INDUCEMENT RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on April 27, 2023, at 9:00 a.m. local time, at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by The Chair and, upon the roll being duly called, the following members were:

PRESENT: Nick Canale, Jr., Marc Greco, Tricia Peter-Clark, H. Leonard Schick, Tim Stahl, and Gary T. Toth

ABSENT: Barry Trimble

ALSO PRESENT: Ed Alberts, Kevin C. Caraccioli, Amber Hall, Kevin LaMontagne, Kera Patterson, Terry Rasmussen, Abby Weaver, and Austin Wheelock

The following resolution was duly offered and seconded

RESOLUTION AUTHORIZING THE UNDERTAKING THE ACQUISITION, RECONSTRUCTION, RENOVATION EQUIPPING AND COMPLETION OF A CERTAIN PROJECT, APPOINTING MARKET HOUSE OSWEGO, LLC AND 1836 BREWING COMPANY, LLC AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, RECONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF THE PROJECT; APPROVING CERTAIN FINANCIAL ASSISTANCE; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT AMONG THE AGENCY, MARKET HOUSE OSWEGO, LLC AND 1836 BREWING COMPANY, LLC.

WHEREAS, the County of Oswego Industrial Development Agency (the "***Agency***") is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State

of New York (the "***State***"), as amended, together with Chapter 234 of the Laws of 1973 of the State, as amended from time to time (collectively, the "***Act***") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to grant "financial assistance" (as defined in the Act) in connection with the acquisition, construction, reconstruction, renovation, installation and equipping of one or more "projects" (as defined in the Act); and

WHEREAS, Market House Oswego, LLC on behalf of itself or an entity formed or to be formed by it or on its behalf (the "***Real Estate Holding Company***"), and 1836 Brewing Company, LLC on behalf of itself or an entity formed or to be formed by it or on its behalf (the "***Brewery Operating Company***"), submitted an application to the Agency on or about March 7, 2023 ("***Application***"), a copy of which is on file at the office of the Agency, requesting the Agency consider undertaking a project (the "***Project***") for the benefit of the Real Estate Holding Company and the Brewery Operating Company, said Project consisting of the following: (A) (i) the acquisition of a leasehold interest in approximately 0.22 acres of real property located at 1 West Bridge Street (tax map no. 128.55-02-03) in the City of Oswego, County of Oswego, State of New York (the "***Land***") and the existing approximately 18,800 square foot three-story building located thereon (the "***Existing Building***"); (ii) the renovation of the Existing Building to contain four (4) residential rental units on each of the second and third floors and common space related thereto (collectively, the "***Residential Unit***") and a brewery in the basement and on the first floor (the "***Retail Unit***") together with related site improvements (all of the foregoing, collectively, the "***Facility***"); (iii) the acquisition and installation therein and thereon of various building materials, furniture, fixtures, machinery, equipment and personal property not part of the Equipment (the "***Facility Equipment***" and, together with the Land and the Facility, the "***Company Facility***"), which Company Facility is to be leased and subleased by the Agency to the Real Estate Holding Company and the Real Estate Holding Company will operate the Residential Unit; and (iv) the acquisition and installation of certain various building materials, furniture, fixtures, machinery, equipment and personal property for the Retail Unit (collectively, the "***Equipment***" and together with the Company Facility, the "***Project Facility***"), and the Retail Unit is to be subleased by the Real Estate Holding Company to the Brewery Operating Company and the Brewery Operating Company will operate the Retail Unit; (B) the granting of certain financial assistance in the form of exemptions from real property taxes, real estate transfer taxes, mortgage recording tax (except as limited by the Act) and State and local sales and use tax (collectively, the "***Financial Assistance***"); (C) the granting of $200,000 from the Agency's HUD EDF loan fund (the "***EDF Loan***") and (D) the lease (with an obligation to purchase) or sale of the Company Facility to the Real Estate Holding Company or such other person as may be designated by the Real Estate Holding Company and agreed upon by the Agency and the lease

(with an obligation to purchase) or sale of the Equipment to the Brewery Operating Company or such other person as may be designated by the Brewery Operating Company and agreed upon by the Agency; and

WHEREAS, the Agency adopted a resolution on March 23, 2023 describing the Project, the Financial Assistance and authorizing a public hearing (the "***Initial Resolution***"); and

WHEREAS, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on April 25, 2023 pursuant to Section 859-a of the Act, notice of which was published on March 30, 2023 in The Post-Standard, a newspaper of general circulation in the City of Oswego and County of Oswego, New York and given to the chief executive officers of the affected taxing jurisdictions by letter dated March 27, 2023; and

WHEREAS, in accordance with the requirements of Section 859-a of the Act, written notice of the Public Hearing dated March 27, 2023 and a copy of the Initial Resolution was delivered by the Agency by certified mail, return receipt requested, to the chief executive officer of each affected local taxing jurisdiction, including the school board and district superintendent of the Oswego City School District; and

WHEREAS, the Company also requested that the Agency consider a payment in lieu of tax ("PILOT") schedule, and such schedule constitutes a deviation from the Agency's Uniform Tax Exemption Policy ("UTEP") established pursuant to Section 874(4) of the Act; and

WHEREAS, by letters dated April 14, 2023 the Agency gave to the chief executive officers of the affected tax jurisdictions notice pursuant to Section 874 of the Act of this meeting (the "Notice"), at which the Agency would consider the Company's request for a PILOT schedule which deviates from the UTEP; and

