705.87)</b>

	<b>2021</b>			
	<b>Budget</b>	<b>Nov-21</b>	<b>YTD</b>	<b>Balance</b>
<b>General Operating Expenses</b>				
6460408 · Maintenance Expense	1,500.00	120.90	695.40	804.60
6460411 · Insurance Expense	10,000.00	0.00	7,145.45	2,854.55
6460416 · Utilities Expense	5,000.00	145.49	2,122.54	2,877.46
6460418 · Underwriting/Credit Report Exp	100.00	0.00	0.00	100.00
6460420 · Office Supplies Expense	2,500.00	0.00	2,652.95	(152.95)
6460421 · Office Equipment Expense	2,500.00	1,139.36	2,151.89	348.11
6460422 · Equipment Repair Expense	250.00	0.00	0.00	250.00
6460423 · Telephone Expense	6,000.00	1,274.66	6,632.83	(632.83)
6460424 · Postage Expense	750.00	59.20	335.42	414.58
6460425 · Printing and Copying Expense	750.00	416.20	2,044.74	(1,294.74)
6460426 · IT Expense	1,000.00	62.00	5,775.85	(4,775.85)
6460427 · Professional Associations Expens	2,500.00	1,175.00	1,675.00	825.00
6460432 · Other Legal Expense	5,000.00	82.37	3,227.74	1,772.26
6460433 · Legal Expense - Retainer	5,500.00	0.00	5,225.00	275.00
6460434 · Accounting Expense	7,875.00	0.00	7,875.00	0.00
6460436 · Promotion/Marketing Expense	25,000.00	1,995.00	15,495.31	9,504.69
6460440 · Auto Expense	2,000.00	42.00	470.75	1,529.25
6460441 · Subscriptions & Periodicals	500.00	0.00	45.15	454.85
6460442 · Meeting Expense	1,000.00	9.90	110.33	889.67
6460443 · Mileage Expense	1,000.00	180.38	687.01	312.99
6460444 · Education Workshops Expense	10,000.00	2,176.62	7,205.06	2,794.94
6460445 · Travel Expense	2,500.00	0.00	484.00	2,016.00
6460499 · Miscellaneous Expense	500.00	73.78	1,414.62	(914.62)
6460502 · Outside Contracted Expense	100.00	0.00	0.00	100.00
6460503 · Payroll Expenses				
503A · Salaries & Wages	423,500.00	34,522.72	391,823.61	31,676.39
503B · Employee Benefits	156,000.00	20,596.24	103,033.82	52,966.18
503C · Post Employment Benefits Expe:	190,000.00	0.00	0.00	190,000.00
503D · Payroll Tax Expense	32,000.00	2,534.56	28,728.83	3,271.17
503E · Payroll Processing Fees	1,980.00	149.66	2,285.83	(305.83)
6460599 · Depreciation Expense	3,700.00	0.00	0.00	3,700.00
<b>Total General Operating Expenses</b>	<b>901,005.00</b>	<b>66,756.04</b>	<b>599,344.13</b>	<b>301,660.87</b>
Total Revenue	840,548.00	287,529.39	1,947,822.20	(1,042,436.70)
Total Expenses	1,225,160.00	69,293.77	833,763.42	391,396.58
<b>Net Income</b>	<b>(384,612.00)</b>	<b>218,235.62</b>	<b>1,114,058.78</b>	<b>(1,433,833.28)</b>

St. Lawrence County Industrial Development Agency  
Cash and In Time Report  
**November 2021**

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<b>Type of Account</b>	<b>Bank</b>	<b>Amount</b>
Checking	NBT Bank	2,080,703.78
Payroll Account	NBT Bank	54,089.91
Savings	NBT Bank	1,421,284.13
Money Market	Key Bank	1,386,422.87
Tenant Security Deposit	NBT Bank	9,056.81
		<b>\$4,951,557.50</b>
US Treasuries	Key Bank	1,003,536.25
Money Market	Key Bank	585.00
		<b>\$1,004,121.25</b>
		<b>\$5,955,678.75</b>

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
**INDUCEMENT RESOLUTION**  
 LF Bioenergy LF1 LLC [Project Number 4001-22-01]  
 Resolution No. IDA-22-02-xx  
 February 22, 2022

A regular meeting of the St. Lawrence County Industrial Development Agency (the “Issuer”) was convened on February 22, 2022 at 4:00 p.m., 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 \_\_\_\_\_, and upon roll being called, the following members of the Issuer were:

MEMBER	PRESENT	ABSENT
Blevins, Lynn		
Hall, Mark C.		
LaBaff, Ernest		
McMahon, Andrew		
Morrill, Steven		
Reagen, James		
Staples, Brian W.		

As indicated above, certain of the members of the Issuer present participated in the meeting either in person or remotely pursuant to Chapter 417 of the Laws of 2021 as signed into law on September 2, 2021, as amended by Chapter 1 of the Laws of 2022 as signed into law on January 14, 2022.

The following persons were ALSO PRESENT: Staff (Patrick Kelly, Kimberly Gilbert, Richard Williams and Lori Sibley); and Christopher C. Canada, Esq. (Bond Counsel) via teleconference.

After the meeting had been duly called to order, \_\_\_\_\_ announced that, among the purposes of the meeting, was to consider and take action on certain matters pertaining to proposed project for the benefit of LF Bioenergy LF1 LLC (the “Company”).

