

Sub-Agent Appointment Agreement

THIS SUB-AGENT APPOINTMENT AGREEMENT (the “Agreement”), dated as of August 1, 2019, is by and between SYRACUSE LABEL CO., INC., a corporation of the State of New York, having an office for the transaction of business at 200 Stewart Drive, North Syracuse, New York 13212 (the “Company”), and C&S DESIGN BUILD, INC., a corporation of the State of New York, having an office for the transaction of business at 499 Col. Eileen Collins Boulevard, Syracuse, NY 13212 (the “Sub-Agent”).

WITNESSETH:

WHEREAS, the Onondaga County Industrial Development Agency (the “Issuer”) was created by Chapter 435 of the Laws of 1970 of the State of New York (the “State”) and Chapter 676 of the Laws of 1975 of the State of New York, as amended pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York (collectively, the “Act”) as a body corporate and politic and as a public benefit corporation of the State of New York (the “State”); and

WHEREAS, by resolution of its members adopted on November 29, 2018 (the “Approving Resolution”), the Issuer authorized the Company to act as its agent for the purposes of undertaking a project for the benefit of the Company (the “2019 Project”) consisting of: acquisition or retention of an interest in approximately 6 acres of land located at 200 Stewart Drive (tax map no. 057.-02-40.0) in the Town of Cicero, Onondaga County, New York (the “Land”); (2) the construction of an approximately 23,000 square foot addition to, and reconstruction of, an existing approximately 60,000 square foot building (as expanded and renovated, the “2019 Building”) located on the Land; and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the “2019 Equipment”) (the Land, the 2019 Building and the 2019 Equipment being collectively referred to as the “2019 Project Facility”), such 2019 Project Facility to be used by the Company for manufacturing supply pressure sensitive labels, shrink sleeves, cartons, hang tags, roll fed-wrap labels, flexible packaging and other printed products; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes and real property taxes (subject to the limitations imposed by the Act) (collectively, the “2019 Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the 2019 Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, by the Approving Resolution, the Issuer delegated to the Company the authority to appoint sub-agents subject to the execution of a project agreement by and among the Company and the Issuer and compliance with the terms set forth therein;

WHEREAS, the Company and the Issuer entered into a Project Agreement by and between the Company and the Issuer dated as of August 1, 2019 (the “Project Agreement”);

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. The Company hereby appoints the Sub-Agent as an agent of the Issuer for the purpose of assisting the Company and the Issuer in the completion of the 2019 Project and benefitting from the State and local sales and use tax exemption relative to expenditures made in furtherance thereof. The Sub-Agent is only an agent of the Issuer for the aforementioned purposes. The Sub-Agent hereby agrees to limit its activities as agent for the Issuer under the authority of this Agreement to acts reasonably related to the completion of the 2019 Project Facility.

2. The Sub-Agent covenants, agrees and acknowledges:

a. To make all records and information regarding State and local sales and use tax exemption benefits claimed by it in connection with the 2019 Project available to the Company and the Issuer upon request. The Sub-Agent agrees to comply with all procedures and policies established by the State Department of Taxation and Finance, or any similar entity, regarding the documenting or reporting of any State and local sales and use tax exemption benefits, including providing to the Company all information of the Sub-Agent necessary for the Company to complete the State Department of Taxation and Finance's "Annual Report of Sales and Use Tax Exemptions" (Form ST-340).

b. To be bound by and comply with the terms and conditions of Section 875(3) of the Act as if such section were fully set forth herein. Without limiting the scope of the foregoing, the Sub-Agent acknowledges that pursuant to Section 875(3) of the Act, the Issuer shall recover, recapture, receive or otherwise obtain from the Sub-Agent the portion of the Financial Assistance (the "Recapture Amount") consisting of: (1) (a) that portion of the State sales and use tax exemption claimed by the Sub-Agent to which the Sub-Agent was not entitled, which is in excess of the amount of the State sales and use tax exemption authorized by the Issuer or which is for property or services not authorized by the Issuer; or (b) the full amount of such State sales and use tax exemption claimed by the Sub-Agent, if the Sub-Agent fails to comply with a material term or condition regarding the use of the property or services as represented to the Issuer in the application to the Issuer in regard to the 2019 Project or otherwise; and (2) any interest or penalties thereon imposed by the Issuer or by operation of law or by judicial order or otherwise.