WHEREAS, prior to the date hereof, the Agency responded to all communications and correspondence received from the Affected Tax Jurisdiction regarding the proposed deviation from the UTEP; and

WHEREAS, no representatives from the Affected Tax Jurisdictions were present at this meeting to address the Agency regarding such proposed deviation from the UTEP; and

WHEREAS, in order to begin the acquisition, reconstruction and renovation of the Project Facility and the acquisition of Equipment prior to the execution and delivery of final documents and agreements in connection with the Project, the Companies has requested the temporary appointment of the Companies as agent of the Agency for sales and use tax purposes; and

WHEREAS, in connection with the temporary appointment of the Companies as agent of the Agency for sales and use tax purposes, the Agency and the Companies will enter into a preliminary project agreement and certain related documents (the "***Interim Documents***") with respect to the Project; and

WHEREAS, simultaneously with the execution of the Interim Documents, the Agency will file with the New York State Department of Taxation and Finance the form entitled "IDA Appointment of Project Sublessee or Agent for Sales Tax Purposes" (the form required to be filed pursuant to Section 874(9) of the Act) (the "***Thirty-Day Sales Tax Form***"); and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as "***SEQRA***"), the Agency is required to make a determination whether the "action" (as said quoted term is defined in SEQRA) to be taken by the Agency may have a "significant impact on the environment" (as said quoted term is utilized in SEQRA) and the preliminary agreement of the Agency to undertake of the Project constitutes such an action; and

WHEREAS, on April 27, 2023, the Agency adopted a resolution affirming and adopting the City of Oswego Planning Board's determination that, pursuant to SEQRA, the Project constitutes a Type I action and will not have a significant effect on the environment (the "***SEQRA Resolution***"); and

WHEREAS, the Agency has considered the policy, purposes and requirements of the Act in making its determinations with respect to taking official action regarding the Project; and

WHEREAS, for purposes of exemption from State sales and use taxation as part of the Financial Assistance requested by the Companies, "sales and use taxation" shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Companies that the provision of Financial Assistance: (i) will induce the Companies to develop the Project Facility in the City of Oswego, County of Oswego; (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of either of the Companies or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of either of the Companies or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) will induce the Companies to undertake the Project which will serve the purposes of the Act by preserving permanent, private sector jobs and advancing job opportunities, the health, general prosperity and economic welfare of the people of the State and the County of Oswego and improve their standard of living;

WHEREAS, the Agency anticipated receipt of documents from the Companies relating to the EDF Loan (the "***Underwriting Documents***") which documents will be reviewed by the Agency for loan underwriting purposes;

NOW, THEREFORE, be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

Section 1. It is the policy of the State to promote the health, economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

Section 2. Based upon the representations and projections made by the Companies to the Agency and after considering those representations, the Agency hereby makes the following determinations:

A. Ratifies the findings in its Initial Resolution and SEQRA Resolution.

B. The Project constitutes a "project" within the meaning of the Act.

C. The granting of the Financial Assistance will be an inducement to the Companies to develop the Project in the City of Oswego, County of Oswego. The Financial Assistance consists solely of exemptions from real estate transfer taxes, real property taxes, mortgage recording taxes (except as limited by Section 874 of the Act) and State and local sales and use tax.

D. The commitment of the Agency to provide the Financial Assistance to the Companies will enable the Companies to acquire, renovate and/or improve, install, equip and complete the Project Facility.

E. The acquisition, renovation and/or improving, installation, equipping and completion of the Project will promote employment opportunities, help prevent economic deterioration and advance the health, general prosperity and economic welfare of the people of the State.

F. The acquisition of a controlling interest in the Project Facility by the Agency and the designation of each of the Companies as the Agency's agent for acquisition, renovation and/or improving, installation, equipping and completion of the Project will be an inducement to the Companies to acquire, renovate and/or improve, install, equip and complete the Project Facility in the City of Oswego, County of Oswego, and will serve the purposes of the Act by, among other things, preserving and/or creating permanent private sector jobs, promoting job opportunities, health, general prosperity and economic welfare of the inhabitants of the County of Oswego; and the granting of the Financial Assistance will assist in the financing the costs of the acquisition, renovation and/or improving, installation, equipping and completion of the Project.

G. The Project will not result in the removal of a commercial, industrial or manufacturing plant or facility of either of the Companies or any other proposed occupant of the Project Facility from one area of the State to another area of the

State or result in the abandonment of one or more plants or facilities of either of the Companies or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act.

H. The Project is located in a "highly distressed area", as such term is defined in the Act. The Project will serve the public purposes of the Act by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in the State. The Agency is authorized to provide Financial Assistance in respect of the Project pursuant to Section 862(2)(b)(ii) of the Act; provided however, that no Financial Assistance shall be provided to the Project by the Agency until the applicable provisions of Section 862(2)(c) of the Act have been complied with.

I. The Agency shall provide the EDF Loan subject to receipt, review and approval of the Underwriting Documents in the Agency's sole and absolute discretion.

Section 3. Subject to the due execution and delivery by the Companies of the Agreement (as defined herein) and the Interim Documents, the satisfaction of the conditions of this Resolution, the Agreement and the Interim Documents, the Companies are appointed the true and lawful agents of the Agency to proceed with the reconstruction, renovation, installation, equipping and completion of the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf. Notwithstanding anything in the Agreement to the contrary, provided the Companies execute and deliver the Interim Documents; and satisfy the balance of the conditions set forth in this Resolution, the Interim Documents and the Agreement, the Companies need not execute the Lease Documents (as defined below) prior to the effectiveness of the Companies appointment as the Agency's agents.

