

NOTICE OF PUBLIC HEARING  
ON PROPOSED PROJECT  
AND FINANCIAL ASSISTANCE  
RELATING THERETO

Notice is hereby given by the Counties of Warren and Washington Industrial Development Agency (the "Agency") that a public hearing (the "Public Hearing") pursuant to Section 859-a of the General Municipal Law of the State of New York (the "Act") and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") will be held by the Agency on the 11<sup>th</sup> day of August, 2022 at 4:00 o'clock p.m., local time, in connection with the Morcon, Inc. Project, as described below. The Public Hearing will be held electronically via video conference call. Members of the public may attend the Public Hearing by viewing and commenting on the Project and the benefits to be granted to Morcon, Inc., a New York State business corporation (the "Company") by the Agency during the Public Hearing by joining the Zoom meeting or calling in:

Join Zoom Meeting

<https://us02web.zoom.us/j/87557986397?pwd=MnJTZzgyclBIL1JvcjdJM2d1dWRJQT09>

Meeting ID: 875 5798 6397

Passcode: 689666

One tap mobile

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+16465588656,,87557986397#,,, \*689666# US (New York)

Dial by your location

+1 646 931-3860 US (New York)

Meeting ID: 875 5798 6397

Passcode: 689666

Comments may also be submitted to the Agency in writing or electronically. Minutes of the Public Hearing will be transcribed and posted on the Agency's website.

The Company has submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest or interests in a parcel of land located at 62 Owl Kill Road, in the Town of Eagle Bridge, Washington County, New York (the "Land"), together with the existing building located on the Land and known as the Morcon, Inc. Corporate Headquarters and Manufacturing Site (the "Facility"); (2) the reconstruction and renovation of the Facility in three phases including (a) the construction of an approximately 40,000 square foot expansion for material storage and distribution at the Facility (the "First Expansion"), (b) the construction of an approximately 15,000 square foot expansion for reshoring of paper production at the Facility (the "Second Expansion," and collectively with the First Expansion, the "Expansions"), and (c) the installation of an updated sprinkler system and water storage system to service the completed Facility and Expansions (the "Water System," and collectively with the Expansions, the "Additions"), and (3) the acquisition and installation thereon and therein of various machinery and equipment (the "Equipment") (the Land, the Facility, the Equipment and the Additions hereinafter collectively referred to as the "Project Facility"), all of the foregoing to constitute, when complete, a manufacturing facility containing approximately 70,000 square feet of space to be owned and operated by the Company for the purpose of converting towel, tissue, and napkin products and other directly or indirectly related activities; (B) the financing of all or a portion of the costs of the foregoing by the

issuance of taxable and/or tax-exempt revenue bonds of the Agency in one or more issues or series in an aggregate principal amount sufficient to pay all or a portion of the cost of undertaking the Project, together with necessary incidental costs in connection therewith, presently estimated to equal approximately \$13,825,000, but in any event not to exceed \$18,000,000 (the “Obligations”); (C) the payment of a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; (D) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, deed transfer taxes, mortgage recording taxes and real property taxes (collectively with the Obligations, the “Financial Assistance”); and (E) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

The Agency is considering whether (A) to undertake the Project, (B) to finance the Project by issuing, from time to time, the Obligations, (C) to use the proceeds of the Obligations to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith, and (D) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Agency with respect to the Project in the office of the County Clerk of Washington County, New York or elsewhere, (2) exemption from transfer taxes on any real estate transfers, if any, with respect to the Project, (3) exemption from sales taxes relating to the acquisition, construction, equipping and installation of the Project Facility, and (4) in the event that the Project Facility would be subject to real property taxation if owned by the Company but shall be deemed exempt from real property taxation due to the involvement of the Agency therewith, exemption from real property taxes (but not including special assessments and special ad valorem levies), if any, with respect to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility. If any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency’s uniform tax exemption policy, the Agency will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

If issuance of the Obligations is approved, interest on the Obligations will not be excludable from gross income for federal income tax purposes unless (A) pursuant to Section 147(f) of the Code and the regulations of the United States Treasury Department thereunder (the “Treasury Regulations”), the issuance of the Obligations is approved by the Board of Supervisors of Washington County, New York after the Agency has held a public hearing on the nature and location of the Project Facility and the issuance of the Obligations; (B) pursuant to Section 144(a)(12) of the Code, at least ninety-five percent (95%) of the net proceeds of the Obligations are used to provide a “manufacturing facility,” as defined in Section 144(a)(12)(C) of the Code; and (C) pursuant to Section 146 of the Code, there is allocated to the Obligations a portion of the private activity bond volume cap of the Agency and/or the State of New York sufficient to equal the face amount of the Obligations.

If the Agency determines to proceed with the Project and the issuance of the Obligations, (A) the Project Facility will be leased (with an obligation to purchase) or sold by the Agency to the Company or its designee pursuant to a project agreement (the “Agreement”) requiring that the Company or its designee make payments equal to debt service on the Obligations and make certain other payments to the Agency and (B) the Obligations will be a special obligation of the Agency payable solely out of certain of the proceeds of the Agreement and certain other assets of the Agency pledged to the repayment of the Obligations. **THE OBLIGATIONS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR WARREN OR WASHINGTON COUNTIES, NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR WARREN OR WASHINGTON COUNTIES, NEW YORK SHALL BE LIABLE THEREON.**

The Agency has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the “SEQR Act”) regarding the potential environmental impact of the Project.

The Agency will at said time hear all persons with views on either the location and nature of the proposed Project, or the Financial Assistance being contemplated by the Agency in connection with the proposed Project. A copy of the Application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Agency. A transcript or summary report of the hearing will be made available to the members of the Agency.

Additional information can be obtained from, and written comments may be addressed to: Dave O'Brien, Chairman, Counties of Warren and Washington Industrial Development Agency, 5 Warren Street, Suite 210, Glens Falls, New York 12801; Telephone: 518-792-1312 and electronically at [info@warren-washingtonida.com](mailto:info@warren-washingtonida.com).

Dated: July 29, 2022.

COUNTIES OF WARREN AND WASHINGTON  
INDUSTRIAL DEVELOPMENT AGENCY

BY: /s/ David O'Brien  
Chairman