

II. PROJECT

A. Address of proposed project facility

Address: 30 Becker Road

Tax Map Parcel Number: 188.02-1-67

City/Town/Village: West Henrietta

School District: Rush-Henrietta

Zip: 14586

Current Legal Owner of Property:

Erie Station 30 LLC

B. Benefits Requested (Check all that apply)

- Sales Tax Exemption
- Mortgage Recording Tax Exemption
- Real Property Tax Abatement
- Industrial Revenue Bond Financing

C. Description of project (check all that apply)

- New Construction
- Existing Facility
 - Acquisition
 - Expansion
- Renovation/Modernization
- Acquisition of machinery/equipment
- Other (specify) _____

D. Proposed User(s)/Tenant(s) of the Facility

If there are multiple Users/Tenants, please attach additional pages.

Are the user and owner related entities? Yes No

Company Name: _____

Address: _____

City/State/Zip: _____

Tax ID No: _____

Contact Name: _____

Title: _____

Telephone: _____

Email: _____

% of facility to be occupied by user/tenant _____

E. Owners of User/Tenant Company (must total 100%)

If an LLC, LP or similar, all members/partners must be listed

Name	%	Corporate Title
<u>Vuzix</u>	<u>100 %</u>	_____
_____	_____ %	_____
_____	_____ %	_____
_____	_____ %	_____

F. Project Timeline

Proposed Date of Acquisition: 10/01/22

Proposed Commencement Date of Construction: 10/20/22

Anticipated Completion Date: 04/30/23

G. Contractor(s)

Nichols Construction Team

II. PROJECT (cont'd)

- H. Would the project be undertaken without financial assistance from the Agency? Yes No

Please explain why financial assistance is necessary.

We are planning to ramp up our current manufacturing capacity and have a need to immediately expand our manufacturing footprint by: (i) leasing part of an existing building (12,000 +/- sq.ft.), (ii) purchasing capital equipment/construction costs (~\$8.3mm), and (iii) by hiring additional employees that would increase our head count from ~92 to around ~116 employees in Monroe County. We do have other possible locations for this project outside of NYS, However, our preference is to remain right here in West Henrietta.

- I. Are other facilities or related companies located within New York State?

Yes No

Location:

25 Hendrix Road

Will the Project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state? Yes No

Will the Project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

Yes No

If Yes to either question, explain how the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Applicant or User's competitive position in its respective industry:

- J. State Environmental Quality Review (SEQR) Act Compliance

COMIDA, in granting assistance to the Applicant, is required to comply with the New York State Environmental Quality Review Act (SEQR).

Does the proposed project require discretionary permit, license or other type of approval by the state or local municipality?

YES - Include a copy of any SEQR documents related to this Project including Environmental Assessment Form, Final Determination, Local Municipality Negative Declaration, etc.

NO

II.PROJECT (cont'd)

K. DESCRIPTION OF THE PROJECT AND BACKGROUND ON USER(S) OF THE FACILITY

NAICS Code: 334118

Vuzix is engaged in the design, manufacture, marketing and sale of wearable computing devices and augmented reality wearable display devices, also referred to as head mounted displays (or HMDs), heads-up displays (HUDs) or near-eye displays, in the form of Smart Glasses and Augmented Reality (AR) glasses. Vuzix wearable display devices are worn like eyeglasses or attach to a head-worn mount. These devices typically include cameras, sensors, and a computer that enable the user to view, record and interact with video and digital content, such as computer data, the internet, social media or entertainment applications. Our wearable display products integrate display technology with our advanced optics to produce compact high-resolution display engines, less than half an inch diagonally, which when viewed through our Smart Glasses products create virtual images that appear comparable in size to that of a computer monitor or a large-screen television.

Phase 1 - Ramp: Purchase of a state-of-the-art custom-made nano replication equipment (two production lines) to make waveguides (a key component in the manufacturing of Smart Glasses) for use in our heads up displays. The Company is exploring site location placement of this expansion, our preferred location is part of an existing building (12,000 +/- sq.ft.) adjacent to our current facility. This project would take up to two years and is planned to create more than 24 new hi-tech manufacturing and engineering jobs.

Phase 2 - An extension of Phase 1 (timing would be out 1-2 years and not part of this current application) would include an additional three production lines, additional building space of 28,000 +/- sq.ft., and up to an additional 45 new employees.