Section 4. Subject to the terms of this Resolution, the conditions set forth in Section 4.02 of the Agreement (as defined herein), the Agency's approval of the PILOT schedule and the execution and delivery of the Project Agreement (as defined herein), the Agency will: (i) acquire or continue a controlling interest in the Land and Facility pursuant to a lease agreement (and/or sublease agreement (collectively, the "***Company Lease***") to be entered into between the Real Estate Holding Company and the Agency and accept an interest in the Equipment, if any, pursuant to a bill of sale from each of the Companies (collectively, the "***Bill of Sale***"); (ii) sublease the Company Facility to the Real Estate Holding Company pursuant to a sublease agreement (the "***Agency Lease Agreement***"); sublease the Equipment to the Brewery Operating Company pursuant to an equipment lease (the "Equipment Lease") and together with the Company Lease, the Bill of Sale, the Agency Lease, the Project Agreement (as defined herein) and any other certificates and documents deemed necessary by the Agency to undertake the Project, collectively, the "***Lease Documents***") to be entered into among the Agency and the Companies; (iii) secure the Companies' borrowings with respect to the Project Facility by joining in one or more construction or permanent mortgages on the Project Facility in favor of the Companies' lender(s), in such form and substance as shall be consistent with this Resolution and approved by the Chief Executive Officer and/or the (Vice) Chairperson of the Board upon the advice of counsel to the Agency and pledging and assigning to such lender(s), if any, certain rights and remedies of the Agency under any lease agreement by the execution and delivery of a pledge and assignment which shall be consistent with

this Resolution and approved by the Chief Executive Officer and/or the (Vice) Chairperson of the Board upon the advice of counsel to the Agency (collectively, the "***Lender Documents***"); (iv) grant the approved Financial Assistance; provided that no default shall have occurred and be continuing under the Agreement, the Lease Documents or the Lender Documents, and provided the Companies have executed and delivered all documents and certificates required by the Agency in conjunction with the Agency's undertaking of the Project, and has executed and delivered all other certificates and documents necessary or appropriate for the grant of the approved Financial Assistance requested by the Companies, in form and substance acceptable to the Agency, or its commercial lender(s), in connection with financing for the Project, including but not limited to, one or more mortgages in favor of the Companies' commercial lender(s).

Section 5. The terms and conditions of subdivision 3 of Section 875 of the Act are herein incorporated by reference and the Companies shall agree to such terms as a condition precedent to receiving or benefiting from an exemption from State sales and use tax exemptions benefits. Notwithstanding anything herein to the contrary, the amount of State and local sales and use tax exemption benefit comprising the Financial Assistance approved herein shall not exceed **$493,600 and shall last no longer than two years from the execution and delivery of the Agency Documents**. The Agency may consider any requests by the Companies for increases to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

Section 6. Notwithstanding anything herein to the contrary, the amount of mortgage recording tax exemption benefit comprising the Financial Assistance approved herein shall not exceed **$30,000**.

Section 7. Notwithstanding anything herein to the contrary, the amount of real property tax abatement benefit comprising the Financial Assistance approved herein shall be approximately **$1,034,154**, which such amount reflects the total estimated real property tax exemptions for the Project Facility (which constitute those taxes that would have been paid if the Project Facility were on the tax rolls and not subject to that certain payment in lieu of tax agreement among the Companies and the Agency (the "**PILOT Agreement**") of approximately **$1,559,154**, less the estimated payments in lieu of taxes of approximately **$525,000** to be made by the Companies to the affected tax jurisdictions with respect to the Project Facility during the term of the PILOT Agreement. The approximate amount of estimated real property tax exemptions and the approximate amount of estimated payments in lieu of taxes are estimated based on an assumed assessed value of the Project Facility and assumed future tax rates of the affected tax jurisdictions, therefore the real property tax abatement benefit is estimated because it is calculated using the estimated real property tax exemptions. The actual amount of real property tax abatement benefit is subject to change over the term of the PILOT Agreement depending on any changes to assessed value and/or tax rates of the affected tax jurisdictions. ***Exhibit "B"*** attached hereto reflects the calculation used to determine the annual amount of the payments in lieu of taxes to be made to the affected tax jurisdictions in each year during the term of the PILOT Agreement.

Section 8. The Companies may utilize, and subject to the terms of this Resolution, the Agreement and the Project Agreement, are hereby authorized to appoint, a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, "***Additional Agents***") to proceed with the reconstruction, renovation and/or improving, installation equipping and completion of the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf, provided the Companies execute, deliver and comply with the Lease Documents and/or the Interim Documents, as applicable. The Companies shall provide, or cause its Additional Agents to provide, and the Agency shall maintain, records of the amount of State and local sales and use tax exemption benefits provided to the Project; and the Companies shall, and cause each Additional Agent, to make such records available to the State Commissioner of Taxation and Finance (the "***Commissioner***") and the Agency upon request. The Agency shall, within thirty (30) days of providing any State sales and use tax exemption benefits, report to the Commissioner the amount of such benefits for the Project, identifying the Project, along with any such other information and specificity as the Commissioner may prescribe. As a condition precedent to the Companies or Project's receipt of, or benefit from, any State or local sales and use tax exemptions, the Companies must acknowledge and agree to make, or cause its Additional Agents to make, all records and information regarding State and local sales and use tax exemption benefits realized by the Project available to the Agency or its designee upon request. For purposes of exemption from State sales and use taxation as part of the Financial Assistance requested, "sales and use taxation" shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

