

INDUCEMENT AGREEMENT AND PROJECT AGREEMENT

THIS INDUCEMENT AGREEMENT AND PROJECT AGREEMENT RELATING TO THE **EDGE FLEX SPACE FACILITY** (the "AGREEMENT") is between the **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, with offices at 584 Phoenix Drive, Rome, New York 13441 (the "Agency"), and **ECONOMIC DEVELOPMENT GROWTH ENTERPRISES CORPORATION**, a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of New York, with offices at 584 Phoenix Drive, Rome, New York 13441 (the "Company").

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 Article 18-A of the General Municipal Law of the State of New York as amended, and Chapter 372 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "Act") to undertake "Projects" (as defined in the Act) and to lease or sell the same upon such terms and conditions as the Agency may deem advisable.

1.02. The purposes of the Act are (i) to promote industry and develop trade by inducing manufacturing, industrial, warehousing, research, recreation and commercial enterprises to locate or remain in the State and (ii) to encourage and assist in the providing of industrial pollution control facilities and (iii) to promote the economic welfare and prosperity of the inhabitants of the State. The Act vests the Agency with all powers necessary to enable it to accomplish such purposes.

1.03. (a) The Company has submitted to the Agency an Application for Financial Assistance dated December 1, 2023 as amended February 2, 2024, which Application may be further amended from time to time prior to closing of the sale-leaseback or lease-leaseback transaction described below (the "Application") requesting that the Agency assist in the construction of a 60,281± square foot single story Flex Space building including loading docks and all utilities and infrastructure to support the same (collectively, the "Improvements") on a 17± acre portion of a parcel of land situate at 2049 Wafer Loop Road in the Town of Marcy, Oneida County, New York (the "Land"); and acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), to provide adaptable logistics/warehousing space for supply chain companies for the purpose of supporting the semiconductor and advanced electronics industry and in furtherance of the master plan for the Marcy Nanocenter site (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").

(b) The Company will lease the Facility to the Agency and the Agency will lease the Facility back to the Company pursuant to a Leaseback Agreement (the "Leaseback Agreement").

(c) The Company will further sublease 40,705± square feet of the Facility to Danfoss Silicon Power LLC (the “Danfoss Sublessee”) for its operation, to support the continued growth of the Danfoss Sublessee at the Quad C facility at SUNY Poly (the “Quad C Facility”) pursuant to a Sublease Agreement between the Company and the Sublessee (the “Danfoss Sublease Agreement”), the terms of which provide for up to a 20 year sublease term and gives the Danfoss Sublessee the option to terminate early under certain conditions.

(d) The Company intends to further sublease the remaining leasable square feet of the Facility (the “Reserved Space Shell”) to another user or users (which may include the Danfoss Sublessee) relating to growing a regional ecosystem for the semiconductor and advanced electronic industry (the Danfoss Sublessee and any other user or users are referred to collectively as the “Sublessees” and any one is referred to as a “Sublessee”).

1.04. The Company hereby represents to the Agency that the Project will not result in the removal of an industrial or manufacturing plant from one area of the State to another area of the State or an abandonment of one or more plants of the Company located in the State.

1.05. The Agency has determined that the Project, as described in the Company’s Application, will promote and further the purposes of the Act.

1.06. On December 8, 2023 as supplemented on February 9, 2024 and March 26, 2024, the Agency adopted resolutions (collectively, the “Resolution” or the “Inducement Resolution”) agreeing to undertake the Project in order to assist the Company and to effectuate the purposes of the Act and, subject to the happening of all acts, conditions and things required precedent to such undertaking and the satisfactory completion of such additional acts and reviews as the Agency may deem appropriate, to undertake a sale-leaseback or lease-leaseback transaction in connection with the Project. The Project has not/did not commence(d) as of December 8, 2023.

1.07. In the Resolution, the Agency appointed the Company and its agents and other designees, as its agent for the purposes of the Project, and such appointment includes the following activities as they relate to the Project, whether or not the materials, services or supplies described below are incorporated into or become an integral part of the Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the Project, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the Project, and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs with respect thereto), installed or placed in, upon or under the Facility, including all repairs and replacements of such property. Such agency appointment includes the power 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 completing the Facility, all with the same powers and with the same validity as the Agency could do if acting on its own behalf.

1.08. (a) In the Resolution, the Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording taxes, exemptions from sales and use taxes on materials and/or Equipment used or incorporated in the Facility, and payment of real property taxes consistent with the Agreement Approving PILOT Terms and Allocating PILOT Payments dated as of October 1, 2013 by and among the Agency, the County of Oneida, Whitesboro Central School District, the Town of Marcy, Maynard Fire District, Dunham Public Library and EDGE (sometimes hereinafter referred to as the "PILOT Allocation Agreement"), conditioned upon EDGE creating and retaining (or causing the Sublessee to create and retain) certain employment levels at the Facility and at the Quad C Facility, which financial assistance represents a deviation from the Agency's Uniform Tax Exemption Policy (the "Policy"), to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein (collectively, the "Financial Assistance").

(b) The value of the Financial Assistance is as follows:

- Sales and use tax exemption valued at \$61,250.00
- Mortgage recording tax exemptions valued at \$66,060.00
- In accordance with the PILOT Allocation Agreement and based upon existing projections, the Company shall pay approximately \$7,389,180.00 in real property taxes over 49 years (which figure may be updated from time to time); and

1.09. It is understood and agreed by the parties that the purpose of the Agency's provision of Financial Assistance with respect to the Project is to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of the Project facility to advance job opportunities, health, general prosperity and economic welfare of the people of Oneida County and to otherwise accomplish the public purpose of the Act.

1.10. Attached as Exhibit A to this Agreement is a copy of the PILOT Agreement that reflects the Financial Assistance currently contemplated by the Agency in the Resolution. The Company acknowledges that the Agency (a) reserves all rights to amend the PILOT Agreement to reflect the terms of the Financial Assistance for which the Agency grants final approval as it authorizes in the final authorizing resolution and (b) is under no obligation to enter into the PILOT Agreement unless all conditions described in Section 4.02 hereof are met to the satisfaction of the Agency.

Article 2. Undertakings on the Part of the Agency. Based upon the statements, representations and undertakings of the Company regarding the Facility and subject to the conditions set forth herein, the Agency hereby confirms and acknowledges:

2.01. Upon satisfactory completion of the conditions precedent set forth herein and in the Resolution and the satisfactory completion of such additional acts and reviews as the Agency may deem appropriate, the Agency will (A) adopt, or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary or advisable for (i) a sale-leaseback or lease-leaseback transaction, (ii) the acquisition, construction, renovation and equipping of the Facility, and (iii) the leasing of the Facility to the Company pursuant to the Leaseback Agreement, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company and (B) shall enter into a sale-leaseback or lease-leaseback transaction pursuant to the terms of the Act, as then in force, for the purpose of financing certain costs of the Facility.

2.02. The Leaseback Agreement shall be for an approximately 49-year term and shall obligate the Company to make aggregate basic payments in the amount of \$750.00 as and when the same shall become due and payable. The Company shall be entitled to acquire from the Agency title to (or terminate the Agency's leasehold interest in) the Facility for an aggregate amount of \$1.00, plus such additional amounts as shall be prescribed in the Leaseback Agreement. The Leaseback Agreement shall contain all provisions required by law and such other provisions as shall be mutually acceptable to the Agency and the Company.

2.03. That all services, costs and expenses of whatever nature incurred in connection with the Project and the installation, replacement, rebuilding, restoration, repair, maintenance and operation of the Facility have been and will continue to be undertaken by the Company as agent for the Agency, regardless of whether such services, costs and expenses were undertaken and/or paid in its own name or in the name of the Agency, and the Agency shall furnish to the Company an appropriate letter on Agency letterhead evidencing the authority of the Company to act as agent of the Agency.

2.04. That, in connection with any lease by the Agency to the Company that is, in turn, subleased or leased by the Company, it is the intent of all parties to the transactions that any sublease or lease is undertaken by the Company as agent for the Agency.

2.05. That, at the request of the Company, and subject to the agreement between the Agency and the Company, any future transfers of fee or leasehold interest of any portion of real property upon which the Facility is located and not owned by the Agency, are hereby authorized, such transfers to be from the Company to the Agency, and there shall be no need for any further official action on behalf of the Agency other than the execution of the appropriate documents evidencing such transfer.