III. PROPERTY TAX ABATEMENT/PAYMENT IN LIEU OF TAX AGREEMENT (PILOT)

Check One:

JOBSPLUS

Requirements:

- Applicant must commit to a 10% increase in full-time equivalent employment, measured on the existing impacted employee base, over a 3 year period. The required number of jobs is _____.

LEASEPLUS

Requirements:

- University and/or medical related facilities in which a 501(c)3 entity leases from a for-profit entity.
- Company must commit to a 10% increase in full-time equivalent employment, measured on the existing impacted employee base, over a 3 year period. The required number of jobs is _____.

ENHANCED JOBSPLUS

Requirements:

- A minimum \$15 million investment **AND**
- A minimum of 100 new jobs

GREEN JOBSPLUS

Requirements:

- LEED® Certification – Project must be rated as Certified, Gold, Silver or Platinum by the United States Green Building Council's Leadership in Energy and Environmental Design (LEED®) Green Building Rating System.
- Company must commit to a 10% increase in full-time equivalent employment, measured on the existing impacted employee base, over a 3 year period. The required number of jobs is _____.

SHELTER RENT

For student housing or affordable housing projects.

Local Tax Jurisdiction Sponsored PILOT

NO PROPERTY TAX ABATEMENT IS SOUGHT FOR THIS PROJECT

IV. APPLICANT PROJECT COSTS

A. Estimate the costs necessary for the construction, acquisition, rehabilitation, improvement and/or equipment of the project by the APPLICANT.

Building Construction or Renovation

- a. Materials a. \$ _____
- b. Labor b. \$ _____

Site Work

- c. Materials c. \$ _____ 240,000
- d. Labor d. \$ _____ 160,000
- e. Non-Manufacturing Equipment e. \$ _____
- f. Manufacturing Equipment f. \$ _____ 3,800,000
- g. Equipment Furniture and Fixtures g. \$ _____ 100,000
- h. Land and/or Building Purchase h. \$ _____
- i. Soft Costs (Legal, Architect, Engineering) i. \$ _____ 53,200
- Other (specify) j. _____ j. \$ _____
- k. _____ k. \$ _____
- l. _____ l. \$ _____
- m. _____ m. \$ _____

Total Project Costs \$ _____ 4,353,200
(must equal Total Sources)

B. Sources of Funds for Project Costs:

- a. Tax-Exempt Industrial Revenue Bond a. \$ _____
- b. Taxable Industrial Revenue Bond b. \$ _____
- c. Bank Financing c. \$ _____
- d. Public Sources d. \$ _____

Identify each state and federal grant/credit

_____ \$ _____
 _____ \$ _____
 _____ \$ _____
 _____ \$ _____

e. Equity \$ _____ 4,353,200
TOTAL SOURCES \$ _____ 4,353,200
(must equal Total Project Costs)

C. Has the applicant made any arrangements for the financing of this project

Yes No

If yes, please specify bank, underwriter, etc.

N/A

V. COMPLETE FOR EACH USER/TENANT THAT IS SEEKING SALES TAX EXEMPTIONS USER(S)/TENANT(S) PROJECT COSTS

Use additional sheets as necessary

Company Name _____

A. Estimate the costs necessary for the construction, acquisition, rehabilitation, improvement, and/or equipping of the project by the user(s)/tenant(s) for which a sales tax exemption is requested.

Estimated Costs Eligible for Sales Tax Exemption Benefit

- a. Materials a. \$ _____
- b. Labor b. \$ _____
- c. Non-Manufacturing Equipment c. \$ _____
- d. Manufacturing Equipment d. \$ _____
- e. Furniture and Fixtures e. \$ _____
- Other (specify): f. _____ f. \$ _____
- g. _____ g. \$ _____
- h. _____ h. \$ _____
- i. _____ i. \$ _____

Total Project Costs \$ _____

VII. PROJECTED EMPLOYMENT

Complete for each Applicant or User/Tenant

Company Name: Vuzix Corporation

Applicant: or User/Tenant:

Applicant/Tenant creating jobs must submit most recent NYS-45 or equivalent.

	Current # of jobs at proposed project location or to be relocated to project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED upon THREE Years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon THREE Years after Project Completion **
Full time (FTE)	9	9	24	24
Part Time (PTE)				
Total	9	9	24	24

** For purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Labor Marker Area, in the fourth column. The Labor Marker Area includes: Monroe County, Orleans County, Genesee County, Wyoming County, Livingston County, Ontario County, Wayne County, Yates County, and Seneca County chosen at the Agency's discretion.