On motion duly made by \_\_\_\_\_ and seconded by \_\_\_\_\_ the following resolution was placed before members of the Issuer:

**A RESOLUTION TAKING OFFICIAL ACTION TOWARDS THE ISSUANCE OF UP TO \$20,000,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE BONDS FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF AN ANAEROBIC DIGESTER TO BE LOCATED ON AN APPROXIMATELY 8 ACRE PARCEL OF LAND ON 925 COUNTY ROUTE 54 IN THE TOWN OF LAWRENCE, ST. LAWRENCE COUNTY, NEW YORK, ALL FOR THE BENEFIT OF LF BIOENERGY LF1 LLC; (2) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY WITH**

**RESPECT TO SUCH PROJECT; AND (3) AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BY AND BETWEEN THE ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND LF BIOENERGY LF1 LLC. WITH RESPECT TO SUCH FINANCING AND THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF SUCH FACILITY.**

WHEREAS, Title 1 of Article 18 A of the General Municipal Law of the State of New York (the “Enabling Act”) was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York (“State”); and

WHEREAS, the Issuer was created, pursuant to and in accordance with the provisions of the Enabling Act, by Chapter 358 of the Laws of 1971 of the State, (collectively, with the Enabling Act, the “Act”), and is empowered under the Act to undertake the Project (as hereinafter defined) in order to so promote job opportunities, health, general prosperity and economic welfare of the people of the State and improve their standard of living; and

WHEREAS, the Enabling Act authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and dispose of land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction which shall be suitable for manufacturing, warehousing, civic, commercial and research facilities, including recreation facilities, in order to advance job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Act to issue its industrial development revenue bonds to finance the cost of the acquisition, construction, reconstruction and installation of one or more “projects” (as defined in the Act), to acquire, construct, reconstruct and install said projects 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, LF Bioenergy LF1 LLC, a Delaware limited liability company duly qualified and authorized to do business in the State of New York (the “Company”), has presented an application (the “Application”) to the Issuer, copies of which were presented at this meeting and a copy of which is on file at the office of the Issuer, requesting that the Issuer consider undertaking a project (the “Project”) consisting of the following: (A) (1) the acquisition of an interest in an approximately eight (8) acre parcel of land located at 925 County Route 54 in the Town of Lawrence, St. Lawrence County, New York (the “Land”), (2) the construction on the Land of an anaerobic digester to process cow manure produced by approximately 4,500 dairy cows, including flushing systems, a new manure handling system, a hydrolyzer and agitators (collectively, the “Facility”), and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”), all of the foregoing to constitute an anaerobic digester and other directly and indirectly related activities (the Land, the Facility and the Equipment being collectively referred to herein as the “Project Facility”); (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); (C) the financing of a

portion of the costs of the foregoing by the issuance of its industrial development revenue bonds in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to be \$18,000,000 and in any event not to exceed \$20,000,000 (the “Bonds”); and (D) the lease (with an obligation to purchase) or sale of the facilities financed with the Bonds to the Company or such other person as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, the Issuer has given due consideration to the Application, and to representations by the Company that (A) issuance of the Bonds and the granting by the Issuer of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in St. Lawrence County, New York and (B) the completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York; and

WHEREAS, the Issuer desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of St. Lawrence County, New York by undertaking the Project in St. Lawrence County, New York; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended, and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “SEQR Act”), the Issuer has not yet made a preliminary determination as to the potential environmental significance of the Project and therefore has not yet determined whether an environmental impact statement is required to be prepared with respect to the Project; and

WHEREAS, with respect to any portion of the Bonds intended to be issued as federally tax-exempt obligations, interest on such portion of the Bonds will not be excludable from gross income for federal income tax purposes unless (A) pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations of the United States Treasury Department thereunder (the “Treasury Regulations”), the issuance of such portion of the Bonds (the “Tax-Exempt Bonds”) is approved by the St. Lawrence County Board of Legislators after the Issuer has held a public hearing on the nature and location of the Project Facility and the issuance of the Tax-Exempt Bonds; (B) pursuant to Section 142(a)(6) and Section 144(a)(12) of the Code, at least ninety-five percent (95%) of the net proceeds of the Tax-Exempt Bonds are used to provide a “manufacturing facility”, as defined in Section 144(a)(12)(C) of the Code, and/or an “exempt facility”, within the meaning of Section 142 of the Code; and (C) pursuant to Section 146 of the Code, there is allocated to the Tax-Exempt Bonds a portion of the private activity bond volume cap of the Issuer and/or the State of New York sufficient to equal the face amount of the Tax-Exempt Bonds; and

WHEREAS, although the resolution authorizing the issuance of the Bonds and the undertaking of the Project has not yet been drafted for approval by the Issuer, a preliminary agreement (the “Preliminary Agreement”) relative to the proposed issuance of the Bonds and the undertaking of the Project by the Issuer has been presented for approval by the Issuer;

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

Section 1. The Issuer has reviewed the Application and, based upon the representations made by the Company to the Issuer in the Application and at this meeting, the Issuer hereby makes the following findings and determinations with respect to the Project:

(A) The issuance of the Bonds by the Issuer with respect to the Project will relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities for the inhabitants of St. Lawrence County, New York, and thereby serve the public purposes of the Enabling Act; and

(B) It is desirable and in the public interest to issue the Bonds in a principal amount sufficient to pay a portion of the costs of undertaking the Project, together with necessary incidental expenses in connection therewith (collectively, the "Project Costs"), which Project Costs are presently estimated to be in the amount of \$23,600,000;

provided, however, that the foregoing determinations shall not entitle or permit the Company to commence the undertaking of the Project, nor commit the Issuer to issue any Bonds with respect to the Project, unless and until the Issuer shall decide to proceed with the Project following a determination by the Issuer that all requirements of the SEQR Act that relate to the Project and to the issuance of the Bonds have been fulfilled.