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.

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

3.01. The Company hereby accepts the appointment made by the Agency in the Resolution to be the true and lawful agent of the Agency to (i) complete the Project and repair and maintain the Facility and (ii) make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent of the Agency, and in general to do all things which may be requisite or proper for completing the Facility, all with the same powers and the same validity as the Agency could do if acting on its own behalf, including the authority to delegate such Agency appointment, as described in the Resolution.

3.02. (a) In the Application, the Company represented that it will create and retain (or cause the Sublessee to create and retain) the following full time equivalent ("FTE") positions: (a) create 20 FTEs between the Facility, the Quad C Facility and any other facility in Oneida County that the Danfoss Sublessee may wish to expand in the future (collectively, the "Danfoss Facilities") prior to the commencement of the third lease year and maintain all for the term of the Danfoss Sublease Agreement; and (b) retain 280 FTEs at the Danfoss Facilities for the term of the Danfoss Sublease Agreement, all as a result of the Company undertaking the Project (the "Employment Obligation"). The Company acknowledges that the sales and use tax exemption is conditioned upon the Company maintaining (or causing the Sublessee to maintain) the Employment Obligation and failure to do so may result in the termination or recapture of the sales and use tax exemption.

(b) In the Application, the Company represented that (i) the primary purpose of the Project is to provide an ancillary facility with flexible utility, which will enhance the ecosystem of the Marcy Nanocenter by allowing existing technology companies in Oneida County to operate more efficiently and to attracting new technology companies to the Marcy Nanocenter and to Oneida County; (ii) the nature of the Facility is such that it is not intended for any one Sublessee to create permanent employment at the Facility, but rather to allow a Sublessee to operate more efficiently in other locations and provide an opportunity to expand to other locations in Oneida County; and (iii) due to the nature of the Facility it is possible that the Facility may not be occupied at all from time to time and therefore the creation and/or retention of FTEs should not be the only metric that the Agency should consider as it reviews on an annual basis whether the Project is meeting its stated goals. The Company acknowledges that the mortgage recording tax exemption is conditioned upon the Company constructing and operating the Facility substantially as presented to the Agency, and failure to do so may result in the termination or recapture of the mortgage recording tax exemption.

3.03. The Company will, to the extent deemed by it to be necessary or desirable, enter into a contract or contracts for the Project (including any necessary contracts for the acquisition of real property necessary or useful in said Facility).

3.04. Contemporaneously with the closing of the sale-leaseback or lease-leaseback transaction the Company will enter into the Leaseback Agreement with the Agency containing, among other things, the terms and conditions described in Section 2.02 hereof.

3.05. (a) The Company shall not permit to stand, and will, at its own expense, take all steps reasonably necessary to remove (or bond the same if acceptable to the Agency and its counsel), any mechanics' or other liens against the Facility for labor or materials furnished in connection with the Project. The Company shall forever defend, indemnify and hold the Agency, its members, officers, employees, and agents, and anyone for whose acts or omissions the Agency or any of them may be liable, harmless from and against all costs, losses, expenses, claims, damages and liabilities of whatever kind or nature arising, directly or indirectly, out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the Project or arising out of any contract or other arrangement therefor (and 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 Company acting as agent for the Agency pursuant to this AGREEMENT or otherwise.

(b) The Company shall forever defend, indemnify and hold harmless the Agency, its members, officers, employees and agents, and anyone for whose acts or omissions the Agency or any of them may be liable, from and against all claims, causes of action, liabilities and expenses (including without limitation attorneys' fees) howsoever arising for loss or damage to property or any injury to or death of any person (including, without limitation, death of or injury to any employee of the Company or any sublessee) that may occur subsequent to the date hereof by any cause whatsoever in relation to the Facility including the failure to comply with the provisions of Article 3.05 hereof, or arising, directly or indirectly, out of the Project or the ownership, acquisition, operation, maintenance, repair or financing of the Facility, and including, without limitation, any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

(c) The defense and indemnities provided for in this Article 3 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 law. Without limiting the

generality of the foregoing, the foregoing indemnifications shall apply to and encompass any action (or alleged failure to act) of the Agency pursuant to the SEQR Act.

(d) The Company shall provide and carry (and shall require all occupants of the Facility to provide and carry) workers' compensation and disability insurance as required by law and comprehensive liability insurance with such coverages (including, without limitation, owner's protective for the benefit of the Agency and contractual coverage covering the indemnities herein provided for), with such limits and with such companies as may be approved by the Agency. Attached hereto as Exhibit C are the Agency's insurance requirements that will be contained in the Leaseback Agreement. Upon the request of the Agency, the Company shall provide certificates of insurance in form satisfactory to the Agency evidencing such insurance. If the Agency appoints the Company as its agent for the purposes of utilizing the sales tax exemption prior to execution of the Leaseback Agreement, the Company shall provide certificates evidencing such insurance as a condition of the agency appointment.

3.06. With the exception of the authorizations required to be adopted by the Agency for the Agency to enter into the sale-leaseback or lease-leaseback transaction, the Company agrees that, as agent for the Agency or otherwise, it will comply 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 the Company with respect to the Facility, the Project, the operation and maintenance of the Facility and the financing thereof. Every provision required by law to be inserted herein shall be deemed to be set forth herein as if set forth in full; and upon the request of either party, this AGREEMENT shall be amended to specifically set forth any such provision or provisions. The Company certifies, under penalty of perjury, that it is in substantial compliance with all local, state and federal tax, worker protection and environmental laws, rules and regulations.

3.07. 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.

3.08. If it should be determined that any State or local sales or compensatory use taxes or similar taxes however denominated are payable with respect to the acquisition, purchase or rental of machinery or equipment, materials or supplies in connection with the Project, or are in any manner otherwise payable directly or indirectly in connection with the Project, the Company 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.

3.09. The Company shall file with the New York State Department of Taxation and Finance an annual statement of the value of all sales and use tax exemptions claimed in connection with the Facility, in compliance with Section 874(8) of the New York State General Municipal Law. The Company shall provide the Agency with a copy

of such annual statement at the time of filing with the State Department of Taxation and Finance. Based upon representations made by the Company in the Application, the value of the sales tax to be abated relating to the Project is estimated at \$61,250.00. The Company acknowledges that the sales tax exemption currently authorized by the Agency is limited to \$61,250.00 and the Agency is required by law to recapture the New York State portion of sales tax of any exemptions claimed by the Company that exceed this amount.

3.10. If the Facility is leased to another party by the Agency and subleased to the Company, then in such event, the Company guarantees all of the covenants, undertakings and indemnities of such other party as set forth in this Article 3.

3.11. The Company shall provide annually, to the Agency, a certified statement and documentation: (i) enumerating the full time equivalent jobs retained and the full time equivalent jobs created as a result of the Financial Assistance, by category, including full time equivalent independent contractors or employees of independent contractors that work at the Project location, and (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that was provided in the application for Financial Assistance is still accurate and if it is not still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created. Exhibit B contains the form of annual certification as well as additional Project assessment information that the Agency requires, on an annual basis, to be submitted to the Agency by the Company. If the Company does not provide said annual certified statement to the Agency by the stated due date, a \$500.00 late fee will be charged to the Company for each thirty (30) day period the report is late beyond the due date, up until the time the report is submitted.

3.12. In accordance with Section 875(3) of the General Municipal Law, the policies of the Agency, and the Resolution, the Company covenants and agrees that it may be subject to recapture of any and all sales and use tax exemptions if it is determined by the Agency that:

(a) the Company or its subagents, if any, authorized to make purchases for the benefit of the Project is not entitled to the sales and use tax exemption benefits; or

(b) the sales and use tax exemption benefits are in excess of the amounts authorized by the Agency to be taken by the Company or its subagents, if any; or

(c) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or

(d) the Company has knowingly made a material false or misleading statement, or knowingly omitted any information which, if included, would have rendered

any information in the application or supporting documentation false or misleading in any material respect, on its application for Financial Assistance; or

(e) the Company fails to meet and maintain the Employment Obligation; or

(f) the Company failed to submit to the Agency its annual report so that the Agency can confirm that the Project is achieving the Employment Obligation and other objectives of the Project.