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VIII. LOCAL LABOR

To be completed by all Applicants and Users/Tenants of Projects which include the construction of new, expanded or renovated facilities:

Company Name Vuzix Corporation

Applicant: and/or User/Tenant:

The County of Monroe Industrial Development Agency (IDA) was established for the purpose of creating employment opportunities for, and to promote the general prosperity and economic welfare of the residents of Monroe County. The IDA offers economic incentives and benefits to qualified applicants who wish to locate or expand their businesses or facilities in Monroe County. When the IDA approves a project, it enters into agreements to extend these incentives and benefits to the applicant.

Construction jobs are vital to the overall employment opportunities and economic growth in Monroe County. The IDA believes that companies benefiting from its incentive programs should employ local laborers, mechanics, craft persons, journey workers, equipment operators, truck drivers and apprentices ("construction workers"), during the construction phase of projects.

RJO
Initial **100% Local Labor**
Applicants receiving IDA benefits **must** ensure that the it and/or its contractor/developer hire **100% of its construction workers from the local labor market.**

RJO
Initial **Local Labor Market**
For the purpose of this policy, the local labor market is defined as construction workers residing in the following counties in New York State: Monroe, Genesee, Livingston, Orleans, Ontario, Seneca, Steuben, Wayne, Wyoming and Yates.

RJO
Initial **Bid Processing**
Local participation in qualified projects receiving IDA economic incentives and benefits is vital to the economic growth of Monroe County. As such, all applicants/contractors/developers of a qualified project with a minimum \$5,000,000 investment must place any and all invitations to bid in the Builders Exchange of Rochester Plan Room (<https://robex.com/planroom/>) two weeks before the bids are due.

RJO
Initial **Monitoring**
A third-party auditing firm ("Project Monitor") will be engaged to monitor construction work commencing on the date benefits are granted by resolution of the IDA Board.

Once approved for IDA benefits, all applicants will be required to provide to the Project Monitor and the Exemption Processor (as hereinafter defined) the following information:

1. Contact information for the applicant's representative who will be responsible and accountable for providing information about the bidding and awarding of construction contracts relative to the applicant's project; and
2. Description of the nature of construction jobs created by the project, including in as much detail as possible, the number, type and duration of construction positions.

All Monroe County IDA projects are subject to local monitoring by the IDA and the Project Monitor. Proof of residency or copy of drivers' license shall be checked by the Project Monitor during the Project Monitor's periodic inspection of the project.

The Project Monitor shall issue a report to the IDA staff immediately when an applicant or applicant's contractor is not in compliance with this labor policy. IDA staff shall advise the IDA Board of non-compliance by email or at the next scheduled meeting. If a violation of policy has occurred, the Project Monitor shall notify the applicant and contractor of such non-compliance and give applicant a warning of violation and 72 hours in which to correct such violation. Upon evidence of continued non-compliance or additional violations, the IDA and/or the Project Monitor shall notify the applicant that the project is in violation of the Monroe County IDA Labor Policy and is subject to IDA Board action which may result in the revocation, termination and/or recapture of any or all benefits conferred by the IDA.

IX. FEES

Transaction Type	Fees
Lease/Leaseback including any/all of the following: 1. PILOT Agreement 2. Sales and Tax Exemption* 3. Mortgage Tax Exemption	Application Fee: Non-refundable \$350.00 IDA Fee: 0.75% of the total project cost Legal Fee: 0.33% of the IDA fee. Minimum fee of \$4,000.
Sales Tax Exemption* and/or Mortgage Recording Tax Exemption	Application Fee: Non-refundable \$350.00 IDA Fee: 0.50% of the total project cost Legal Fee: 0.33% of the IDA fee. Minimum fee of \$4,000 if transaction includes mortgage recording tax exemption. Minimum fee of \$750 if transaction is sales tax exemption only.
Bond: Taxable or Tax-Exempt with Lease/Leaseback Including any/all of the following: 1. PILOT Agreement 2. Sales Tax Exemption* 3. Mortgage Tax Exemption	Application fee: Non-refundable \$350 IDA Fee: 1.25% of the total project cost Legal Fee: 0.33% of IDA fee Designated Bond Counsel fee is based on the complexity and amount of the transaction
Bond: Taxable or Tax-Exempt	Application fee: Non-refundable \$350 IDA Fee: 1.00% of the total project cost Legal fee: 0.33% of the IDA fee Designated Bond Counsel fee is based on the complexity and amount of the transaction.