c. That the failure of the Sub-Agent to promptly pay such Recapture Amount to the Issuer will be grounds for the State Commissioner of Taxation and Finance to collect sales and use taxes from the Sub-Agent under Article 28 of the Tax Law, together with interest and penalties. In addition to the foregoing, the Sub-Agent acknowledges and agrees that for purposes of exemption from State sales and use taxation, "sales and use taxation" shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the Tax Law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

d. That all purchases made by the Sub-Agent in connection with the 2019 Project shall be made using "IDA Agent or Project Operator Exempt Purchase Certificate"

(Form ST-123, a copy of which is attached hereto as Exhibit A), and it shall be the responsibility of the Sub-Agent (and not the Issuer) to complete Form ST-123. The Sub-Agent acknowledges and agrees that it shall identify the 2019 Project on each bill and invoice for such purchases and further indicate on such bills or invoices that the Sub-Agent is making purchases of tangible personal property or services for use in the 2019 Project as agent of the Issuer. For purposes of indicating who the purchaser is, the Sub-Agent acknowledges and agrees that the bill of invoice should state, "I, C&S Design Build, Inc., certify that I am a duly appointed agent of the Onondaga County Industrial Development Agency and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my Sub-Agent Appointment Agreement." The Sub-Agent further acknowledges and agrees that the following information shall be used by the Sub-Agent to identify the 2019 Project on each bill and invoice: Syracuse Label Co., Inc. Project; 200 Stewart Drive, Town of Cicero, Onondaga County, New York; IDA Project No.: 3101-18-05B.

e. That the Sub-Agent shall indemnify and hold the Issuer harmless from all losses, expenses, claims, damages and liabilities arising out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the 2019 Project Facility (including any expenses incurred by the Issuer in defending any claims, suits or actions which may arise as a result of any of the foregoing), for such claims or liabilities that arise as a result of the Sub-Agent acting as agent for the Issuer pursuant to this Agreement or otherwise.

The Sub-Agent shall indemnify and hold the Issuer, its members, officers, employees and agents and anyone for whose acts or omissions the Issuer or any one of them may be liable, harmless from all claims and liabilities for loss or damage to property or any injury to or death of any person that may be occasioned subsequent to the date hereof by any cause whatsoever in relation only to Sub-Agent's work on or for the 2019 Project Facility, including any expenses incurred by the Issuer in defending any claims, suits or actions which may arise as a result of the foregoing.

The foregoing defenses and indemnities shall survive expiration or termination of this Agreement and shall apply whether or not the claim, liability, cause of action or expense is caused or alleged to be caused, in whole or in part, by the activities, acts, fault or negligence of the Issuer, its members, officers, employees and agents, anyone under the direction and control of any of them, or anyone for whose acts or omissions the Issuer or any of them may be liable, and whether or not based upon the breach of a statutory duty or obligation or any theory or rule of comparative or apportioned liability, subject only to any specific prohibition relating to the scope of indemnities imposed by statutory law.

f. That as agent for the Issuer or otherwise, the Sub-Agent will comply at the Sub-Agent's sole cost and expense with all the requirements of all federal, state and local laws, rules and regulations of whatever kind and howsoever denominated applicable to the Sub-Agent with respect to the 2019 Project Facility.

g. That Section 875(7) of the Act requires the Issuer to post on its website all resolutions and agreements relating to the Sub-Agent's appointment as an agent of the Issuer or otherwise related to the 2019 Project, including this Agreement, and that Public Officers Law

Article 6 declares that all records in the possession of the Issuer (with certain limited exceptions) are open to public inspection and copying. If the Sub-Agent feels that there is information about the Sub-Agent in the Issuer's possession which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the Sub-Agent's competitive position, the Sub-Agent must identify such elements in writing, supply same to the Issuer prior to or contemporaneously with the execution hereof and request that such elements be kept confidential in accordance with Public Officers Law Article 6. Failure to do so will result in the posting by the Issuer of all information in accordance with Section 875 of the Act.