If the Agency determines to recapture any sales and use tax exemptions, the Company agrees and covenants that it will (i) cooperate with the Agency in its efforts to recover or recapture any or all sales and use tax exemptions obtained by the Company and (ii) promptly pay over any or all such amounts to the Agency that the Agency demands in connection therewith. Upon receipt of such amounts, the Agency shall then redistribute such amounts to the appropriate affected tax jurisdiction(s), unless agreed to otherwise by any tax jurisdiction(s). The Company further understands and agrees that in the event that the Company fails to pay over such amounts to the Agency, the New York State Tax Commissioner may assess and determine the New York State and local sales and use tax due from the Company, together with any relevant penalties and interest due on such amounts.

3.13. The Company acknowledges that the Agency's Financial Assistance is considered to be public funds under Section 224-a of the New York State Labor Law ("Prevailing Wage Requirements"). The Agency has determined that the Financial Assistance amounts to \$127,310.00 in the aggregate. If the Company determines that the Project is considered to be a "covered project" under the Prevailing Wage Requirements, the Company acknowledges it is obligated under Subdivision 8(a) of the Prevailing Wage Requirements to certify under penalty of perjury within five (5) days of commencement of construction work whether the Project is subject to the provisions of the Prevailing Wage Requirements. Compliance with Prevailing Wage Requirements, if required, is wholly the obligation of the Company, and failure to comply may result in a stop-work order.

Article 4. General Provisions.

4.01. This AGREEMENT sets forth the terms and conditions under which Financial Assistance shall be provided to the Company; no Financial Assistance shall be provided to the Company prior to the effective date of this Agreement. This AGREEMENT shall remain in effect until the Leaseback Agreement becomes effective. It is the intent of the Agency and the Company that this AGREEMENT be superseded in its entirety by the Leaseback Agreement, except for the indemnities and guarantee of indemnities contained herein, which shall survive.

4.02. It is understood and agreed by the Agency and the Company that entering into the lease-leaseback transaction and the execution of the Leaseback Agreement

and related documents are subject to (i) obtaining all necessary governmental approvals, (ii) approval of the directors of the Company, (iii) approval of the members of the Agency, (iv) satisfactory completion of the environmental review of the Facility by the Agency in compliance with the State Environmental Quality Review Act, (v) agreement by the Agency and the Company upon mutually acceptable terms and conditions for the Leaseback Agreement and other documentation usual and customary to transactions of this nature, (vi) the condition that there are no changes in New York State Law which prohibit or limit the Agency from fulfilling its obligation and commitment as herein set forth to enter into the sale-leaseback or lease-leaseback transaction and (vii) payment by the Company of the Agency's transaction fee and the fees and disbursements of bond counsel or transaction counsel. The Agency's transaction fee is calculated based upon the size of the project; based upon the projections in the Company's Application, the transaction fee for the Project is estimated at \$66,200.00 which will be payable in full at closing.

4.03. The Company agrees that it will reimburse the Agency for all reasonable and necessary direct out-of-pocket expenses that the Agency may incur as a consequence of executing this AGREEMENT or performing its obligations hereunder. Examples of such expenses include, but are not limited to, photocopies, phone and fax charges, postage and other shipping charges incurred in connection with closing the lease-leaseback transaction or complying with any requests after closing relating to the lease-leaseback transaction.

4.04. This AGREEMENT and the Financial Assistance contemplated by the Agency hereunder shall be valid for a period of twelve (12) months from the Inducement Date. If for any reason the lease-leaseback transaction does not close on or before twelve (12) months from the Inducement Date, the Company shall submit a written request to the Agency describing the reasons for the delay and requesting this AGREEMENT be extended for a period of twelve (12) months under the same terms and conditions contained herein. If the Company has made exempt purchases during the initial term of the AGREEMENT, the Company shall pay (a) to the Agency the first year's annual rent payment of \$750.00 at the time this AGREEMENT is extended and (b) to Agency and Transaction Counsel the out-of-pocket expenses and legal fees incurred in connection with the Project as of the extension date.

4.05. If for any reason the lease-leaseback transaction does not close on or before twelve (12) months from the Inducement Date and is not extended by written agreement of the parties, the provisions of this AGREEMENT (other than the provisions of Articles 3.05, 3.06, 3.07 and 3.08 above, which shall survive) shall 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 Company shall pay the Agency for all expenses which were incurred by the Agency in connection with the Project;

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

(c) The Company will pay the out-of-pocket expenses of members of the Agency, counsel for the Agency and Transaction Counsel incurred in connection with the Project and will pay the reasonable fees of counsel for the Agency and Transaction Counsel for legal services relating to the Project or the proposed financing thereof.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have entered into this AGREEMENT to be effective as of December 8, 2023.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 

Stephen R. Zogby
Chairman

ECONOMIC DEVELOPMENT GROWTH
ENTERPRISES CORPORATION

By: 

Maureen Corney
Chief Financial Officer

CERTIFICATION OF PROJECT OPERATOR

STATE OF NEW YORK)
COUNTY OF ONEIDA) ss.:


Maureen Carney, being first duly sworn, deposes and says:

1. That I am the Chief Financial Officer of Economic Development Growth Enterprises Corporation (Company) and that I am duly authorized on behalf of the Company to bind the Company and to execute this Agreement.
2. That the Company confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the Project is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.



(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury
this 18 day of September, 2024.



(Notary Public)

DEBRA LAUGHINGHOUSE
Notary Public, State of New York
Registration No. 01LA6402362
Qualified In Oneida County
Commission Expires: 12/30/2027

EXHIBIT A
PILOT AGREEMENT

Transcript Document No. 6(a)

ECONOMIC DEVELOPMENT GROWTH ENTERPRISES CORPORATION
and
DANFOSS SILICON POWER, LLC
and
ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Oneida County Industrial Development Agency
2024 Real Estate Lease
(Economic Development Growth Enterprises Corporation – Flex Space Facility)

Oneida County, Town of Marcy, Whitesboro Central School District,
Maynard Fire District and Dunham Public Library

Tax Account Nos.: TO BE PROVIDED BY COMPANY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT (this "Agreement"), dated as of _____, 2024, is by and among **ECONOMIC DEVELOPMENT GROWTH ENTERPRISES CORPORATION**, a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of New York, with offices at 584 Phoenix Drive, Rome, New York 13441 (the "Company"), **DANFOSS SILICON POWER LLC**, a New York limited liability company, having an address of 330 Technology Drive, Marcy, New York 13403 (the "Danfoss Sublessee") and **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 584 Phoenix Drive, Rome, New York 13441 (the "Agency").

W I T N E S S E T H:

WHEREAS, the Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law, Chapter 99 of the Consolidated Laws of New York, as amended, (the "Enabling Act"), and Chapter 372 of the Laws of 1970 of the State of New York, as amended, constituting Section 901 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of, among others, industrial facilities for the purpose of promoting, attracting and developing economically sound commerce and industry in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, the Company has requested the Agency assist in the construction of a 60,281± square foot single story Flex Space building including loading docks and all utilities and infrastructure to support the same (collectively, the "Improvements") on a 17± acre portion of a parcel of land situate at 2049 Wafer Loop Road in the Town of Marcy, Oneida County, New York (the "Land"); and acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), to provide adaptable logistics/warehousing space for supply chain companies for the purpose of supporting the semiconductor and advanced electronics industry and in furtherance of the master plan for the Marcy Nanocenter site (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"); and

WHEREAS, the Company will lease the Facility to the Agency, pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 372 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "Act") and the Agency will lease the Facility back to the Company pursuant to a Leaseback Agreement dated as of _____, 2024 (the "Leaseback Agreement"); and

WHEREAS, the Company will further sublease 40,656± square feet of the Facility to Danfoss Silicon Power LLC ("Danfoss") for its operation, to support the continued growth of Danfoss at the Quad C facility at SUNY Poly (the "Quad C Facility") pursuant to a

Sublease Agreement between the Company and Danfoss (the "Danfoss Sublease Agreement"), the terms of which provide for up to a 20 year sublease term and give Danfoss the option to terminate early under certain conditions; and