*If the sales tax benefits are required prior to closing, a non-refundable twenty-five percent (25%) of the IDA fee and Legal fees are payable at that time. This amount will be applied towards the IDA fee and Legal fee.

Vuzix Corporation

(APPLICANT COMPANY)

Robert J. Orr Digitally signed by Robert J. Orr
Date: 2022.09.17 10:54:18 -04'00' Dir of Fin Rep 09/17/2022

Signature , Title Date

(TENANT COMPANY)

Signature , Title Date

X. CERTIFICATION

The undersigned company officer and/or user/tenant officer each hereby certifies, on behalf of the company and/or user/tenant, respectively (each singularly and together, the "Applicant"), as follows:

- A. The information contained in this Application, including employment information, is true and correct. The Applicant is aware that any material misrepresentation made in this Application constitutes an act of fraud, resulting in revocation of COMIDA benefits.
- B. The undersigned, on behalf of the Applicant, hereby certifies that the Applicant, and all parties which have ownership of the Applicant are current and will remain current on all real property, federal, state, sales, income and withholding taxes throughout the term of any agreements made in connection with this Application.
- C. Compliance with N.Y. GML Sec. 862(1): Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:
 § 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.
- D. Compliance with Applicable Laws: The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- E. False and Misleading Information: The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
- F. Recapture: Should the Applicant not expend as projected or hire as presented, the Agency may view such information/status as failing to meet the established standards of economic performance. In such events, some or all of the benefits taken by the Applicant will be subject to recapture.
- G. Pay Equity: The Applicant and/or user/tenant officer certifies on behalf of the company and/or user/tenant (the Applicant) has not been the subject of an adverse finding under the equal pay laws within the previous five years, has disclosed any pending equal pay claims against the company at time of application, and shall disclose to COMIDA any pending claims or adverse findings under the equal pay laws during the term of COMIDA financial assistance agreement.
- H. Applicant hereby releases the COMIDA ("Agency") from, agrees that the Agency shall not be liable for, and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, this Application, regardless of whether or not this Application or the Project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Agency; (B) the Agency's acquisition, construction, renovation and/or equipping of the Project described herein; and (C) any further action taken by the Agency with respect to the Project; including, without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law, that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency in connection with the Project may be subject to recapture by the Agency under such terms and conditions as will be set forth in the Agent Agreement to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this Application, including without limitation, information regarding the amount of New York State and local sales and use tax exemption benefits, is true, accurate and complete.

APPLICANT COMPANY

Vuzix Corporation

Robert J. Orr Digitally signed by Robert J. Orr Date: 2022.09.12 16:13:24 -04'00' Dir of Fin Rep 09/17/2022

Signature, Title Date

TENANT COMPANY

Signature, Title Date

Monroe County Industrial Development Agency

MRB Cost Benefit Calculator



Date: October 18, 2022
 Project Title: Vuzix Corporation
 Project Location: 30 Becker Road

Economic Impacts

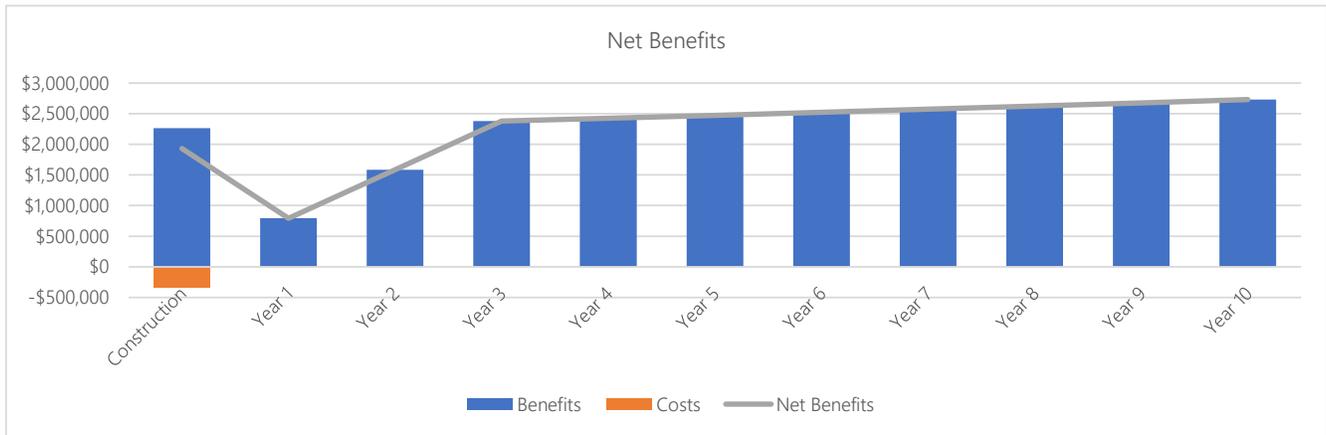
Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
 \$4,353,200