3. Failure of the Sub-Agent to comply with any of the provisions of this Agreement shall result in the immediate nullification of the appointment of the Sub-Agent and the immediate termination of this Agreement and may result in the loss of the Sub-Agent's or the Company's State and local sales and use tax exemption with respect to the 2019 Project at the sole discretion of the Issuer. In addition, such failure may result in the recapture of the State and local sales and use taxes avoided.

4. The Company acknowledges that the assumption of certain obligations by the Sub-Agent in accordance with this Agreement does not relieve the Company of its obligations under any provisions of the Approving Resolution, the Installment Sale Agreement, as amended, by and between the Company and the Issuer dated as of August 1, 2019, the Project Agreement or of any other agreement entered into by the Company in connection with the 2019 Project.

5. The Company and the Sub-Agent agree that the Issuer is a third-party beneficiary of this Agreement.

6. This Agreement shall be in effect until the earlier of: (i) the completion of the work on the 2019 Project by the Sub-Agent; or (ii) the Sub-Agent's loss of status as an agent of the Issuer as set forth herein. Notwithstanding the foregoing, the provisions of Sections 2(b), 2(c) and 2(e) shall survive the termination of this Agreement.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the Company and the Sub-Agent have caused this Agreement to be executed in their respective names by their respective duty authorized officers, all as of the day and year first above written.

SYRACUSE LABEL CO., INC.
a New York corporation

By: Kathy Alaimo
Kathy Alaimo
President

C&S DESIGN BUILD, INC.

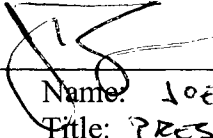
By: 
Name: JOE RYAN
Title: PRESIDENT

Exhibit A to Sub-Agent Appointment Agreement

Form ST-123
(see attached)



New York State Department of Taxation and Finance
New York State Sales and Use Tax

ST-123
(7/14)

**IDA Agent or Project Operator
Exempt Purchase Certificate**

Effective for projects beginning on or after June 1, 2014

This certificate is not valid unless all entries have been completed.

Note: To be completed by the purchaser and given to the seller. Do not use this form to purchase motor fuel or diesel motor fuel exempt from tax. See Form FT-123, *IDA Agent or Project Operator Exempt Purchase Certificate for Fuel*.

| | | | | | |
|--|-------|----------|-----------------------------------|-------|----------|
| Name of seller | | | Name of agent or project operator | | |
| Street address | | | Street address | | |
| City, town, or village | State | ZIP code | City, town, or village | State | ZIP code |
| Agent or project operator sales tax ID number (see instructions) | | | | | |

Mark an X in one: Single-purchase certificate Blanket-purchase certificate (valid only for the project listed below)

To the seller:

You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

Project information

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my agreement with the IDA.

| | | |
|---|-------------------------------------|----------|
| Name of IDA | | |
| Name of project | IDA project number (aka OSC number) | |
| Street address of project site | | |
| City, town, or village | State | ZIP code |
| Enter the date that you were appointed agent or project operator (month/year) | / | / |
| Enter the date that agent or project operator status ends (month/year) | / | / |

Exempt purchases

(Mark an X in boxes that apply)

- A. Tangible personal property or services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) used to complete the project, but not to operate the completed project
- B. Certain utility services (gas, propane in containers of 100 pounds or more, electricity, refrigeration, or steam) used to complete the project, but not to operate the completed project
- C. Motor vehicle or tangible personal property installed in a qualifying motor vehicle

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that state and local sales and use taxes do not apply to a transaction or transactions for which I rendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to, the vendor as agent for the Tax Department for the purposes of Tax Law section 1838 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

| | |
|---|------|
| Signature of purchaser or purchaser's representative (include title and relationship) | Date |
| Type or print the name, title and relationship that appear in the signature box | |

Instructions

To the purchaser

You may use Form ST-123 if you

- have been appointed as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from sales and use tax as described in the IDA contract.