Section 9. As a condition precedent to the granting of the Financial Assistance, the Companies agree to execute an agreement with the Agency setting forth the preliminary undertakings of the Agency and the Companies with respect to the Project. The form and substance of the proposed agreement (as set forth as on **Exhibit "A"** attached hereto and presented at this meeting) (the "***Agreement***") are hereby approved. The Chief Executive Officer and/or the (Vice) Chairperson of the Agency are each hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, in substantially the same form as presented at this meeting and attached hereto as **Exhibit "A"**, with changes in terms and form as shall be consistent with this Resolution and as the Chief Executive Officer or the (Vice) Chairperson shall approve. The execution thereof by the Chief Executive Officer and/or the (Vice) Chairperson shall constitute conclusive evidence of such approval.

Section 10. As an additional condition precedent to the extension of Financial Assistance, the Companies shall acknowledge and agree, that the Agency shall, and in some cases may, recapture from the Companies or any Additional Agents (as defined herein) the State and local sales and use tax exemption (the "***Recapture Amount***") taken or purported to be taken by any such person to which the person or Project is not entitled or which are in excess of the amounts authorized or which are for property or services not authorized or taken in cases where such Companies or Additional Agents failed to comply with a material term or condition to use property or services in the manner required by the Companies or Additional Agents agreement with, or for the benefit of, the Agency. Such Companies or Additional Agent shall cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such State sales and

use tax exemptions benefits and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner to assess and determine State sales and use taxes due from the Companies and/or Additional Agents under article twenty-eight of the tax law, together with any relevant penalties and interest due on such amounts. In addition, the Agency may recapture all other Financial Assistance in the event any of the foregoing occur or there is a Deficit (as defined in the Agency's Recapture Policy).

Section 11. As another condition precedent to the extension of Financial Assistance, the Companies and the Agency shall execute and deliver a project agreement (the "***Project Agreement***") setting forth certain terms and conditions relative to the approved Financial Assistance.

Section 12. Subject to the due execution and delivery by the Companies of the Agreement and the Project Agreement, the satisfaction of the conditions of this Resolution, the Agreement, the Project Agreement and the payment by the Companies of any attendant fees due to or incurred by the Agency, the Companies is hereby appointed the true and lawful agent of the Agency to proceed with the reconstruction, renovation and/or improving, equipping and completion of the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf. The appointment made by this Section shall not be effective until the Agreement and the Project Agreement and an Environmental Compliance and Indemnification Agreement (as defined herein) by the Companies in favor of the Agency have been duly executed and delivered by the Companies.

Section 13. The Chief Executive Officer and/or the (Vice) Chairperson of the Board, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred herein and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution and the Agreement.

Section 14. The obligation of the Agency to consummate any transaction contemplated herein or hereby is subject to and conditioned upon the execution and delivery of, among other things, an environmental compliance and indemnification agreement (the "***Environmental Compliance and Indemnification Agreement***") in favor of the Agency in form and substance acceptable to the Agency and its counsel by the Companies and some or all of its principals, in the discretion of the Chief Executive Officer and/or (Vice) Chairperson of the Agency.

Section 15. No covenant, stipulation, obligation or agreement contained in this Resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to herein on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

Section 16. Should the Agency's participation in the Project, or the appointments made in accordance herewith, be challenged by any party, in the courts or otherwise, the Companies shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and disbursement of the Agency's counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under the Act to participate in the Project, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the Companies hereunder or otherwise.

Section 17. A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

Section 18. The Chief Executive Officer and/or the (Vice) Chairperson of the Agency are each hereby authorized and directed to distribute copies of this Resolution to the Companies and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 19. Counsel to the Agency and special Agency counsel are hereby authorized to work with the Companies, and others to prepare, for submission to the Agency, all documents necessary to effect the grant of Financial Assistance and consummate the Lease Documents and the Lender Documents.

Section 20. This Resolution shall take effect immediately.

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

	Aye	Nay	Abstain	Absent	Recuse
Nick Canale, Jr.	X				
Tricia Peter-Clark	X				
Marc Greco	X				
Tim Stahl	X				
H. Leonard Schick	X				
Gary T. Toth	X				
Barry Trimble				X	

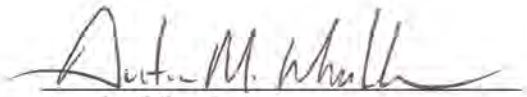
The resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) **ss.:**
COUNTY OF OSWEGO)

I, the undersigned Chief Executive Officer of the County of Oswego Industrial Development Agency, **DO HEREBY CERTIFY** that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the "***Agency***") held on April 27, 2023, 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 the whole of such original insofar as the same relates to the subject matters referred to therein.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Article 7 of the Public Officers Law (the "***Open Meetings Law***"), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Open Meetings Law, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency on April 27, 2023.



Austin Wheelock
Chief Executive Officer

(SEAL)

EXHIBIT "A"

AGENCY/COMPANY AGREEMENT

This Agreement is by and among the COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY (the "***Agency***"), MARKET HOUSE OSWEGO, LLC, a New York limited liability company (the "***Real Estate Holding Company***") and 1836 BREWING COMPANY, LLC, a New York limited liability company (the "***Brewery Operating Company***" and, together with the Real Estate Holding Company, the "***Companies***").