		Temporary (Construction)		
		Direct	Indirect	Total
Jobs		17	12	29
Earnings		\$1,440,167	\$696,783	\$2,136,950
Local Spend		\$3,482,560	\$2,074,668	\$5,557,228

		Ongoing (Operations)		
		Direct	Indirect	Total
Jobs		24	13	37
Earnings		\$14,928,962	\$6,584,838	\$21,513,800

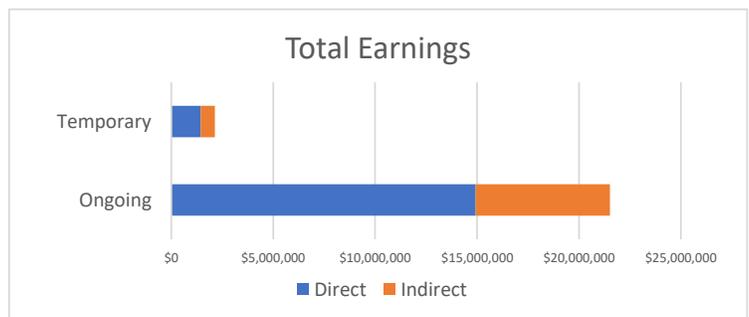
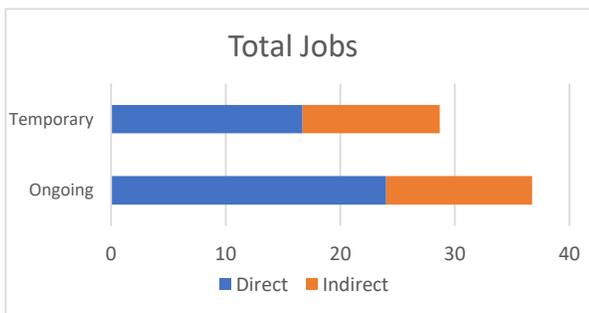
Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$0	\$0
Sales Tax Exemption	\$331,200	\$331,200
Local Sales Tax Exemption	\$165,600	\$165,600
State Sales Tax Exemption	\$165,600	\$165,600
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
Total Costs	\$331,200	\$331,200

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$23,816,305	\$21,381,932
To Private Individuals	\$23,650,750	\$21,233,299
Temporary Payroll	\$2,136,950	\$2,136,950
Ongoing Payroll	\$21,513,800	\$19,096,349
Other Payments to Private Individuals	\$0	\$0
To the Public	\$165,555	\$148,633
Increase in Property Tax Revenue	\$0	\$0
Temporary Jobs - Sales Tax Revenue	\$14,959	\$14,959
Ongoing Jobs - Sales Tax Revenue	\$150,597	\$133,674
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$1,229,839	\$1,104,132
To the Public	\$1,229,839	\$1,104,132
Temporary Income Tax Revenue	\$96,163	\$96,163
Ongoing Income Tax Revenue	\$968,121	\$859,336
Temporary Jobs - Sales Tax Revenue	\$14,959	\$14,959
Ongoing Jobs - Sales Tax Revenue	\$150,597	\$133,674
Total Benefits to State & Region	\$25,046,144	\$22,486,063

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$21,381,932	\$165,600	129:1
State	\$1,104,132	\$165,600	7:1
Grand Total	\$22,486,063	\$331,200	68:1

*Discounted at 2%

Additional Comments from IDA

Does the IDA believe that the project can be accomplished in a timely fashion? Yes