You may use Form ST-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed.

Agent or project operator sales tax ID number — If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter *N/A*.

Industrial development agencies and authorities (IDAs) are public benefit corporations under General Municipal Law Article 18-A and the Public Authorities Law, for the purpose of promoting, developing, encouraging, and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreational facilities in New York State.

IDAs are exempt from the payment of sales and use tax on their purchases, in accordance with Tax Law section 1116(a)(1). However, IDAs do not normally make direct purchases for projects. Commonly, IDAs instead appoint a business enterprise or developer, contractor, or subcontractor as its agent or project operator. Such purchases made by the agent or project operator, acting within the authority granted by the IDA, are deemed to be made by the IDA and therefore exempt from tax.

Example 1. IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment necessary for completion of the project, as agent for the IDA. Contractor X rents a backhoe and a bulldozer for site preparation, purchases concrete and lumber to construct a building, and purchases machinery to be installed in the building. All these purchases by contractor X as agent of the IDA are exempt from tax.

Example 2. IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment to be incorporated into the project, as agent for the IDA. Contractor X makes the same purchases as in Example 1. Since the concrete, lumber, and machinery will actually be incorporated into the project, contractor X may purchase these items exempt from tax. However, rental of the backhoe and bulldozer is not exempt since these transactions are normally taxable and the IDA agreement does not authorize contractor X to make such rentals as agent of the IDA.

A contractor or subcontractor not appointed as agent or project operator of an IDA must present suppliers with Form ST-120.1, *Contractor Exempt Purchase Certificate*, when making purchases that are ordinarily exempt from tax in accordance with Tax Law sections 1115(a)(15) and 1115(a)(16). For more information, see Form ST-120.1.

Exempt purchases

To qualify, the purchases must be made within the authority granted by the IDA and used to complete the project (not to operate the completed project).

- Mark box A to indicate you are purchasing tangible personal property and services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) exempt from tax.
- Mark box B to indicate you are purchasing certain consumer utility services used in completing the project exempt from tax. This includes gas, electricity, refrigeration and steam; and gas, electric, refrigeration, and steam services.
- Mark box C to indicate you are purchasing a motor vehicle or tangible personal property related to a qualifying motor vehicle exempt from tax.

Misuse of this certificate

Misuse of this exemption certificate may subject you to serious civil and criminal sanctions in addition to the payment of any tax and interest due. These include:

- A penalty equal to 100% of the tax due.
- A \$50 penalty for each fraudulent exemption certificate issued.
- Criminal felony prosecution punishable by a substantial fine and a possible jail sentence, and
- Revocation of your *Certificate of Authority*. If you are required to be registered as a vendor. See TSB-M-09(17)E, *Amendments that Encourage Compliance with the Tax Law and Enhance the Tax Department's Enforcement Ability*, for more information.

To the seller

When making purchases as agent or project operator of an IDA, the purchaser must provide you with this exemption certificate with all entries completed to establish the right to the exemption. You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

As a New York State registered vendor, you may accept an exemption certificate in lieu of collecting tax and be protected from liability for the tax if the certificate is valid. The certificate will be considered valid if it is:

- accepted in good faith,
- in your possession within 90 days of the transaction, and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or is fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.

You must also maintain a method of associating an invoice (or other source document) for an exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates or the date the return was filed, if later.

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our Web site, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

Need help?



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(for persons with hearing and speech disabilities using a TTY): (518) 485-6082