

Anthony J. Picente Jr.
County Executive

Shawna M. Papale
Secretary/
Executive Director

Jennifer Waters
Assistant Secretary

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

OCIDA



584 Phoenix Drive,
Rome, New York 13441-4105
(315) 338-0393, fax (315) 338-5694

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Eugene Quadraro
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October 2, 2017

Richard Stapleton, Member and CEO
Deployed Resources LLC
164 McPike Road
Rome, New York 13441

RE: *Oneida County Industrial Development Agency
2017 Lease-Leaseback Transaction (Deployed Resources LLC Facility)*

Dear Mr. Stapleton:

Pursuant to a resolution duly adopted on August 17, 2017 as amended on September 15, 2017, Oneida County Industrial Development Agency (the "Agency") appointed Deployed Resources LLC, and/or an entity formed or to be formed on its behalf (collectively, the "Company") its agent in connection with a transaction in which the Agency will assist in (a) acquisition of (i) a 32,000± square foot building ("Building 917"), (ii) an 8,000± square foot building ("Building 916") and (iii) an 8,000± square foot building ("Building 832") ("Building 917, Building 916 and Building 832 referred to collectively as the "Existing Improvements"), all situated on a 17± acre parcel of land located at 162 McPike Road, City of Rome, Oneida County, New York (the "Land"), (b) renovations to the Existing Improvements to convert Building 917 into a state of the art manufacturing facility, to create efficient warehouse space within Building 916 and retain Building 832 for research and development and light assembly projects; (c) construction of a 10,000± square foot addition to Building 917 to expand storage capability (the "Addition" and together with the Existing Improvements, the "Improvements") and (d) the acquisition and installation of equipment in the Improvements (the "Equipment"), all for the purpose of manufacturing shipping containers and custom metal fabrications (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the construction and equipping of the Improvements is referred to as the "Project"). The Facility will be initially operated and/or managed by the Company.

This appointment includes authority to purchase on behalf of the Agency all materials to be incorporated into and made an integral part of the Facility, and the following activities as they relate to any construction, renovation, equipping and completion of any buildings, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of such buildings: (i) all purchases, leases,

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rentals and other uses of tools, machinery and equipment in connection with construction, renovation and equipping (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with construction, renovation and equipping and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs), installed or placed in, upon or under such building, including all repairs and replacements of such property.

The agency appointment includes the power to delegate such agency appointment, in whole or in part, to agents, subagents, contractors, subcontractors, materialmen, suppliers and vendors of the Company and to such other parties as the Company chooses so long as they are engaged, directly or indirectly, in the activities hereinbefore described.

In exercising this agency appointment, you and each of your properly appointed agents and subagents must claim the sales tax exemption for all purchases by giving your vendors New York State Form ST-123. The supplier or vendor should identify the Facility on each bill or invoice as the "**Deployed Resources LLC Facility**" and indicate thereon that the Company, its agents, subagents, contractors and subcontractors acted as agent for the Agency in making the purchase.

You and each of your agents, subagents, contractors and/or subcontractors claiming a sales tax exemption in connection with the Facility must also execute a copy of the Contract in Lieu of Exemption Certificate attached hereto, and must complete a New York State Department of Taxation and Finance Form ST-60. Original copies of each Contract in Lieu of Exemption Certificate and completed Form ST-60 must be delivered to the Agency within five (5) days of the appointment of each of your agents, subagents, contractors or subcontractors. Any agent, subagent, contractor or subcontractors of the Company which delivers completed Form ST-60 to the Agency will be deemed to be the agent, subagent, contractor or subcontractor of the Agency for purposes of renovating and equipping the Facility, and shall only then be authorized to use Form ST-123 as described above. Failure to comply with these requirements may result in loss of sales tax exemptions for the Facility.

It is important to note that contractors and subcontractors who have not been appointed subagent cannot use the sales tax exemption for equipment rental, tools, supplies and other items that do not become part of the finished project. Contractors and subcontractors must be appointed as agent or sub-agent of the Agency to use the

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Agency sales tax exemption for these purchases. Contractors and subcontractors who have not been appointed a subagent must claim the sales tax exemption for construction materials by giving their vendors a completed "Contractor Exempt Purchase Certificate" (Form ST-120.1) checking box (a).

The aforesaid appointment of the Company as agent of the Agency to construct, renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, or (b) August 17, 2018, provided, however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

Based upon representations made by the Company, the value of the sales tax to be abated relating to the construction and equipping of the Facility currently authorized by the Agency is limited to \$100,000.00, and any exemptions claimed by the Company that exceed this amount will be subject to recapture. At the closing of the lease-leaseback transaction, the Agency will issue a revised agency appointment letter and ST-60, authorizing the full amount of the exemption of \$206,800.00.

You should be aware that the New York State General Municipal Law requires you to file an Annual Statement (Form ST-340) with the New York State Department of Taxation and Finance regarding the value of sales tax exemptions you, your agents, consultants or subcontractors have claimed pursuant to the authority we have conferred on you with respect to the Project. The penalty for failure to file such statement is the removal of your authority to act as an agent.

If, for some reason, this transaction never closes, you will be liable for payment of the sales tax, if applicable and you are not otherwise exempt, on all materials purchased.

Please sign and return a copy of this letter for our files.

Very Truly Yours,

ONEIDA COUNT INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Name: Shawna M. Papale
Title: Executive Director

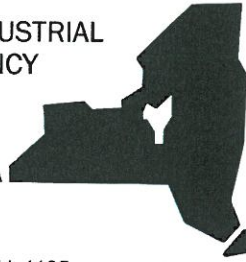
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ACCEPTED & AGREED

DEPLOYED RESOURCES LLC

By: _____

Name:

Title:

A handwritten signature in black ink, appearing to read "Richard Stapleton", is written over a horizontal line.

Richard Stapleton

CEO