Article 1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of this Agreement are the following:

1.01. The Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "***State***"), as amended, together with Chapter 234 of the Laws of 1973 of the State, as amended from time to time (collectively, the "***Act***") to grant "financial assistance" (as defined in the Act) in connection with "Projects" (as defined in the Act) and to lease or sell the same upon such terms and conditions as the Agency may deem advisable and designate an agent for constructing, reconstructing, renovating and/or improving and equipping "projects" (as defined in the Act).

1.02. The purposes of the Act are to promote, attract, encourage and develop recreation and economically sound commerce and industry in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration. The Act vests the Agency with all powers necessary to enable it to accomplish such purposes, including the power to grant financial assistance, acquire and dispose of interests in real property and to appoint agents for the purpose of completion of projects undertaken by the Agency.

1.03. (a) The Real Estate Holding Company on behalf of itself or an entity formed or to be formed by it or on its behalf, and the Brewery Operating Company on behalf of itself or an entity formed or to be formed by it or on its behalf, submitted an application to the Agency on or about March 7, 2023 ("***Application***"), a copy of which is on file at the office of the Agency, requesting the Agency consider undertaking a project (the "***Project***") consisting of: (A) (i) the acquisition of a leasehold interest in approximately 0.22 acres of real property located at 1 West Bridge Street (tax map no. 128.55-02-03) in the City of Oswego, County of Oswego, State of New York (the "Land") and the existing approximately 18,800 square foot three-story building located thereon (the "Existing Building"); (ii) the renovation of the Existing Building to contain four (4) residential rental units on each of the second and third floors and common space related thereto (collectively, the "Residential Unit") and a brewery in the basement and on the first floor (the "Retail Unit") together with related site improvements (all of the foregoing, collectively, the "Facility"); (iii) the acquisition and installation therein and thereon of various building materials, furniture, fixtures, machinery, equipment and personal property not part of the Equipment (the "Facility Equipment" and, together with the Land and the Facility, the "Company Facility"), which Company Facility is to be leased and subleased by the Agency to the Real Estate Holding

Company and the Real Estate Holding Company will operate the Residential Unit; and (iv) the acquisition and installation of certain various building materials, furniture, fixtures, machinery, equipment and personal property for the Retail Unit (collectively, the "Equipment" and together with the Company Facility, the "Project Facility"), and the Retail Unit is to be subleased by the Real Estate Holding Company to the Brewery Operating Company and the Brewery Operating Company will operate the Retail Unit; (B) the granting of certain financial assistance in the form of exemptions from real property taxes, real estate transfer taxes, mortgage recording tax (except as limited by Section 874 of the New York General Municipal Law) and State and local sales and use tax (collectively, the "Financial Assistance"); (C) the granting of $200,000 from the Agency's HUD EDF loan fund (the "EDF Loan") and (D) the lease (with an obligation to purchase) or sale of the Company Facility to the Real Estate Holding Company or such other person as may be designated by the Real Estate Holding Company and agreed upon by the Agency and the lease (with an obligation to purchase) or sale of the Equipment to the Brewery Operating Company or such other person as may be designated by the Brewery Operating Company and agreed upon by the Agency; and

(b) All documents necessary to effectuate the Agency's undertaking of the Project and the granting of the Financial Assistance between the Agency and each of the Companies, including but not limited to, a company lease, a bill of sale, an agency lease, an equipment lease, a project agreement and an environmental compliance and indemnification agreement and a payment in lieu of tax agreement, shall be collectively referred to herein as the "***Lease Documents***".

1.04. The Companies hereby represent to the Agency that undertaking the Project, the designation of each of the Companies as the Agency's agent for the acquisition, renovation, reconstruction and/or improving, installation equipping and completion of the Project Facility, and the appointment by one or more of the Companies of a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, "***Additional Agents***"): (i) will be an inducement to them to acquire, reconstruct, renovate and/or improve, equip and complete the Project Facility in the County of Oswego (the "***County***") and assist the Companies in expanding and maintaining its competitive advantage in its industry; (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of either of the Companies or of any other proposed occupant of the Project Facility from one area of the State to another or in the abandonment of one or more plants or facilities of either of the Companies or of any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) undertaking the Project will promote, create and/or preserve private sector jobs in the State.

1.05. The Agency has determined that the acquisition of a controlling interest in, and the reconstruction, renovation and/or improving, installation and equipping of the Project Facility and the subleasing of the same to the Companies will promote and further the purposes of the Act.

1.06 On April 27, 2023, the Agency adopted a resolution (the "***Inducement Resolution***") agreeing, subject to the satisfaction of all conditions precedent set forth in such Resolution, to designate each of the Companies as the Agency's agent for the acquisition,

reconstruction, renovation and/or improving, installation, equipping and completion of the Project Facility and determining that the leasing of the same to the Companies will promote further purposes of the Act. For purposes of that designation, the Agency authorized as part of the approved Financial Assistance, State and local sales and use tax exemption benefits in an amount not to exceed **$493,600,** a mortgage recording tax exemption in an amount not to exceed **$30,000**, and the amount of real property tax abatement benefits in an approximate amount of **$1,034,154**.