Section 2. If, following full compliance with the SEQR Act and the requirements of the Enabling Act, including the public hearing requirements set forth in Section 859-a of the General Municipal Law, the Issuer adopts a future resolution (the "Future Resolution") determining to proceed with the Project and the Company complies with all conditions set forth in this resolution, the Preliminary Agreement and the Future Resolution, the Issuer will (A) authorize the issuance of the Bonds in such principal amount and with such maturities, interest rate or rates, redemption terms and other terms and provisions as shall be determined in accordance with the provisions of a further resolution of the Issuer; (B) acquire, construct and install the Project Facility, or cause the Project Facility to be acquired, constructed and installed; (C) lease (with the obligation to purchase) or sell the Project Facility to the Company pursuant to a lease agreement or an installment sale agreement between the Issuer and the Company whereby the Company will be obligated, among other things, (i) to make payments to the Issuer in amounts and at times so that such payments will be adequate to pay the principal of, premium, if any, and interest on the Bonds and (ii) to pay all costs incurred by the Issuer with respect to the Project and/or the Project Facility, including all costs of operation and maintenance, all taxes and other governmental charges, any required payments in lieu of taxes, and all reasonable fees and expenses incurred by the Issuer with respect to or in connection with the Project and/or the Project Facility; and (D) secure the Bonds in such manner as the Issuer, the Company and the purchasers of the Bonds shall mutually deem appropriate; all as contemplated by the Preliminary Agreement. If the proceeds from the sale of the Bonds are insufficient to finance the entire cost of the undertaking of the Project, the Issuer will, upon request of the Company and subject to the provisions of the Preliminary Agreement and Section 3 hereof, use its best efforts to effect the issuance from time to time in the future of additional bonds, whether on a parity with the Bonds or otherwise, for the purpose of paying the cost of completing the undertaking of the Project.

Section 3. If the Issuer adopts the Future Resolution, the issuance of the Bonds and any additional bonds, as contemplated by Section 2 of this resolution, and the granting of any other Financial Assistance with respect to the Project by the Issuer, as contemplated by Section 2 of this



resolution, shall be subject to: (A) the determination by the members of the Issuer to proceed with the Project following a determination by the members of the Issuer that all requirements of Section 859-a of the Act that relate to the Project have been fulfilled; (B) execution and delivery by the Company of the Preliminary Agreement, which sets forth certain conditions for the issuance of the Bonds, and the granting of any other Financial Assistance with respect to the Project by the Issuer, and satisfaction by the Company of all the terms and conditions of the Preliminary Agreement applicable to the Company; (C) agreement by the Issuer, the Company and the purchasers of the Bonds on mutually acceptable terms for the Bonds and for the sale and delivery thereof and mutually acceptable terms and conditions for the security for the payment thereof; (D) agreement between the Company and the Issuer as to payment by the Company of payments in lieu of taxes with respect to the Project Facility, together with the administrative fee of the Issuer with respect to the Project; (E) if any portion of the Financial Assistance to be granted by the Issuer with respect to the Project is not consistent with the Issuer's uniform tax exemption policy, the Issuer must follow the procedures for deviation from such policy set forth in Section 874(b) of the Act prior to granting such portion of the Financial Assistance; (F) if interest on any portion of the Bonds is to be treated as excludable from gross income for federal income tax purposes, (1) at least ninety-five percent (95%) of the net proceeds of such portion of the Bonds must be used to provide a "manufacturing facility", as defined in Section 144(a)(12)(C) of the Code, and/or an "exempt facility" within the meaning of Section 142 of the Code, (2) the St. Lawrence County Board of Legislators must have approved the issuance of such portion of the Bonds after a public hearing on the issuance of the Bonds and the nature and location of the Project Facility has been held by the Issuer, as required by Section 147(f) of the Code, and (3) unless the Issuer has sufficient unused allocation of private activity bond volume limit from the State of New York for the particular calendar year in which such portion of the Bonds are proposed to be issued and has determined to allocate to such portion of the Bonds a portion of such unused allocation of private activity bond volume limit, the Issuer must have received notice from the New York State Commissioner of Economic Development that the Issuer has received a supplemental allocation for such portion of the Bonds from the Statewide Bond Reserve held by the Commissioner of Economic Development, all as provided in Section 146 of the Code, it being understood that by enacting this resolution the Issuer is not committing itself to make such an allocation or to issue such portion of the Bonds if such an allocation is not made or received; (G) a determination by the members of the Issuer to proceed with the issuance of the Bonds and the granting of such other Financial Assistance following determinations by the members of the Issuer that the public hearing and notice requirements and other procedural requirements of Section 859-a of the Act have been complied with; and (H) the following additional condition(s): \_\_\_\_\_.

Section 4. The form, terms and substance of the Preliminary Agreement (in substantially the form presented to this meeting and attached hereto) are in all respects approved, and the Chairperson, Vice Chairperson or Chief Executive Officer of the Issuer is hereby authorized, empowered and directed to execute and deliver said Preliminary Agreement in the name and on behalf of the Issuer, said Preliminary Agreement to be substantially in the form presented to this meeting, with such changes therein as shall be approved by the officer executing same on behalf of the Issuer, the execution thereof by such officer to constitute conclusive evidence of such officer's approval of any and all changes or revisions therein from the form now before this meeting.

Section 5. The officers, agents and employees of the Issuer are hereby directed to proceed to comply with the provisions of the SEQRA Act and to do such things or perform such acts as may allow the Issuer to proceed to its final consideration of the Project.

Section 6. It is intended that this resolution shall constitute an affirmative official action toward the issuance of the Bonds within the meaning of Section 1.103-8(a)(5) and Section 1.150-2(e)(1) of the United States Treasury Regulations.