WHEREAS, the Company intends to further sublease the remaining leasable square feet of the Facility (the "Reserved Space") to another user or users (which may include Danfoss) relating to growing a regional ecosystem for the semiconductor and advanced electronic industry (Danfoss and any other user or users are referred to collectively as the "Sublessees" and any one of them is referred to as a "Sublessee"); and

WHEREAS, the Agency has agreed to acquire an interest in the Facility in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Company has agreed to finance a portion of the costs of the Facility by undertaking certain work in furtherance of the Project (the "EDGE Project Related Debt"); and

WHEREAS, Community Bank, National Association (the "Bank"), together with a consortium of other lenders to be identified at a later date (collectively, the "EDGE Lenders," and together with the Bank, collectively, the "Lenders") have agreed to finance the EDGE Project Related Debt by extending one or more loans to EDGE in the principal sum of up to \$8,808,000.00, to be secured by one or more mortgages and/or other documents deemed necessary by the Lenders to secure their respective interests (the "Lenders' Financing Documents") from the Agency and the Company to the Agency and/or the Lenders; and

WHEREAS, the Land has been exempt from real property taxes, general property taxes, general school district taxes, general assessments, service charges and other governmental charges of a similar nature levied and/or assessed upon the Land (the "Exempt Taxes"), because the Company owns the Land and is exempt from such taxation; and

WHEREAS, the Facility will continue to be exempt from Exempt Taxes levied and/or assessed upon the Facility or the interest therein of the Company or the occupancy thereof by the Company, because the Agency will own a leasehold interest in the Facility and the Facility will be used for a purpose within the meaning of the applicable Constitutional and statutory provisions, including the Enabling Act, provided, however, such exemption will not extend to special assessments or ad valorem levies; and

WHEREAS, the Company understands that, as lessee of the Facility leased by the Agency, the Company will, in fact, have Exempt Taxes to pay in the form of PILOT Payments from the first day of the Permanent PILOT Payment Period (as such term is hereinafter defined) through the term of the Leaseback Agreement; and

WHEREAS, Danfoss understands that, as a Sublessee of 67.45% of the space in the Facility, Danfoss is obligated to pay to the Company 67.45% of the Exempt Taxes due with respect on to the Facility in accordance with the terms of the Danfoss Sublease Agreement; and

WHEREAS, the Agency, the Company and Danfoss deem it necessary and proper to enter into this Agreement making provision for payments-in-lieu-of-taxes and such assessments by the Company to the Agency to be allocated and disbursed by the Agency in accordance with that certain Agreement Approving PILOT Terms and Allocating PILOT Payments dated as of October 1, 2013 by and among the Town of Marcy (the "Town"), or any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be wholly or partially located, the County of Oneida, the Whitesboro Central School District, the Maynard Fire District and the Dunham Public Library (each, individually, an "Affected Tax Jurisdiction" and, collectively, the "Affected Tax Jurisdictions"), the Agency and the Company (the "PILOT Allocation Agreement"), a copy of which PILOT Allocation Agreement is attached hereto as Schedule 2.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

A. Definitions. Capitalized terms used in this Agreement not otherwise defined herein shall have the meaning set forth in the PILOT Allocation Agreement and the Leaseback Agreement. In the event of a conflict of terms, the definitions in the PILOT Allocation Agreement shall be controlling.

B. Obligation to Make PILOT Payments - General

1. Prior to Permanent PILOT Payment Period Commencement Date. No PILOT Payments shall be required prior to the Permanent PILOT Payment Period Commencement Date (as defined below).

2. Duration of PILOT Payments. Beginning on the earlier of (a) the Occupancy/Rent Commencement Date as defined in the Danfoss Sublease Agreement or (b) the January 1 date immediately following the Completion Date (the "Permanent PILOT Payment Period Commencement Date") and continuing thereafter for up to forty-eight (48) years (unless extended pursuant to the provisions hereof), the Company shall pay to the Agency annual PILOT Payments with respect to the Facility in the amounts determined as described herein. Upon the expiration or termination of this Agreement, the Facility shall become subject to real property taxation and the Company shall be required to make PILOT Payments to the Agency in an amount equal to 100% of real property taxes that would be due with respect to the Facility if the Agency had no interest in the Facility. Notwithstanding anything to the contrary contained in this Agreement or the PILOT Allocation Agreement, the Company shall pay to the Agency all sums due under this Agreement in addition to any real property taxes and/or assessments which it is obligated to pay to the Affected Tax Jurisdictions from and after the expiration or termination of this Agreement.

3. Payments During Permanent PILOT Payment Period. PILOT Payments during the Permanent PILOT Payment Period shall equal the payment amount calculated in the manner described in Paragraph C below, based on the expected nature and use of the Facility as described in the Plans and Specifications for the Facility, multiplied by the

percentage of completion as of the taxable status date used by the Town for its annual assessment rolls.

4. [Intentionally Omitted].

5. Issuance of PILOT Invoice. The Agency shall prepare all PILOT invoices (each, individually, a "PILOT Invoice") and submit to the Company using the methods of calculation described herein in substantially the form attached hereto as Schedule 3 . All PILOT Payments shall be remitted by the Company to the Agency and paid in accordance with the terms and conditions contained in this PILOT Agreement. Danfoss shall pay to the Company an amount equal to 67.45% of the PILOT Payments relating to the Facility in accordance with the terms of the Danfoss Sublease Agreement. During the Permanent PILOT Payment Period, the Agency shall submit the PILOT Invoice to the Company by March 15 of each PILOT Year. PILOT Payments due pursuant to each such PILOT Invoice may either be paid (i) in full prior to March 31; or (ii) in equal quarterly installments due on March 31, June 30, September 30 and December 31 of such PILOT Year; or (iii) in equal monthly installments due on the first day of each month of such PILOT Year.

C. Calculation of Annual PILOT Payment due during Permanent PILOT Payment Period.

1. Classification and Measurement of the Facility for PILOT Purposes. Based on Plans and Specifications and other information provided by the Company to the Agency, the Agency has classified the Facility as Ancillary Warehousing Space with an Applicable Square Footage of 60,281 square feet. Within thirty (30) days after the Plans and Specifications are finalized but in no event later than the Completion Date, the Agency shall provide written notice to the Company setting forth the final classifications and measurements of the Facility, or the space within the Facility. The Agency and the Company agree to amend this PILOT Agreement based on the final classifications and measurements, if the Agency deems it is appropriate.

The Company shall take all requisite action to ensure the timely issuance of separate tax identification numbers by the Town Assessor that may be necessary to implement this PILOT Agreement, and shall advise the Agency in writing within ten (10) days after tax identification numbers have been issued but in any event prior to the Permanent PILOT Payment Period Commencement Date.

2. Formula for Calculating PILOT Payments. In general, subject to the specific terms described herein, during each PILOT Year of the Permanent PILOT Payment Period the annual PILOT Payment for the Facility or space within the Facility, as the case may be, shall be calculated as follows:

Applicable Square Footage x PILOT Value Per Square Foot Rate = PILOT Value

PILOT Value x current property tax rates/\$1,000 determined from the assessment roll = PILOT Payment

For purposes of calculating the PILOT Payment, the property tax rate shall be taken from the assessment roll that exists each January during the term of this Agreement.

7. PILOT Value of Ancillary Warehousing Space. The Applicable Square Footage of Ancillary Warehousing Space (e.g., General Warehouse, HPM, Chemical Storage, and/or High Pile Storage Space) in a standalone warehouse building (which may have pedestrian connections to other buildings) shall be comprised of the total gross square footage of the building.

The PILOT Value for Ancillary Warehousing Space shall equal the Applicable Square Footage of Ancillary Warehousing Space multiplied by the PILOT Value Per Square Foot Rate for Ancillary Warehousing Space as described in the Allocation Agreement. Attached hereto as Schedule 1 is an illustration of the PILOT Value calculation based on current property tax rates (as of January 2024) and the Applicable Square Footage as of the date of this PILOT Agreement. The parties acknowledge Schedule 1 is for illustrative purposes only and the Agency will perform calculations on an annual basis for the purposes of issuing a PILOT Invoice.