1.07 In the Resolution, subject to the execution of, and compliance with, this Agreement by the Companies, and other conditions set forth in the Resolution and herein, the Agency appointed each of the Companies as its agent for the purposes of acquisition, reconstruction, renovation and/or improving, installation, equipping and completion of the Project Facility, entering into contracts and doing all things requisite and proper for the acquisition, reconstruction, renovation and/or improving, installation, equipping and completion of the Project Facility.

Article 2. Undertakings on the Part of the Agency. Based upon the statements, representations and undertakings of the Companies and subject to the conditions set forth herein, the Agency agrees as follows:

2.01. The Agency confirms that it has authorized and designated each of the Companies as the Agency's agent for acquiring, reconstructing, renovating and/or improving, installing, equipping and completing the Project Facility.

2.02. The Agency will adopt such proceedings and authorize the execution of such Agency documents as may be necessary or advisable for: (i) acquisition of a controlling interest in the Project Facility; (ii) appointment by the Companies of Additional Agents, all for the acquisition, reconstruction, renovating and/or improving, installation, equipping and completion of the Project Facility subject to the terms of the Resolution and hereof; and (iii) the leasing or subleasing of the Project Facility to the Companies, all as shall be authorized by law and be mutually satisfactory to the Agency and the Companies.

2.03 Nothing contained in this Agreement shall require the Agency to apply its funds to Project costs.

2.04. After satisfying the conditions precedent set forth in the Sections 2.02, 3.06 and 4.02 hereof and in the Inducement Resolution, the Companies may proceed with the acquisition, reconstruction, renovation and/or improving, installation, equipping and completion of the Project Facility and the utilization of and, as necessary, the appointment of Additional Agents.

2.05 Subject to Section 4.02 hereof, each of the Companies is appointed the true and lawful agent of the Agency for the acquisition, reconstruction, renovation and/or improving, installation, equipping and completion of the Project Facility, and to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency, and in general to do all things which may be requisite or proper for the acquisition, reconstruction, renovation, and/or improving, installation, equipping and completion of the

Project Facility, all with the same powers and the same validity as if the Agency were acting in its own behalf.

2.06. The Agency 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. The Agency may in accordance with Article 8 of the Environmental Conservation Law of the State, as amended, and the regulations of the Department of Environmental Conservation of the State promulgated thereunder (collectively referred to hereinafter as "***SEQRA***"), undertake supplemental review of the Project. Such review to be limited to specific significant adverse environmental impacts not addressed or inadequately addressed in the Agency's review under SEQRA that arise from changes in the proposed Project, newly discovered information or a change in the circumstances related to the Project.

Article 3. Undertakings on the Part of the Companies. Based upon the statements, representations and undertakings of the Agency and subject to the conditions set forth herein, each of the Companies agrees as follows:

3.01. (a) The Companies shall indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition of a controlling interest in, reconstruction, renovation and/or improving, installation, equipping and completion of the Project Facility (including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of any of the foregoing) whether such claims or liabilities arise as a result of the Companies or Additional Agents acting as agent for the Agency pursuant to this Agreement or otherwise.

(b) The Companies shall not permit to stand, and will, at their own expense, take all steps reasonably necessary to remove, any mechanics' or other liens against the Project Facility for labor or material furnished in connection with the acquisition, reconstruction, renovation and/or improving, equipping and completion of the Project Facility.

(c) The Companies shall indemnify and hold the Agency, its members, officers, employees and agents and anyone for whose acts or omissions the Agency or any one of them may be liable, harmless from all claims and liabilities for 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, including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

(d) The Companies shall defend, indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on the non-disclosure of information, if any, requested by the Companies in accordance with Section 4.05 hereof.

(e) The defense and indemnities provided for in this Article 3 shall survive expiration or termination of this Agreement and shall apply whether or not the claim, liability, cause of action or expense is caused or alleged to be caused, in whole or in part, by the activities,

acts, fault or negligence of the Agency, its members, officers, employees and agents, anyone under the direction and control of any of them, or anyone for whose acts or omissions the Agency or any of them may be liable, and whether or not based upon the breach of a statutory duty or obligation or any theory or rule of comparative or apportioned liability, subject only to any specific prohibition relating to the scope of indemnities imposed by statutory law.

(f) The Companies shall provide and carry: (i) worker's compensation and disability insurance as required by law; and (ii) comprehensive liability and property insurance with such coverages (including without limitation, owner's protective coverage for the benefit of the Agency, naming the Agency as an additional insured on all policies of coverage regarding the Project; providing the coverage with respect to the Agency be primary and non-contributory; and contractual coverage covering the indemnities herein provided for), with such limits and which such companies as may be approved by the Agency. Upon the request of the Agency, the Companies shall provide certificates, endorsements and/or policies of insurance in form satisfactory to the Agency evidencing such insurance.

(g) The Companies shall include the Agency as a named insured under all public liability insurance policies obtained by the Companies with respect to the Project Facility.

(h) The Companies shall apply and diligently pursue all approvals, permits and consents from the State, the City of Oswego, County of Oswego and any other governmental authority which approvals, permits and consents are required under applicable law for the development, renovation of the Project and any related site improvements. The Companies acknowledges and agrees that the Agency's findings and determinations under SEQRA do not and shall not in and of themselves (except as specifically set forth in SEQRA) satisfy or be deemed to satisfy applicable laws, regulations, rules and procedural requirements applicable to such approvals, permits and consents.