Section 7. The Company is hereby authorized to conduct such environmental, engineering, economic, feasibility and other studies and preliminary planning and budgetary processes necessary or convenient to enable the Issuer to make its final determination whether to approve the Project, and the Company is further authorized to advance such funds as may be necessary for such purpose, subject, to the extent permitted by law, to reimbursement from the proceeds of the sale of the Bonds, if the Bonds are issued; provided, however, that such authorization shall not entitle or permit the Company to commence the undertaking of the Project unless and until the Issuer shall determine to proceed with the Project following a determination by the Issuer that all requirements of the SEQRA Act that relate to the Project and to the issuance of the Bonds have been fulfilled. This resolution constitutes a determination of compliance with technical requirements within the meaning of Section 617.3(c) of the Regulations and does not constitute, and shall not be deemed to constitute, either an approval by the Issuer of the Project for the purposes of the SEQRA Act or a commitment by the Issuer to issue the Bonds except upon satisfaction of the requirements of the SEQRA Act, the requirements set forth in Section 3 hereof and the requirements set forth in the Preliminary Agreement.

Section 8. The law firm of Hodgson Russ LLP is hereby appointed Bond Counsel to the Issuer with respect to all matters in connection with the Project and the issuance of the Bonds. Bond Counsel for the Issuer is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company, counsel to the Issuer, the purchasers of the Bonds and others to prepare, for submission to the Issuer, all documents necessary to effectuate the authorization, issuance, sale and delivery of the Bonds and the other transactions contemplated by this resolution.

Section 9. The Issuer hereby authorizes the Chairperson, Vice Chairperson or Chief Executive Officer of the Issuer, prior to the issuance of any portion of the Bonds with respect to the Project, after consultation with the directors of the Issuer, (A) (i) to establish the time, date and place for a public hearing of the Issuer to hear all persons interested in the Project and the proposed financial assistance being contemplated by the Issuer with respect to the Project; (ii) to cause notice of such public hearing to be given to the public by publishing a notice of such hearing in a newspaper of general circulation available to residents of the Town of Lawrence, St. Lawrence County, New York, such notice to comply with the requirements of Section 859-a of the General Municipal Law and to be published no fewer than ten (10) days prior to the date established for such public hearing; (iii) to cause notice of said public hearing to be given to the chief executive officer of the county and each town, village and school district in which the Project is to be located no fewer than ten (10) days prior to the date established for said public hearing; (iv) to conduct such public hearing; and (v) to cause a report of said public hearing fairly summarizing the views presented at said public hearing to be promptly prepared and cause copies of said report to be made available to the directors of the Issuer and (B) to satisfy the public approval requirements contained in Section 147(f) of the Code.

Section 10. The Chairperson, Vice Chairperson and Chief Executive Officer are hereby authorized and directed to distribute copies of this resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 11. This resolution 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:

<b>MEMBER</b>	<b>YEA</b>	<b>NAY</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Blevins, Lynn				
Hall, Mark C.				
LaBaff, Ernest				
McMahon, Andrew				
Morrill, Steven				
Reagen, James				
Staples, Brian W.				

The resolution was thereupon declared duly adopted.

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STATE OF NEW YORK )

COUNTY OF ST. LAWRENCE ) ss.:

I, the undersigned Secretary of the St. Lawrence County Industrial Development Agency (the “Issuer”), DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the members of the Issuer, including the resolution contained therein, held on February 22, 2022, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Issuer and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Issuer had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Chapter 417 of the Laws of 2021, as amended by Chapter 1 of the Laws of 2022 (as so amended, the “Laws”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given; and (D) there was a quorum of the members of the Issuer, either in person or attending remotely in accordance with the Laws, throughout said meeting.

I FURTHER CERTIFY, that there was a quorum of the members of the Issuer 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 of said Issuer as of February \_\_, 2022.

BY: \_\_\_\_\_  
Lynn Blevins  
Secretary

## PRELIMINARY AGREEMENT

THIS PRELIMINARY AGREEMENT made as of February \_\_, 2022 by and between ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the “Issuer”), a public benefit corporation organized and existing under the laws of the State of New York, and LF BIOENERGY LF1 LLC, a limited liability company organized and existing under the laws of the State of Delaware (the “Company”);

### WITNESSETH:

WHEREAS, the Issuer is authorized and empowered by the provisions of the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of the State of New York, as amended (the “Enabling Act”) and Chapter 358 of the 1971 Laws of the State of New York, as amended, constituting Section 914 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to undertake the acquisition, construction, reconstruction and installation of one or more “projects” (as said quoted term is defined in the Act) and to lease (with an obligation to purchase) or sell the same upon such terms and conditions as the Issuer may deem advisable; and

WHEREAS, the purposes of the Act are to promote industry and develop trade and thereby advance the job opportunities, health, general prosperity and economic welfare of the inhabitants of St. Lawrence County, New York and the State of New York, to improve their prosperity and standard of living and to prevent unemployment and economic deterioration; and

WHEREAS, by resolution adopted by the members of the Issuer on February 22, 2022 (the “Preliminary Inducement Resolution”), the Issuer made a preliminary determination, subject to numerous conditions, to accept an application (the “Application”) from the Company requesting that the Issuer undertake a project (the “Project”) consisting of the following: (A) (1) the acquisition of an interest in an approximately eight (8) acre parcel of land located at 925 County Route 54 in the Town of Lawrence, St. Lawrence County, New York (the “Land”), (2) the construction on the Land of an anaerobic digester to process cow manure produced by approximately 4,500 dairy cows, including flushing systems, a new manure handling system, a hydrolyzer and agitators (collectively, the “Facility”), and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”), all of the foregoing to constitute an anaerobic digester and other directly and indirectly related activities (the Land, the Facility and the Equipment being collectively referred to herein as the “Project Facility”); (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); (C) the financing of a portion of the costs of the foregoing by the issuance of its industrial development revenue bonds in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith (the “Bonds”); and (D) the lease (with an obligation to purchase) or sale of the facilities financed with the Bonds to the Company or such other person as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Issuer has not yet made a preliminary determination as to the potential environmental significance of the Project and therefore has not yet determined whether an environmental impact statement is required to be prepared with respect to the Project;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Issuer and the Company agree as follows:

#### ARTICLE 1 – REPRESENTATIONS

Among the representations which have resulted in the execution of this Preliminary Agreement are the following:

Section 1.01. The Company hereby represents to the Issuer that:

(A) The completion of the Project Facility will not result in the removal of a plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State of New York to another area of the State of New York or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State of New York.