E. Special Assessments/Credit for SID Charges.

1. (a) If for any reason the Facility shall be subject to any SID Charges, notwithstanding the Town and County's agreement set forth in Section 2(b) of the PILOT Allocation Agreement, then the amount of SID Charges assessed against the Facility each year shall be applied as a dollar for dollar credit (the "SID Credit") that shall reduce the PILOT Payments due from the Company with respect to the Facility for the PILOT Year in which the SID Charges are due and payable. The Company shall apply the SID Credit to the Facility. An amount equal to the SID Credit (the "SID Credit Amount") shall be subtracted from the Aggregate Annual PILOT Payment Allocation, as hereinafter defined in subparagraph (b), to the Affected Tax Jurisdiction that levied the SID Charges (the "SID Taxing Entity"). Once the SID Credit Amount has been subtracted from the Aggregate Annual PILOT Payment Allocation of the SID Taxing Entity in question, the Agency shall then re-allocate said subtracted amount in the manner necessary to place the Affected Tax Jurisdictions (other than the SID Taxing Entity in question) and the funds established under the PILOT Allocation Agreement (other than the Affected Tax Jurisdictions' Fund and, if applicable, the Community Host Payment Fund) in the same position that they would have been in had there been no SID Credit (or as nearly so as is possible). The provisions of this paragraph will not apply for any SID Charges or assessments requested by the Company and does not cover the imposition of any common area or similar charges that may be levied, assessed or imposed against or on the Company by means of a Declaration.

(b) The term "Aggregate Annual PILOT Payment Allocation" shall mean, with respect to the PILOT Year in question, the aggregate amount of all payments in lieu of real property taxes under this Agreement allocated to an Affected Tax Jurisdiction under the PILOT Allocation Agreement. In any instance where the Affected Tax Jurisdiction in question is the Town, the Aggregate Annual PILOT Payment Allocation of the Town for the PILOT Year in question shall be the aggregate amount of all payments in lieu of real property taxes under this Agreement allocated to the Town out of (a) the Affected Tax Jurisdictions' Fund (as defined in

the PILOT Allocation Agreement) established under the PILOT Allocation Agreement, and (b) the Community Host Payment Fund (as defined in the PILOT Allocation Agreement) established under the PILOT Allocation Agreement. In any instance where the Affected Tax Jurisdiction in question is one other than the Town, the Aggregate Annual PILOT Payment Allocation of such Affected Tax Jurisdiction for the PILOT Year in question shall be aggregate amount of all payments in lieu of real property taxes under this Agreement allocated to such Affected Tax Jurisdiction out of the Affected Tax Jurisdictions' Fund.

2. If the SID Credit Amount for any year exceeds the Aggregate Annual PILOT Payment Allocation of the SID Taxing Entity in question, the excess amount (the "Excess SID Credit") shall be carried forward to subsequent years and applied each year to reduce the annual PILOT Payment due from the Company, and shall be subtracted from the Aggregate Annual PILOT Payment Allocation of the SID Taxing Entity, until the entire amount of the Excess SID Credit has been fully used.

3. If necessary, the term of this PILOT Agreement shall be extended for such period of time necessary for the entire Excess SID Credit to be applied to reduce PILOT Payments due from the Company, the Danfoss Sublessee and the Reserved Shell Sublessee (the "PILOT Extension Term"). During the PILOT Extension Term, the Company shall make annual PILOT Payments to the Agency in amounts equal to the real property taxes that would be due if the Facility were owned by the Company and the Agency had no interest therein, less the available Excess SID Credit. The PILOT Payments during the PILOT Extension Term shall be allocated pro rata among the Affected Tax Jurisdictions in proportion to the amount of real property taxes that each Affected Tax Jurisdiction would receive if the Facility was subject to normal taxation and will not be subject to the fixed allocation set forth in Section 3 of the PILOT Allocation Agreement. The Excess SID Credit shall be applied to reduce the SID Taxing Entity's share of PILOT Payments during the PILOT Extension Term until the entire remaining Excess SID Credit has been fully used.

F. Challenges to Assessed Value.

If for any reason the Facility shall be subject to any SID Charges, notwithstanding the Town and County's agreement set forth in Section 2(b) of the PILOT Allocation Agreement, but excluding SID Charges or assessments requested by the Company and/or common area charges levied, assessed or imposed against or on the Company pursuant to a Declaration, the Company may pursue review of the Facility's assessed value under Article 7 of the New York State Real Property Tax Law or any other law or ordinance then in effect relating to disputes over assessed valuation of real property in the State of New York, and may take any and all other action available to it at law or in equity, provided, however, that the Company must provide at least forty-five (45) days' written notice to the Agency prior to filing for a change in assessment. If an Article 7 challenge is brought by the Company, the challenge to the assessment may only be utilized to reduce the SID Charges payable by the Company and may not be used to modify or reduce PILOT Payments.

G. Waiver of Right to Other Real Property Tax Exemptions.

The Company and Danfoss hereby unconditionally and irrevocably waive their respective rights, if any, to apply for and/or receive the benefit of, any other real property tax exemption including, without limitation, any real property tax exemptions that may be available under Section 485-b and Section 485-e of the Real Property Tax Law for so long as the PILOT Agreement is in effect.

H. Intentionally Omitted.

I. PILOT Mortgage.

The Company's obligations under this PILOT Agreement are secured by a PILOT Mortgage dated _____, 2024 (the "PILOT Mortgage") from the Agency and the Company to the Agency, for the benefit of the Affected Taxing Jurisdictions, which PILOT Mortgage shall be recorded in the Office of the Oneida County Clerk.

J. Termination of PILOT Agreement.

(a) Anything herein to the contrary notwithstanding, this Agreement shall terminate on the date on which the Leaseback Agreement terminates and the Agency's interest in the Facility is terminated pursuant to the Leaseback Agreement.

(b) Anything herein to the contrary, notwithstanding, upon the failure of the Company in making any payment when due hereunder and upon failure to cure such default within thirty (30) days of receipt of notice as herein provided, shall constitute an Event of Default under Section 7.1(a)(vi) of the Leaseback Agreement, and the Agency may take any one or all remedial steps afforded it in Section 7.2 of the Leaseback Agreement; provided, however, nothing herein contained shall be deemed to limit any other rights and remedies the Agency may have hereunder or under any other Transaction Document.

(c) Until such time as the EDGE Project-Related Debt has been indefeasibly paid, in full, the Agency shall consult with EDGE before terminating this Agreement or the Leaseback Agreement and/or exercising and of its other rights and remedies hereunder or under any other Transaction Document.

(d) It is expressly agreed that PILOT Payments collected for the benefit of, and pursuant to the Allocation Agreement allocated to, EDGE are intended to enable EDGE to pay and/or otherwise service the EDGE Project-Related Debt each year (and maintain a minimum debt service coverage ratio of 1.15 to 1.0).

K. Taxes Covered by this Agreement. The PILOT Payments to be made by the Company pursuant to this Agreement are intended to be in lieu of all Exempt Taxes with respect to the Facility.

L. Deduction of Any Taxes Paid. If by reason of a change in the Constitution or laws of the State of New York, or an interpretation of the Constitution or the laws of the State of New York by the Court of Appeals (or such lower court from which the time to appeal has

expired) of the State of New York, or for any other reason, the Company is required to pay any tax which the payments specified herein are intended to be in lieu of, the Company may deduct the aggregate of any such payments made by it from the amount herein agreed to be paid in lieu of such taxes and need only pay the difference (the "Difference"). Furthermore, inasmuch as the PILOT Payments herein agreed to be made by the Company (or by the Danfoss Sublessee relating to the Danfoss Facility) are intended to be in lieu of all Exempt Taxes, it is agreed that said payments shall not, as to any PILOT Year, be in an amount greater than would be payable for such year for such Exempt Taxes, in the aggregate, by a private corporation on account of its ownership of the Facility.