3.02. Each of the Companies agree that, as agent for the Agency or otherwise, it will comply at the Companies' sole cost and expense with all the requirements of all federal, state and local laws, rules and regulations of whatever kind and howsoever denominated applicable to the Agency and/or Companies with respect to the Project Facility, the acquisition of a controlling interest therein, reconstruction, renovation and/or improving, installation, equipping and completion thereof, the operation and maintenance of the Project Facility, supplemental review of adverse environmental impacts in accordance with SEQRA and the financing of the Project. Every provision required by law to be inserted herein shall be deemed to be set forth herein as if set forth in full, including, but not limited to, Section 875 of the Act; and upon the request of any party, this Agreement shall be amended to specifically set forth any such provision or provisions.

3.03(a). Each of the Companies agree that, as agent for the Agency, to the extent that such provisions of law are in fact applicable (without creating an obligation by contract beyond that which is created by statute), it will comply with all the requirements Section 220 of the Labor Law of the State, as amended.

3.03 (b). Each of the the Companies agree that, whenever practicable, the Companies shall hire employees and Additional Agents from the Agency's Labor Market Area which is

defined to include the following counties: Oswego, Jefferson, Onondaga, Madison, Oneida and Cayuga.

3.04. The Companies will take such further action and adopt such further proceedings as may be required to implement the aforesaid undertakings or as they may deem appropriate in pursuance thereof.

3.05. If it should be determined that any State or local sales or compensatory use taxes are payable with respect to the acquisition, purchase or rental of machinery or equipment, materials or supplies in connection with the Project Facility, or are in any manner otherwise payable directly or indirectly in connection with the Project Facility, the Companies shall pay the same and defend and indemnify the Agency from and against any liability, expenses and penalties arising out of, directly or indirectly, the imposition of any such taxes.

3.06. The Companies shall proceed with the acquisition, reconstruction, renovation and/or improving, installation, equipping and completion of the Project Facility and advance such funds as may be necessary to accomplish such purposes. The Companies may utilize, and are authorized to appoint, Additional Agents as agents of the Agency, in furtherance thereof. Any appointment of an Additional Agent is conditioned upon the Companies first obtaining and providing the Agency the following:

(1) A written, executed agreement, in form and substance acceptable to the Agency, from each appointed Additional Agent which provides for: (i) the assumption by the Additional Agent, for itself, certain of the obligations under this Agreement relative to the appointment, work and purchases done and made by each appointed Additional Agent; (ii) an acknowledgement by the Additional Agent to hire from the Labor Market Area during the construction period of the Project Facility whenever practicable; (iii) an acknowledgement that the Additional Agent is obligated, to timely provide the Companies with the necessary information to permit the Companies, pursuant to General Municipal Law §874(8), to timely file an Annual Statement with the New York State Department of Taxation and Finance on "Annual Report of Sales and Use Tax Exemptions" (Form ST-340) regarding the value of sales and use tax exemptions the Additional Agent claimed pursuant to the agency conferred on it by the Companies with respect to this Project; (iv) an acknowledgment by the Additional Agent that in order to be entitled to the exemption, the Additional Agent shall present to the supplier or other vendor of materials or equipment for the Project Facility a completed "IDA Agent or Project Operator Exempt Purchase Certificate" (Form ST-123); (v) an acknowledgment by the Additional Agent that that the failure to comply with the foregoing will result in the loss and recapture of the exemption; and (vi) such other terms and conditions as the Agency deems necessary; and

(2) A completed "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (Form ST-60) for each Additional Agent appointed within fifteen (15) days of the appointment of each Additional Agent such that the Agency can execute and deliver said form to the State Department of Taxation and Finance within thirty (30) days of appointment of each such Additional Agent.

Failure of the Companies to comply with the foregoing shall nullify the appointment of any Additional Agent and may result in the loss and recapture of the Companies' exemption with respect to the Project at the sole discretion of the Agency.

The Companies acknowledge that the assumption by the Additional Agent in accordance with Section 3.06(1) above, does not relieve the Companies of their obligations under those provisions or any other provisions of this Agreement with respect to the Project.

3.07. The Companies hereby ratify and confirm their obligations to pay an aggregate administrative fee to the Agency in the amount of .75% of the Project costs. Such amount is due and payable in full at closing.

3.08. The Companies hereby ratify and confirm their obligations to pay an annual administrative reporting fee of $500.00 to cover administrative and reporting requirements to comply with State reporting regulations on Agency assisted projects.

Article 4. General Provisions.

4.01. This Agreement shall take effect on the date of the execution hereof by the Agency and the Companies and, subject to Section 4.04 hereof, shall remain in effect until the Lease Documents become effective. It is the intent of the Agency and the Companies that, except as to those provisions that survive, this Agreement be superseded in its entirety by the Lease Documents.