(B) The Project does not constitute a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost.

(C) The Project site is located entirely within the boundaries of St. Lawrence County, New York.

(D) The granting of the Financial Assistance by the Issuer with respect to the Project, through the issuance of the Bonds and the granting of certain exemptions from taxation with respect to the Project, as further described in the Preliminary Inducement Resolution, will encourage and assist the Company in locating the Project Facility in St. Lawrence County, New York, and thereby serve the public purposes of the Act by promoting job opportunities in St. Lawrence County, New York.

(E) The granting of the Financial Assistance by the Issuer with respect to the Project, through the granting of certain exemptions from taxation with respect to the Project, as further described in the Preliminary Inducement Resolution, will encourage and assist the Company in locating the Project Facility in St. Lawrence County, New York, and thereby serve the public purposes of the Act by promoting job opportunities in St. Lawrence County, New York.

(F) It is estimated at the present time that the costs of the planning, development, acquisition, reconstruction and installation of the Project Facility (collectively, the “Project Costs”) will be approximately \$23,600,000.

(G) The Company will ensure that the acquisition, reconstruction, installation and operation of the Project Facility will comply with all applicable federal, state and local laws, ordinances, rules and regulations (the applicability of same to be determined both as if the Issuer were the owner of the Project Facility and as if the Company and not the Issuer were the owner of the Project Facility), and the Company will obtain all necessary approvals and permits required thereunder.

Section 1.02. By the Preliminary Inducement Resolution, the Issuer has approved the execution of this Preliminary Agreement. The Issuer intends this Preliminary Agreement to constitute its official binding commitment, subject to the terms hereof, to (A) to issue the Bonds in an aggregate principal

amount not to exceed \$20,000,000 to pay a portion of the Project Costs, the actual principal amount of said Bonds to be agreed upon by the Issuer and the Company when the Project Costs are more definitely established; and (B) to use the proceeds of the Bonds to finance the Project Costs; provided, however, that this Preliminary Agreement shall not entitle or permit the Company to commence the acquisition, reconstruction, renovation or installation of the Project Facility unless and until the Issuer shall determine that all requirements of SEQRA (as hereinafter defined) that relate to the Project have been fulfilled or commit the Issuer to issue the Bonds or to grant to the Company any other “financial assistance” (as defined in the Act) with respect to the Project unless and until the Issuer shall (1) determine to proceed with the Project following a determination by the Issuer that all requirements of SEQRA (as hereinafter defined) that relate to the Project have been fulfilled and (2) decide to proceed with the granting of such financial assistance following a determination by the Issuer that the procedural requirements of Section 859-a of the Act have been fulfilled.

Section 1.03. Pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Issuer has not yet made a determination as to the potential environmental significance of the Project and, therefore, has not yet determined whether an environmental impact statement is required to be prepared with respect to the Project. The Company understands that (A) the Preliminary Inducement Resolution constitutes a determination of compliance with technical requirements within the meaning of Section 617.3(c) of the Regulations; and (B) neither the Preliminary Inducement Resolution nor this Preliminary Agreement constitute either an approval by the Issuer of the Project for purposes of SEQRA or a commitment by the Issuer to issue the Bonds except upon satisfaction of the requirements of SEQRA and the requirements set forth in the Preliminary Inducement Resolution and herein.

## ARTICLE 2 – UNDERTAKINGS ON THE PART OF THE ISSUER

Based upon the statements, representations and undertakings of the Company and subject to the conditions set forth herein, the Issuer agrees as follows:

Section 2.01. The Agency will authorize, sell and deliver the Bonds, pursuant to the terms of the Act as then in force, for the purpose of financing the Project Costs, in one or more series or issues from time to time to finance a portion of the Project Costs. The precise amount of the Bonds shall be fixed by the resolution of the Agency at a later date and be agreed to by the Company. Upon the sale of the Bonds, the Agency will expend the proceeds of the Bonds to finance the Project Costs, either by assuming the acquisition, reconstruction, renovation and installation of the Project (and reimbursing the Company for its funds expended on the Project Costs subsequent to the date of adoption of the Preliminary Inducement Resolution and prior to such assumption by the Agency), or by acquiring the Project Facility from the Company upon the completion thereof and paying to the Company the purchase price of the Project Facility, whichever shall be agreeable to the Agency and the Company and shall not exceed the actual Project Costs; PROVIDED, HOWEVER, that the Bonds are to be secured by and payable from the revenues to be derived by the Agency either in accordance with the terms of an agreement of lease (with an obligation to purchase), or in accordance with the terms of an installment sale agreement, or other similar financing agreements, or any combination thereof, to be entered into by and between the Agency and the Company (all said agreements being hereinafter collectively referred to as the “Financing Agreement”); PROVIDED FURTHER, HOWEVER, that the foregoing obligation of the Agency to assist in acquiring, reconstructing, renovating and installing the Project Facility and in financing such acquisition, reconstruction, renovation and installation by the issuance of the Bonds is subject to the conditions hereinafter contained in this Preliminary Agreement, including but not limited to the following conditions:

(A) The Bonds shall in all respects comply with the requirements of, and limitations contained in, the Act and shall further specifically provide that they are payable solely from the revenues derived by the Issuer from the sale, lease or other disposition of the Project Facility (except to the extent payable out of proceeds of the Bonds); that principal and interest thereon shall not be a general obligation of the Issuer and the Bonds shall not constitute an indebtedness or pledge of the general credit of the Issuer; that no holder of any of such Bonds shall have the right to compel any exercise of the taxing power of the Issuer (if any), or of the State of New York or any political subdivision thereof, including St. Lawrence County, New York; and that the Bonds shall not create a debt or loan of credit of St. Lawrence County, New York or the State of New York, but the Bonds shall be a special obligation of the Issuer secured and payable solely as provided herein, and such facts shall be plainly stated on the face of each of such Bonds;