M. Taxpayer Rights and Remedies. Subject to Paragraph F of this Agreement, it is the intent of the parties that the Company and any Sublessee will have all the rights and remedies of a taxpayer with respect to any real property or other tax, service charge, special benefit, ad valorem levy, assessment or special assessment or service charge because of which, or in lieu of which, the Company or any Sublessee is obligated to make a payment hereunder, as if and to the same extent as if the Agency did not own a leasehold interest in the Facility. Subject to Paragraph F of this Agreement, it is the further intent of the parties that the Company and any Sublessee will have all of the rights and remedies of a taxpayer as if and to the same extent as if the Agency did not own a leasehold interest in the Facility with respect to any proposed assessment or change in assessment concerning the property, or any portion thereof, whether through an assessor, board of assessment review, court of law, or otherwise and likewise will be entitled to protest before and be heard by such assessor, board of assessment review, court of law or otherwise and will be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or amount of any taxes that would have been payable but for the provisions hereof, provided, however, that the Company (or any Sublessee, as the case may be) must provide at least forty-five (45) days' written notice to the Agency prior to filing for a change in assessment. In the event, however, that a court of competent jurisdiction shall enter an order or judgment determining or declaring that, by reason of the Agency's leasehold interest in the Facility, the Company or any Sublessee does not have the right to bring a proceeding to review such assessment under the Real Property Tax Law or any other law, then the Company and any Sublessee shall have the right to contest such assessment in the name and as the agent of the Agency, and the Agency agrees to cooperate with the Company or any Sublessee, as the case may be, in all respects in any such proceeding at the sole cost and expense of the Company or any Sublessee, as the case may be.

N. Payments to Agency; Allocation of Payments by Agency.

(a) All amounts payable by the Company hereunder will be paid to the Agency and will be payable in such lawful money of the United States of America as at the time of payment is legal tender for the payment of public and private debts, including a check payable in such money. All amounts payable by the Danfoss Sublessee hereunder will be paid in accordance with the Danfoss Sublease. Upon receipt of PILOT Payments hereunder, the Agency shall allocate and disburse the PILOT Payments in accordance with the PILOT Allocation Agreement. Neither the Company nor any Sublessee shall have any liability or responsibility regarding the allocation and disbursement of PILOT Payments by the Agency.

(b) The Company will make PILOT Payments to the Agency no later than the date listed on the PILOT invoice. PILOT Payments that are delinquent under this Agreement shall be subject to a late penalty of five percent (5%) of the amount due which shall be paid by the Company to the Agency at the time the PILOT Payment is paid, and the Agency shall allocate the penalty among the Affected Tax Jurisdictions in the same pro-rata proportion that the Affected Tax Jurisdictions would have received taxes, if the Agency did not have a leasehold interest. For each month, or part thereof, that the PILOT Payment is delinquent beyond the first month, interest shall accrue to and be paid to the Affected Tax Jurisdictions on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made; provided, however, nothing herein contained shall be deemed to limit any other rights and remedies the Agency may have hereunder or under any other Transaction Document.

O. Debt Service Insufficiency and PILOT Assignment

If, prior to the date that the EDGE Project-Related Debt is indefeasibly paid in full, the aggregate amount of PILOT Payments due hereunder in any given PILOT Year reduces or is reduced due to the application of a SID Credit Amount to a level such that the amount allocable by the Agency to the EDGE Project-Related Debt Service Fund for such PILOT Year would be insufficient to enable EDGE to pay and/or otherwise service the EDGE Project-Related Debt and maintain a minimum debt service coverage ratio of 1.15 to 1.0 (the "Debt Service Insufficiency") the Agency shall promptly deliver written notice of such insufficiency to the Company and the Company shall, at its option, either (i) pay such insufficiency directly to the Agency for deposit by the Agency into the EDGE Project-Related Debt Service Fund at the normal time when PILOT Payments are due, or, (ii) roll forward for utilization in a future year under this Agreement, the amount of the SID Credit Amount which creates the Debt Service Insufficiency. In the event that the Debt Service Insufficiency was caused by the application of a SID Credit Amount which is related to an SID Charge which the Company did not consent to as required under Section 2(b) of the PILOT Allocation Agreement, then an amount equal to the SID Credit Amount shall be subtracted from the Aggregate Annual PILOT Payment Allocation of the Affected Tax Jurisdiction that levied the SID Charges, pursuant to Section 2(c)(i) of the PILOT Allocation Agreement.

As collateral security for the payment of the EDGE Project-Related Debt, the parties acknowledge and agree that the Agency may assign its rights under the PILOT Allocation Agreement, the payments due to the Agency under this Agreement (except for the payments due to the Affected Tax Jurisdictions under Section 3 of the PILOT Allocation Agreement), and the guarantees thereof and/or security instruments relating thereto, if any, to the EDGE Lenders to the extent necessary to enable said EDGE Lenders to enforce and fully collect upon their security for the EDGE Project-Related Debt. Each such assignment shall be in form and content satisfactory to the Agency, EDGE and the EDGE Lenders, in their sole discretion. Each of the Affected Tax Jurisdictions has previously in the PILOT Allocation Agreement consented to each of such assignments, guarantees and/or security instruments. The parties to this Agreement acknowledge and agree that Parties shall be obligated to execute and deliver such other

documents and/or agreements to confirm the terms, covenants and conditions of this Agreement.

P. Miscellaneous.

(a) If any term or provision hereof should be for any reason held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, the parties shall negotiate in good faith so as to replace each such invalid, illegal or unenforceable term or provision with a valid, legal and enforceable provision which will carry out the parties' intentions in entering into this Agreement.

(b) This Agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing executed by the parties hereto.

(c) All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (i) mailed by United States registered or certified mail, postage prepaid, return receipt requested or (ii) when delivered by a commercial overnight courier that guarantees next day delivery and provides a receipt, to the Agency or the Company, as the case may be, addressed as follows:

To the Agency: Oneida County Industrial Development Agency
584 Phoenix Drive
Rome, New York 13441
Attn.: Chairman

With a Copy To: Bond, Schoeneck & King, PLLC
501 Main Street
Utica, New York 13501
Attn.: Linda E. Romano, Esq.

To the Company: Economic Development Growth Enterprises Corporation
584 Phoenix Drive
Rome, New York 13441
Attn.: Chief Financial Officer

With a Copy To: Saunders Kahler, L.L.P.
185 Genesee Street, Suite 1400
Utica, New York 13501
Attn.: Joseph E. Saunders, Esq.

To the Danfoss Danfoss Silicon Power LLC
330 Technology Drive
Marcy, New York 13403
Attn: _____

With a Copy To:

To the Bank:

With a Copy to:

provided, that the parties may, by notice given hereunder to the others, designate any further or different addresses to which subsequent notices, certificates or other communications to them shall be sent.

(d) This Agreement shall be governed by and construed in accordance with the law of the State of New York, without regard to its choice of law rules or principles. Any party bringing an action or proceeding against the other party arising out of or relating to this Agreement or the transaction it forum shall bring such action or proceeding in the Supreme Court of the State of New York in and for the County of Oneida or in the United States District Court for the Northern District of New York and each party consents to the jurisdiction of such courts (including their respective appellate courts) and agrees that any judgment obtained in either of the above forums may be enforced in such forum or in any other appropriate forum.

(e) This Agreement shall be binding upon the successors and assigns of the parties.

(f) The section headings contained in this Agreement are for convenience and reference only and shall not be used to interpret or construe provisions.

(g) The parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as may be reasonably necessary to give effect to the purposes of this Agreement and the parties' agreements hereunder, including but not limited to entering into additional agreements to memorialize the PILOT Payments intended hereunder.

(h) This Agreement may be executed in three (3) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(i) This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

(j) This Agreement (including the exhibits and schedules hereto) contains the entire agreement of the parties with respect to the subject matter hereof and no oral statement or written matter prior to the date of this Agreement shall have any effect or force.

(k) To the extent that a particular right, obligation or covenant in this Agreement does not have a specifically identified survival period, then such right, obligation and/or covenant shall remain in effect beyond any expiration of termination of this Agreement.

(l) At such time that the Company enters into a sublease agreement with a Sublessee relating to space in the Facility, the parties shall enter into an amended and restated PILOT Agreement to add and include such Sublessee as a party.

[signature pages follow]

SCHEDULE 1

Illustration of PILOT Calculation as of date of PILOT Agreement

Schedule 2

PILOT Allocation Agreement

Schedule 3

Form of PILOT Invoice

[TO BE PROVIDED BY OCIDA]

EXHIBIT B
FORM OF ANNUAL REPORT TO AGENCY

Anthony J. Picante Jr.
County Executive

Shawna M. Papale
Secretary/
Executive Director

Jennifer Waters
Assistant Secretary



David C. Grow
Chairman
Michael Fitzgerald
Vice Chairperson
Mery Faith Messenger
Treasurer

Farris Betrus, Jr.
Kirk Hinman
Eugene Quadraro
Stephen Zogby

January 1, 20__

RESPONSE DUE NO LATER THAN FRIDAY, _____

Re: December 31, 20__ Annual Report to the NYS Office of Comptroller, 20__ REPORT YEAR
Project Name: _____ Project Code: _____

Dear ,

Pursuant to Section 859 of New York State General Municipal Law, all Industrial Development Agencies (IDA) are required to file annual Financial Statements with the Office of the State Comptroller.