4.02. (a) It is understood and agreed by the Agency and the Companies that the grant of Financial Assistance and the execution of the Lease Documents and related documents are subject to: (i) payment by the Companies of the Agency's fee and Agency's counsel and special counsel fees; (ii) obtaining all necessary governmental approvals, permits and consents of any kind required in connection with the Project Facility; (iii) approval by the members of the Agency; (iv) approval by the Companies; and (iv) the condition that there are no changes in State Law, including regulations, which prohibit or limit the Agency from fulfilling its obligations hereunder; (b) the Companies, by executing this Agreement, acknowledge and agree to make, or cause its Additional Agents whether appointed as an agent of the Agency in accordance with Section 3.06 hereof or not, to make, all records and information regarding State and local sales and use tax exemption benefits given to the Project as part of the Financial Assistance available to the Agency upon request, including but not limited to the Form ST-340 for each of them and each Additional Agent; (c) the Companies, by executing this Agreement, acknowledge and agree to the terms and conditions of Section 875(3) of the Act as if such section were fully set forth herein and further agrees to cause all of its Additional Agents to acknowledge, agree and consent to same. Without limiting the scope of the foregoing the Companies acknowledge that pursuant to Section 875(3) of the Act and in accordance with the Agency's recapture policy, the Agency shall, and in some instances may, recover, recapture, receive or otherwise obtain from the Companies the portion of the Financial Assistance (the "***Recapture Amount***") consisting of: (1) (a) that portion of the State sales tax exemption to which the Companies was not entitled, which is in excess of the amount of the State sales tax exemption authorized by the Agency or which is

for property or services not authorized by the Agency; or (b) the full amount of such State sales tax exemption, if the Companies fail to comply with a material term or condition regarding the use of the property or services as represented to the Agency in its Application or otherwise; and (2) any interest or penalties thereon imposed by the Agency or by operation of law or by judicial order or otherwise; and (d) the failure of the Companies to promptly pay such Recapture Amount to the Agency will be grounds for the Commissioner to collect sales and use taxes from the Companies under Article 28 of the State Tax Law, together with interest and penalties. In accordance with the Agency's Recapture Policy, the Agency may recapture all other Financial Assistance in the event of any of the foregoing occur or there is a Job Deficit, an Investment Deficit or a Reporting Failure (each as defined in the Agency's Recapture Policy). In addition to the foregoing, the Companies acknowledge and agree that for purposes of exemption from State sales and use taxation as part of the Financial Assistance requested, "sales and use taxation" shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

4.03. The Companies agree that they will, within thirty (30) days of a written request for same, regardless of whether or not this matter closes or the Project Facility is completed: (i) reimburse the Agency for all reasonable and necessary expenses, including without limitation the fees and expenses of counsel to the Agency arising from, out of or in connection with the Project, and/or any documents executed in connection therewith, including, but not limited to any claims or actions taken by the Agency against the Companies, Additional Agents or third parties; and (ii) indemnify the Agency from all losses, claims, damages and liabilities, in each case which the Agency may incur as a consequence of executing this Agreement or performing its obligations hereunder, including but not limited to, any obligations related to Additional Agents.

4.04. If for any reason the Lease Documents are not executed and delivered by the Companies and the Agency on or before eighteen (18) months from the execution hereof, the provisions of this Agreement (other than the provisions of Articles 1.04, 2.02, 2.04, 3.01, 3.02, 3.03, 3.05, 3.06, 4.02, 4.03, 4.04, 4.05 and 4.06, which shall survive) shall unless extended by agreement of the Agency and the Companies, terminate and be of no further force or effect, and following such termination neither party shall have any rights against the other party except:

(a) The Companies shall pay the Agency for all expenses incurred by the Agency in connection with the acquisition, reconstruction, renovation and/or improving, installation, equipping and completion of the Project Facility;

(b) The Companies shall assume and be responsible for any contracts for reconstruction, renovation or purchase of equipment entered into by the Agency at the request of or as agent for the Companies in connection with the Project Facility; and

(c) The Companies will pay the out-of-pocket expenses of members of the Agency, counsel for the Agency and special Agency counsel incurred in connection with the Project and will pay the fees of counsel for the Agency and special Agency counsel for legal services relating to the Project Facility, Additional Agents or the proposed financing thereof.

4.05. **The Companies acknowledge that Section 875(7) of the State General Municipal Law ("*GML*") requires the Agency to post on its website all resolutions and agreements relating to the Companies' appointment as an agents of the Agency or otherwise related to the Project, including this Agreement; and Article 6 of the State Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the Companies feel that there are elements of the Project or information about the Companies in the Agency's possession which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the Companies' competitive position, the Companies must identify such elements in writing, supply same to the Agency: (i) with respect to this Agreement, prior to or contemporaneously with the execution hereof; and (ii) with respect to all other agreements executed in connection with the Project, on or before the Closing Date, and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law. Failure to do so will result in the posting by the Agency of all information in accordance with Section 875 of the GML.**

4.06 That every controversy, dispute or claim arising out of or relating to this Agreement shall be governed by the laws of the State, without regard to its conflict-of-laws provisions that if applied might require the application of the laws of another jurisdiction; and that the Companies irrevocably and expressly submits to the exclusive personal jurisdiction of the Supreme Court of the State and the United States District Court for the Northern District of the State, to the exclusion of all other courts, for the purposes of litigating every controversy, dispute or claim arising out of or relating to this Agreement.

IN WITNESS WHEREOF, the parties hereto have entered in this Agreement as of _____, 2023.

COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Austin Wheelock
Chief Executive Officer

MARKET HOUSE OSWEGO, LLC

By: _____
Name:
Title:

1836 BREWING COMPANY, LLC

By: _____
Name:
Title:

1836 BREWING COMPANY, LLC

EXHIBIT "B"

PILOT SCHEDULE

Term: 25 Years

Annual payments: Fixed amount per year based on the following schedule:

Years	Fixed Amount Per Year
1-5	$15,000
6-10	18,000
11-15	21,000
16-20	24,000
21-25	27,000

Distribution of annual PILOT Payments will be based on the pro-rata share of each of the taxing authorities for each respective year.