(B) The Company shall have executed the Financing Agreement between the Issuer and the Company, the terms of which shall be acceptable in form and content to the Company, the Issuer and the purchasers of the Bonds, and pursuant to which, among other things, the Company shall be obligated to make aggregate basic payments (i.e. payments used to pay the principal and, premium, if any, and interest on the Bonds) in an amount at least sufficient to pay the principal of, premium, if any, and interest on the Bonds, as and when the same become due and payable, together with all costs of operation and maintenance of the Project Facility, including all taxes and other governmental charges, any required payments in lieu of taxes, and the reasonable fees and expenses incurred by the Issuer in connection with the Project, it being understood that the Company will, prior to or contemporaneously with the issuance of the Bonds, enter into such Financing Agreement;

(C) No event shall have occurred which constitutes (or which after notice or lapse of time or both would constitute) an event of default under the Financing Agreement;

(D) One or more purchasers shall agree to purchase the Bonds, it being understood that the Company will use all reasonable efforts to find one or more purchasers for the Bonds;

(E) The Company shall provide the Issuer and the purchasers of the Bonds with all information required to facilitate compliance with all applicable securities laws and all other information reasonably necessary in connection with the issue, sale, delivery and any resale of the Bonds;

(F) The Issuer shall have adopted a resolution determining to proceed with the Project after making a determination that all requirements of SEQRA that relate to the Project and to the issuance of the Bonds have been fulfilled. The Company shall provide the Issuer and the other “involved agencies” (as such quoted term is defined in the Regulations) with all information and statements which may be required by said respective entities in order to facilitate compliance by said entities with SEQRA;

(G) If the costs of the Project exceed the amount of the proceeds of the Bonds, or if the Bonds shall not be issued, the Company will pay all such Project Costs or such excess Project Costs and shall not be entitled to any reimbursement for any such payment from the Issuer;

(H) The Bonds shall bear such dates, mature at such time or times, bear interest at such rate or rates, and contain such other terms and provisions as shall be determined by subsequent action of the Issuer and approved by the Company;



(I) The Issuer shall receive, in form and substance satisfactory to the Issuer, such rulings, approvals, resolutions, consents, certificates, opinions of counsel and other instruments and proceedings as shall be specified by the Issuer in connection with the Bonds and (if applicable) the tax exemption of the interest thereon, the Project, the Financing Agreement, and the various other documents to be executed in connection with the Project, such rulings, approvals, resolutions, consents, certificates, opinions of counsel and other instruments and proceedings to be obtained from Bond Counsel, counsel to the Issuer and such other governmental and nongovernmental agencies and entities as may have or assert competence or jurisdiction over or interest in matters pertaining thereto, and the same shall be in full force and effect at the time of the issuance of the Bonds;

(J) Agreements shall be made as to (1) payments by the Company to or on behalf of the Issuer of amounts in lieu of real property taxes, (2) indemnity by the Company of the Issuer and the members and officers of the Issuer, and (3) payment by the Company of the expenses incurred by the Issuer in connection with the Project (including counsel fees and out-of-pocket expenses) and the administrative fee of the Issuer, and such agreements shall be satisfactory in form and substance to the Issuer;

(K) If interest on the Bonds is to be treated as excludable from gross income for federal income tax purposes, (1) satisfaction of the requirements contained in Section 142 of the Code relating to “solid waste disposal facilities”, (2) the St. Lawrence County Board of Legislators must have approved the issuance of the Bonds after a public hearing on the issuance of the Bonds and the nature and location of the Project Facility has been held by the Issuer, as required by Section 147(f) of the Code, and (3) unless the Issuer has sufficient unused allocation of private activity bond volume limit from the State of New York for the particular calendar year in which the Bonds are proposed to be issued and has determined to allocate to the Bonds a portion of such unused allocation of private activity bond volume limit, the Issuer must have received notice from the New York State Commissioner of Economic Development that the Issuer has received a supplemental allocation for the Bonds from a statewide bond reserve established pursuant to New York State law, all as provided in Section 146 of the Code, it being understood that by enacting this resolution the Issuer is not committing itself to make such an allocation or to issue the Bonds if such an allocation is not made or received;

(L) The Issuer shall have made a determination to proceed with the issuance of the Bonds and the granting of such other financial assistance following a determination by the Issuer that the public hearing and notice requirements and other procedural requirements of Section 859-a of the Act have been complied with;

(M) The Company shall provide the Issuer with an annual report describing income distribution information of the residents of the Project Facility, in form and substance satisfactory to the Issuer; and

(N) If any portion of the Financial Assistance to be granted by the Issuer with respect to the Project is not consistent with the Issuer’s uniform tax exemption policy, the Issuer must follow the procedures for deviation from such policy set forth in Section 874(b) of the Act prior to granting such portion of the Financial Assistance; and

(O) The following additional conditions: \_\_\_\_\_.

Section 2.02. The obligations of the Issuer pursuant to this Preliminary Agreement are subject to the conditions elsewhere contained in this Preliminary Agreement and to the additional condition that the

Issuer shall not acquire, reconstruct, renovate or install the Project Facility, nor issue the Bonds to finance the Project Costs, unless and until the Issuer shall have complied with the provisions of SEQRA.