Oneida County Industrial Development Agency (OCIDA) requires annual reporting on the value of all IDA tax exemptions applicable to your lease/PILOT project (sales tax, real property tax, mortgage recording tax), as well as the status of employment. This information must be provided on the enclosed Schedule of Supplemental Information.

Please provide copies of all 20__ PILOT bills paid and any NYS T&F ST-340 Form (Sales and Use Tax Exemption Reporting Form) submitted to New York State for 20__.

The completed and certified forms must be returned no later than, _____. Failure to provide this information may result in the suspension or revocation of your tax exempt status with the

OCIDA.

Please mail, fax, or e-mail your responses to: Mark Kaucher, Oneida County IDA, 584 Phoenix Drive, Rome, NY 13441 Fax: (315) 338-5694. mkaucher@mvedge.org

If you have any questions, please do not hesitate to contact either Mark Kaucher, Timothy Fitzgerald, or me at (315) 338-0393. Thank you in advance for your assistance.

Sincerely,
Shawna M. Papale
Executive Director inquire

Encls.

Instructions for OCIDA Annual Report

This mailing contains the following:

- ♦ **Customer Info Tab - Please update your information if necessary**
- ♦ **Schedule of Supplemental Information (Page 1 & 2)**

Schedule of Supplemental Information

NOTE: ONLY EDIT FIELDS HIGHLIGHTED IN GREEN FOR SUPPLEMENTAL INFO PAGE 1 AND 2

Page 1: In the first box, answer whether or not your project was completed in Report Year. If it was completed before the Report Year, you do not need to answer this question.

Tax Exemptions Section

State and Local Sales Tax Column – ENTER STATE AND LOCAL SALES TAX THAT WOULD HAVE BEEN PAYABLE DURING REPORT YEAR IF THERE HAD BEEN NO IDA TAX EXEMPTION. Only report sales tax dollars exempted during the Report Year. Local and NYS sales tax exempted must be broken out separately. **Please provide copy of NYS ST-340 for Report Year.**

Real Property Tax Column – ENTER REAL PROPERTY TAX PAYMENTS THAT WOULD HAVE BEEN PAYABLE DURING REPORT YEAR IF THERE WERE NO IDA PILOT. Do not include Special District Assessment Tax Bill information, as special district taxes are not exempt through the OCIDA PILOT. (ie: sewer, water, lighting districts, etc.). **Please provide copies of the PILOT bills to the IDA.**

Mortgage Recording Tax Column – ENTER MORTGAGE RECORDING TAX THAT WOULD HAVE BEEN PAYABLE DURING REPORT YEAR IF THERE WERE NO IDA MORTGAGE RECORDING TAX EXEMPTION.

Total Exemptions – This formula will add all Sales Tax, Real Property Taxes, and Mortgage Recording Tax for you.

Payments in Lieu of Taxes (PILOT) PAID Section

ENTER THE ACTUAL PILOT PAYMENTS PAID TO THE TAXING JURISDICTIONS. Do not include Special District Assessment Tax payments (sewer and water, lighting districts, etc.) in your paid amounts. **Provide us with copies of the actual invoices you paid from.**

TOTAL PILOTS PAID Column – This formula will add all County, Local PILOT, and School District PILOTS for you.

Example:

If full County of Oneida taxes WITHOUT a PILOT would have equaled \$1,000. You would enter \$1,000 in the Real Property Tax column in the Exemptions Section. However, because you have a PILOT, you might only pay 1/3 of your taxes due (\$333). Thus, you would enter \$333 in the County column in the Payments in Lieu of Taxes (PILOTS).

Page 2: # Current Full-Time Equivalent (FTE) Employees" / "# FTE Jobs Created/ # FTE Jobs Retained AS OF THE PERIOD ENDING DECEMBER 31 of the Report Year.

"FTE" shall mean a full time employee that has a minimum of thirty-five (35) scheduled hours per week, or any combination of two or more part-time employees that work a minimum of fifteen (15) scheduled hours per week, when combined together, constitute the equivalent of a minimum of thirty-five (35) scheduled hours per week, and whose workplace location is the project facility. For this purpose an employee shall include a leased employee regularly retained by the Company

If any **Construction Jobs** were created during the Report Year as a result of your project, include in the # FTE Construction Jobs Created column.

For Projects that Closed with the IDA After July 2016 - Salary & Fringe Benefits Section: Read the sentence in bold print beneath the Job Reporting chart and determine whether or not you are able to check the box. Fill out chart if you cannot check the box.

REPORT CERTIFICATION – Bottom of Page 2

Review and update the Contact Information questions at the bottom of Page 2, then SIGN TO CERTIFY the information provided.

If you have any questions, please do not hesitate to call Mark Kaucher, Timothy Fitzgerald or Shawna Papale at 315-338-0393 or e-mail us at:

mkaucher@mvedge.org tfitzgerald@mvedge.org spapale@mvedge.org

Please update contact information below if inaccurate. If you need to update your address, please do so on the tab "Supplemental Info Page 2".

Contact	
Contact Email	
Form Filler	
Form Filler Email	

Applicant Name	
Address Line 1	
Address Line 2	
City	
State	
Postal Code	
Country	

20 Schedule of Supplemental Information (Straight Lease) PAGE 1

Project Code:	
Type ("Lease" or "Bond/Note Issuance" or "Tax Exemption"):	
Project Name:	
Project Address Street line 1:	
Project Address Street line 2:	
City:	
State (Abbreviated):	
Postal Zipcode:	
Country:	
Total Project Amount:	
Approval Date:	
Is the project part of or related to an existing multi-phase project (Y/N)	
If yes: What is the original project code	
Project Purpose Category	
Did the IDA take Leashold Interest to the property (Y/N)	
Date IDA took leashold interest:	
Benefited Project Amount:	
Bond Amount	
Annual Lease Payment	
Federal Tax Status of Bonds	
Year Financial Assist Planned to end:	
There is no debt outstanding for this project (Y/N)	
IDA does not hold title to the property (Y/N)	
The project receives no tax exemptions (Y/N)	
Non-Profit (Y/N):	

Was your project completed in 2021? (Please mark the appropriate box with an X)

YES NO

If YES, what was the final project cost total?

\$

20 Exemptions - Amounts that WOULD HAVE been payable AS FULL TAXES, without IDA Assistance			
(Please enter amounts in the fields highlighted in GREEN)			
Sales Tax (ST)	Real Property Taxes (RPT)	Mortgage Recording Tax (MR)	Total Tax Exemptions (Sum of ST, RPT and MRT)
State: \$ -	County: \$ -	\$ -	\$ -
Local: \$ -	Local (Sum of City/Town/Village): \$ -		
	School: \$ -		

Please check box with an X if applicable:

Not all of the data is reported. A letter for the explanation will be returned with this report.

20 Payments in Lieu of Taxes (PILOTS) PAID.			
DO NOT INCLUDE SPECIAL DISTRICT ASSESSMENT PAYMENTS (ie: sewer, water, lighting etc. districts)			
County PILOT	Local PILOT (sum of city/town/village)	School District PILOT	TOTAL PILOTS PAID
\$ -	\$ -	\$ -	\$ -

Straight Lease: Identify method of financial assistance utilized by project other than tax exemptions claimed by project. Identify by AMOUNT and TYPE:

FORM CONTINUED ON NEXT TAB "Supplemental Info Page 2" →

20 Schedule of Supplemental Information (Straight Lease) PAGE 2

Full-Time Equivalent (FTE) Jobs Created and Retained - As of December 31, 2021 (see report instructions tab for more information)							
# FTE Employees at Project Location Prior to IDA Status	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Estimated average annual salary of Jobs to be retained	# Current FTE Employees	# FTE Jobs Created During Fiscal Year	# FTE Jobs Retained During Fiscal Year	# FTE Construction Jobs Created during Fiscal Year

Project Code:	0
Type:	0
Project Name:	0

FOR PROJECTS CLOSED WITH THE AGENCY AFTER JULY 2016 ONLY: if the salary and benefit information for categories of jobs retained and jobs created that was provided in the original project application is still accurate, please mark the box with an X. If the information is no longer accurate please complete the chart below.