Section 2.03. Subject to the conditions stated in this Preliminary Agreement, the Issuer from time to time will adopt, or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary or advisable for: (A) the authorization, issuance and sale of the Bonds; (B) the acquisition, reconstruction, renovation and installation of the Project Facility; (C) the use of the proceeds of the Bonds to finance the Project Costs; and (D) the sale or lease of the Project Facility to the Company, all as shall be authorized by law and be mutually satisfactory to the Issuer, the Company and the purchasers of the Bonds. If acceptable to the Company and the purchasers of the Bonds, such actions and documents may permit the issuance from time to time in the future of additional bonds on terms which shall be set forth therein, whether on a parity with the Bonds or otherwise, for the purpose of defraying the cost of completion of the Project.

Section 2.04. At the time the Company provides the Issuer with a copy of a commitment to purchase the Bonds, the Issuer will promptly determine whether to allocate to the Bonds a portion of its unused allocation of private activity bond volume limit from the State of New York for the calendar year in which the Bonds are proposed to be issued. If the Issuer does not have sufficient unused private activity bond volume limitation from the State of New York to qualify the interest on the Bonds for exemption from federal income taxation at such time, or has determined not to allocate to the Bonds a portion of such unused allocation of private activity bond volume limit, then the Issuer will seek to obtain from the New York State Commissioner of Economic Development a supplemental allocation for the Bonds from the Statewide Bond Reserve described in Section 2.01(K)(3) hereof.

Section 2.05. The Issuer will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

### ARTICLE 3 – UNDERTAKINGS ON THE PART OF THE COMPANY

Based upon the statements, representations and undertakings of the Issuer and subject to the conditions set forth herein, the Company agrees as follows:

Section 3.01. The Company will use all reasonable efforts to find or cause to be found one or more purchasers for the Bonds and will use reasonable efforts to insure that the Bonds are sold; provided, however, that the terms of such Bonds and of the sale and delivery thereof shall be mutually satisfactory to the Issuer and the Company.

Section 3.02. Contemporaneously with the execution and delivery by the Issuer of the Acquisition Agreement, the Company will enter into the Financing Agreement with the Issuer containing the terms and conditions described in Section 2.01 hereof. The Company agrees that the Company will pay all of the Project Costs and shall not be entitled to any reimbursement for any such payment from the Issuer. THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, THAT THE PROJECT FACILITY WILL BE SUITABLE FOR THE COMPANY'S PURPOSES OR NEEDS.

Section 3.02. The Company hereby agrees to indemnify and hold the Issuer (and its members, officers, agents and employees) harmless from all losses, expenses, claims and liabilities arising out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition, construction and installation of the Project Facility, including any expenses incurred by the Issuer (and its members, officers, agents and employees) in defending any claims, suits or actions which may arise as a result of any of the foregoing. The Company shall not permit to stand, and will, at

its own expense, take steps reasonably necessary to remove, any mechanic's or other liens against the Project Facility for labor or material furnished in connection with the acquisition, construction and installation of the Project Facility.

Section 3.03. The Company hereby agrees to indemnify and hold the Issuer (and its members, officers, agents and employees) harmless from all losses, expenses, claims and liabilities arising out of or based on (A) labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition, reconstruction, renovation and installation of the Project Facility, including any expenses incurred by the Issuer (and its members, officers, agents and employees) in defending any claims, suits or actions which may arise as a result of any of the foregoing and/or (B) any untrue statement or alleged untrue statement of a material fact included in any written materials relating to the offering or sale of the Bonds or the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Company shall not permit to stand, and will, at its own expense, take steps reasonably necessary to remove, any mechanic's or other liens against the Project Facility for labor or material furnished in connection with the acquisition, reconstruction, renovation and installation of the Project Facility.

Section 3.04. The Company hereby agrees to indemnify, defend and hold the Issuer (and its members, officers, agents and employees) harmless from any and all (A) claims and liabilities for the loss or damage to property or any injury to or death of any person that may be occasioned subsequent to the date hereof by any cause whatsoever in relation to the Project and/or the Project Facility, including any expenses incurred by the Issuer (and its members, officers, agents and employees) in defending any claims, suits or actions which may arise as a result of the foregoing; and (B) claims and liability arising from or expenses incurred in connection with the Project or the Issuer's financing, acquisition, reconstruction, renovation, installation, owning and leasing and/or sale of the Project Facility, including all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The Company shall include the Issuer (and its members, officers, agents and employees) as a named insured under all public liability insurance policies obtained by the Company with respect to the Project.

Section 3.05. The Company will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

Section 3.06. The Company will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

## ARTICLE 4 – GENERAL PROVISIONS

Section 4.01. All commitments of the Issuer under Article 2 hereof and of the Company under Article 3 hereof (excepting the obligations of the Company set forth in Sections 3.02 and 3.03 hereof, which shall survive the termination of this Preliminary Agreement) are subject to the condition that the following events shall have occurred not later than two (2) years from the date hereof (or such other date as shall be mutually satisfactory to the Issuer and the Company):

- (A) The Issuer, the Company and the purchasers of the Bonds shall have agreed on mutually acceptable terms and conditions of the Bonds, the Financing Agreement and any agreements securing the Bonds and any other agreements referred to in Articles 2 or 3 hereof;
- (B) All necessary governmental approvals shall be obtained; and
- (C) All other conditions expressed in this Preliminary Agreement shall have been satisfied.

Section 4.02. Subject to the terms and conditions of Section 4.03 hereof, the Company shall have the right to unilaterally cancel this Preliminary Agreement at any time prior to the time that the Bonds are issued by the Issuer upon thirty (30) days prior written notice of cancellation delivered to the Issuer at the address set forth in Section 4.04 hereof.

Section 4.03. If the events set forth in Section 4.01 hereof do not take place within the time set forth in said Section 4.01, or any extension thereof, or if the Company exercises its right of cancellation as set forth in Section 4.02 hereof, the Company agrees that (A) it will promptly reimburse the Issuer (and its officers, members, agents or employees) for all reasonable and necessary direct out-of-pocket expenses (including legal fees and expenses) which the Issuer (and its officers, members, agents or employees) may incur with respect to the execution of this Preliminary Agreement and the performance of its obligations hereunder; and (B) the obligations of the Company set forth in Section 3.02 and 3.03 hereof shall survive the termination of this Preliminary Agreement and shall remain in full force and effect until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters described therein may be brought and payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses and charges incurred by the Issuer (and its officers, members, agents or employees) relating to the enforcement of the provisions therein stated.

Section 4.04. (A) All notices and other communications hereunder shall be in writing and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

- (1) To the Issuer:

St. Lawrence County Industrial Development Agency  
19 Commerce Lane – Suite 1  
Canton, New York 13617  
Attention: Chief Executive Officer

With a copy to:

Hodgson Russ LLP  
677 Broadway – Suite 301  
Albany, New York 12207  
Attention: Christopher C. Canada, Esq.

(2) To the Company:

LF Bioenergy LF1 LLC  
2950 North Harwood Street – Suite 2200  
Dallas, Texas 75201  
Attention: Chief Financial Officer

With a copy to:

Eversheds Sutherland  
700 Sixth Street NW – Suite 700  
Washington, D.C. 20001  
Attention: Ram Sunkara, Esq.

(B) The Issuer and the Company may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates and other communications shall be sent.

Section 4.05. All covenants and agreements herein contained by or on behalf of the Issuer and the Company shall bind and inure to the benefit of the respective successors and assigns of the Issuer and the Company whether so expressed or not.

Section 4.06. The obligations and agreements of the Issuer contained herein shall be deemed the obligations and agreements of the Issuer, and not of any member, officer, agent or employee of the Issuer in his individual capacity, and the members, officers, agents and employees of the Issuer shall not be liable personally hereon or be subject to any personal liability or accountability based upon or in respect hereof or of any transaction contemplated hereby. The obligations and agreements of the Issuer contained herein shall not constitute or give rise to an obligation of the State of New York or of St. Lawrence County, New York and neither the State of New York nor St. Lawrence County, New York shall be liable thereon, and further, such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the revenues of the Issuer derived and to be derived from the lease, sale or other disposition of the Project Facility.

Section 4.07. Notwithstanding any provision of this Preliminary Agreement to the contrary, the Issuer shall not be obligated to take any action pursuant to any provision hereof unless (A) the Issuer shall have been requested to do so in writing by the Company; and (B) if compliance with such request is reasonably expected to result in the incurrence by the Issuer (or any member, officer, agent or employee of the Issuer) of any liability, fees, expenses or other costs, the Issuer shall have received from the Company security or indemnity satisfactory to the Issuer for protection against all such liability and for the reimbursement of all such fees, expenses and other costs.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have entered into this Preliminary Agreement as of the day and date first written above.

ST. LAWRENCE COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY

BY: \_\_\_\_\_  
Authorized Officer

LF BIOENERGY LF1 LLC

BY: \_\_\_\_\_  
Authorized Officer

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
Resolution No. 22-02-xx  
February 22, 2022

**APPROVING THE ST. LAWRENCE COUNTY  
COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY**

**WHEREAS**, the scope of services in the Economic Development Services Agreement between St. Lawrence County and the St. Lawrence County Industrial Development Agency includes that the Agency “shall assist the County to develop, review and amend as needed, its comprehensive economic development plan,” and

**WHEREAS**, development of a Comprehensive Economic Development Strategy (CEDS) is necessary for St. Lawrence County as well as its communities, businesses and organizations to qualify for funding from the Economic Development Administration and other similar grant and economic/community development funding sources, and

**WHEREAS**, the Agency and a great number of organizations and partners in the County, have worked to create a comprehensive strategy for the County, and

**WHEREAS**, the Agency reviewed and incorporated input and content from a number of relevant local, county and regional organizations, studies, planning documents and initiatives in creating this CEDS, including:

- The St. Lawrence County Economic Development Study commissioned by the New York Power Authority undertaken by McKinsey & Company and overseen by the volunteer St. Lawrence County Economic Development Study Advisory Board.
- The 2011 North Country regional strategic plan and its five subsequent annual updates/ reports (2012-16) prepared by the North Country Regional Economic Development Council (NCREDC).
- The preliminary Brownfield Opportunities Area (BOA) study centered on the former General Motors facility in Massena, a process which was undertaken throughout 2015, 2016 and 2017 and overseen by the North Country Redevelopment Task Force.
- The input data for St. Lawrence County Agricultural Development Plan adopted by the St. Lawrence County Board of Legislators on December 5, 2016.
- Data developed by the Center for Rural Entrepreneurship and presented at the April 25, 2016 North Country Symposium held on the campus of St. Lawrence University in Canton, New York.
- A group of local, regional and State development partners convened by the Agency which includes economic developers, planners, the colleges and universities and the County Chamber, and

**WHEREAS**, the Agency supplemented and cross-checked data and recommendations from all these sources with the standard information sources made available by the US Bureau of the Census, the US and NY Departments of Labor, the US Department of Commerce, and other local, State, and federal agencies, and

**WHEREAS**, the CEDS will provide a road map for future economic development activities and growth in the County, and

**NOW, THEREFORE, BE IT RESOLVED** that the St. Lawrence County Industrial Development Agency does hereby accept and approve the St. Lawrence County Comprehensive Economic Development Strategy presented to them and attached hereto and made a part hereof.

Move:				
Second:				
<b>VOTE</b>	<b>AYE</b>	<b>NAY</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Blevins				
Reagen				
Hall				
LaBaff				
McMahon				
Staples				
Morrill				

I HEREBY CERTIFY that I have compared this copy of this Resolution with the original record in this office, and that the same is a correct transcript thereof and of the whole of said original record.

/s/

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Lori Sibley

February 22, 2022