Category of Jobs to be Retained and Created	# Of Current FTE Per Category	Average Annual Salary or Range of Salary				Average Annual Fringe Benefits or Range of Fringe Benefits
		Average	Range From	-	Range To	
Management				-		
Administrative				-		
Production				-		
Independent Contractor				-		
Other				-		

Contact Information (If different from Supplemental Info Page 1)	
NAME:	
Address:	
Telephone:	
Fax:	
Email:	
Person Completing Form:	

I certify that to the best of my knowledge and belief all of the information on page 1 and 2 of the Annual Report is correct. I also understand that failure to report completely and accurately may result in enforcement of provisions of my agreement, including but not limited to voidance of the agreement and potential claw back of benefits.

For instructions on how to sign your name in excel please see below this box.

Signed:	
	(Authorized Company Representative)
Type name:	
Date:	

To draw your name in excel:

- Click on the "Insert" Tab
- Click on "Illustrations"
- Select the "Shapes" Option
- Select the "Lines" subcategory
- The last option, if you hover your mouse over it will say "Freeform: Scribble" and looks like a looping line. This is the option you want to select. It will turn your mouse into a pencil after selecting. Then just click and hold to draw your signature in the box above.

EXHIBIT C

Oneida County Industrial Development Agency Insurance Requirements Under Leaseback Agreement

Section 3.4 Insurance Required.

At all times throughout the Lease Term, including, when indicated herein, during the Construction Period, the Company shall, at its sole cost and expense, maintain or cause to be maintained (and cause the Sublessees to maintain, where appropriate) insurance of the following types of coverage and limits of liability with an insurance carrier qualified and admitted to do business in New York State. The Insurance carrier must have at least an A- (excellent) rating by A. M. Best.

Company shall pay, as the same become due and payable, all premiums with respect thereto, including, but not necessarily limited to:

(a) **Property Insurance:** Insurance against loss or damage by fire, lightning and other casualties customarily insured against in an all risk policy with special form perils, such insurance to be in an amount not less than the full replacement value of the building, equipment, completed Improvements, exclusive of footings and foundations, as determined by a recognized appraiser or insurer selected by the Company. During the Construction Period, such policy shall be written in the so-called "Builder's Risk Completed Value Non-Reporting Form" and shall contain a provision granting the insured permission to complete and/or occupy.

(b) **Workers' Compensation & Employers Liability Insurance** and **Disability Benefits Insurance** and each other form of insurance that the Company or any permitted sublessee is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Company or any permitted sublessee who are located at or assigned to the Facility. Statutory New York limits shall apply to these policies. This coverage shall be in effect from and after the Completion Date or on such earlier date as any employees of the Company, any permitted sublessee, any contractor or subcontractor first occupy the Facility.

(c) **General Liability Insurance** protecting the Agency, the Company and the owner of the Facility (if the Company is not the owner) against loss or losses from liability imposed by law or assumed in any written contract (including the contractual liability assumed by the Company under Section 5.2 hereof) and arising from personal injury, including bodily injury or death, or damage to the property of others, caused by an accident or occurrence with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. **Comprehensive Automobile Liability Insurance** including all owned, non-owned and hired autos with a limit of liability of not less than \$1,000,000 (combined single limit or equivalent for personal injury, including bodily injury or death, and property damage) protecting the Agency and the Company against any loss or liability or damage for personal injury, including bodily injury or death, or property damage, and **Umbrella Liability Insurance** of not less than \$5,000,000 per occurrence. This coverage shall also be in effect during the Construction Period.

(d) During the Construction Period (and for at least two years thereafter in the case of Products and Completed Operations as set forth below), the Company shall cause

the general contractor to carry liability insurance of the type and providing the minimum limits set forth below:

- (i) Workers' compensation & employer's liability and disability benefits insurance both with statutory limits in accordance with applicable law.
- (ii) Comprehensive general liability providing coverage for:
 - Premises and Operations
 - Products and Completed Operations
 - Contractual Liability
 - Personal Injury Liability
 - Broad Form Property Damage
(including completed operations)
 - Explosion Hazard
 - Collapse Hazard
 - Underground Property Damage Hazard

Such insurance shall have a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. The annual aggregate shall apply per project. The contractor's general liability policy shall include coverage for the contractor and any of the additional insureds for any operations performed on residential projects including single or multi-family housing, residential condominiums, residential apartments and assisted living facilities.

(iii) Comprehensive auto liability, including all owned, non-owned and hired autos, with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iv) Umbrella Liability with limits of \$5,000,000 per occurrence and \$5,000,000 annual aggregate.

(e) A policy or policies of flood insurance in the maximum amount of flood insurance available with respect to the Facility under the Flood Disaster Protection Act of 1973, as amended, whichever is less. This requirement will be waived upon presentation of evidence satisfactory to the Agency that no portion of the Land is located within an area identified by the U.S. Department of Housing and Urban Development as having special flood hazards.

(f) **Environmental/Pollution Liability Insurance** protecting the Agency, the Company and the owner of the Facility (if the Company is not the owner) against loss or losses from damages and liability arising from release of pollutants and environmental contamination with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 per claim/aggregate. This requirement will be waived upon presentation of evidence satisfactory to the Agency that neither the Facility nor the operations and activities of the Company or any occupant of the Facility present the potential for environmental liability exposure. The policy shall provide coverage for cleanup, third party liability and business interruption from contaminants.

Section 3.5 Additional Provisions Respecting Insurance.

(a) All insurance required by Section 3.4 hereof shall be procured and maintained in financially sound and generally recognized responsible insurance companies

selected by the entity required to procure the same and authorized to write such insurance in the State. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the procuring entity is engaged. All policies evidencing the insurance required by Section 3.4 hereof shall provide for at least thirty (30) day's prior written notice of the restriction, cancellation or modification thereof to the Agency. The policies evidencing the insurance required by Section 3.4(c) hereof shall name the Agency and the owner of the Facility (if the Company is not the owner) as additional insured on a primary & non-contributory basis. All policies evidencing the insurance required by Sections 3.4(d)(ii) (iii) and (iv) shall name as additional insured the Agency, Company and the owner of the Facility (if the Company is not the owner) on a primary and non-contributory basis for the ongoing construction phase and for two years following completion during the completed operations phase. The policies under Section 3.4 (a) shall contain appropriate waivers of subrogation. The policies under Section 3.4 (b), (c) and (f) shall contain waivers of subrogation in favor of the Agency. The policies under Section 3.4 (d) shall contain waiver of subrogation in favor of the Agency, the Company, and the Owner of the Facility (if the Company is not the owner).

(b) All policies or certificates (or binders) of insurance required by Section 3.4 shall be submitted to the Agency on or before the Closing Date or the date on which the Agency appoints the Company as its agent for making exempt purchases, whichever date is earlier; provided, however, that if the insurance required by Section 3.4(f) is to be provided by the general contractor, the Company will submit certificates to the Agency at the time the Company enters into a written agreement with the general contractor evidencing coverage is in effect on the date of said written agreement. Attached to the certificate(s) of insurance for liability policies shall be a copy of the additional insured endorsement. The Company shall deliver to the Agency before the renewal date of each policy a certificate dated not earlier than the immediately preceding month reciting that there is in full force and effect, with a term covering at least the next succeeding calendar year, insurance of the types and in the amounts required by Section 3.4 hereof and complying with the additional requirements of Section 3.5(a) hereof. Prior to the expiration of each such policy, the Company shall furnish the Agency with evidence that such policy has been renewed or replaced or is no longer required by this Leaseback Agreement. The Company shall provide such further information with respect to the insurance coverage required by this Leaseback Agreement as the Agency may from time to time reasonably require.

Agency shall be named as additional insured as follows:

Oneida County Industrial Development Agency, ISAOA
584 Phoenix Drive
Rome, New York 13441