

CLOSING ITEM NO.: D-3

September 27, 2024

County of Lewis Industrial Development Agency
7551 South State Street
Lowville, New York 13367

Red Barn Meats, Inc.
9095 Briot Road
Croghan, New York 13327

Re: County of Lewis Industrial Development Agency
Lease/Leaseback Transaction
Red Barn Meats, Inc. Project

Ladies and Gentlemen:

We have acted as special counsel to County of Lewis Industrial Development Agency (the “Agency”), a public benefit corporation organized and existing pursuant to Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 62 of the 1973 Laws of New York, as amended, constituting Section 902-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”), in connection with the preparation, execution and delivery by the Agency of the following documents (the “Agency Documents”):

(1) a certain resolution adopted by the members of the Agency on September 5, 2024 (the “Approving Resolution”) authorizing the execution and delivery by the Agency of the Agency Documents in connection with a project (the “Project”) undertaken by the Agency for the benefit of Red Barn Meats, Inc. (the “Company”) consisting of the following: (A) (1) the acquisition of an interest in approximately 1.87 acres of land located at 9095 Briot Road (tax map number 147.00-01-18.210) and 9097 Briot Road (tax map number 147.00-01-18.100) in the Town of New Bremen, Lewis County, New York (collectively, the “Land”), together with three (3) existing buildings totaling approximately 5,624 square feet located thereon (collectively, the “Existing Facility”), (2) the renovation of the Existing Facility and the construction on the Land of an approximately 6,020 square foot facility (the “New Facility” and collectively with the Existing Facility, the “Facility”) and (3) the acquisition and installation of various machinery and equipment therein and thereon (the “Equipment”) (the Land, the Facility and the Equipment hereinafter referred to as the “Project Facility”), all of the foregoing to be owned by the Company to be operated as a processing facility for the harvesting, processing and packaging of various meat products and other directly and indirectly related activities; (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 sales and use taxes, real property transfer taxes, mortgage recording taxes and real estate taxes (collectively, the “Financial Assistance”); and (C) the lease of the Project Facility to the Company pursuant to the terms of a lease agreement dated as of September 1, 2024 (the “Lease Agreement”) by and between the Company and the Agency;

- (2) the Lease Agreement;
- (3) a certain lease to Agency dated as of September 1, 2024 (the “Underlying Lease”) from the Company, as landlord to the Agency, as tenant;
- (4) a certain license agreement dated as of September 1, 2024 (the “License to Agency”) by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency (a) a license to enter upon the balance of the Land (the “Licensed Premises”) for the purpose of undertaking and completing the Project and (b) in the event of an occurrence of an Event of Default (or defined in the Lease Agreement) by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement;
- (5) a certain payment in lieu of tax agreement dated as of September 1, 2024 (the “Payment in Lieu of Tax Agreement”) by and between the Agency and the Company, pursuant to which the Company has agreed to make payments in lieu of taxes with respect to the Project Facility;
- (6) a certain recapture agreement dated as of September 1, 2024 (the “Section 875 GML Recapture Agreement”) by and between the Agency and the Company, required by the Act, regarding the recovery or recapture of certain sales and use taxes;
- (7) a sales tax exemption letter (the “Sales Tax Exemption Letter”) from the Agency to the Company; and
- (8) a certain uniform agency project agreement dated as of September 1, 2024 (the “Uniform Agency Project Agreement”) by and between the Agency and the Company regarding the granting of the financial assistance and the potential recapture of such assistance.

We have, as special counsel to the Agency, examined the executed counterparts of the Agency Documents and such certified proceedings as we deemed necessary to render this opinion. No opinion as to the validity and enforceability of the Agency Documents as they relate to the Company is expressed herein.

In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies. Furthermore, in rendering the following opinions, we have assumed that all documents executed by a person or persons other than the Agency have been duly executed and delivered by said other person or persons and that said documents, to the extent they create obligations, constitute legal, valid and binding obligations of said person or persons enforceable against said person or persons in accordance with their terms.

Based upon our examination of the foregoing and in reliance upon the matters and subject to the limitations contained herein, we are of the opinion, as of the date hereof and under existing law, as follows:

- (A) The Agency was duly created and is validly existing as a corporate governmental agency constituting a public benefit corporation of the State of New York with the corporate power to enter into and perform the Agency Documents and to grant the Financial Assistance.

(B) The Agency Documents have been duly authorized, executed and delivered by the Agency and are valid and binding special obligations of the Agency enforceable against the Agency in accordance with their respective terms, except as specified below.

Any opinion concerning the validity, binding effect or enforceability of any document (A) means that (1) such document constitutes an effective contract under applicable law, (2) such document is not invalid in its entirety under applicable law because of a specific statutory prohibition or public policy, and is not subject in its entirety to a contractual defense under applicable law and (3) subject to the following sentence, some remedy is available under applicable law if the person concerning whom such opinion is given is in material default under such document, but (B) does not mean that (1) any particular remedy is available under applicable law upon such material default or (2) every provision of such document will be upheld or enforced in any or each circumstance by a court applying applicable law. The validity, binding effect or enforceability of any document may be limited or otherwise affected by (A) any bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies generally or (B) the unavailability of, or any limitation on the availability of, any particular right or remedy (whether in a proceeding in equity or at law) because of the discretion of a court or because of any equitable principle, public policy, procedural requirement or requirement as to commercial reasonableness, conscionability or good faith.

We express no opinion with respect to (A) title to all or any portion of the Project Facility, (B) the priority of any liens, charges, security interests or encumbrances affecting the Project Facility or any part thereof (or the effectiveness of any remedy which is dependent upon the existence of title to the Project Facility or the priority of any such lien, charge, security interest or encumbrance), (C) any laws, regulations, judgments, permits or orders with respect to zoning, subdivision matters or requirements for the physical commencement and continuance of the acquisition, reconstruction, installation, occupancy or operation of the Project Facility or with respect to the requirement of filing or recording of any of the Agency Documents, or (D) the laws of any jurisdiction other than the State of New York.

Insofar as the foregoing opinions express or involve conclusions as to compliance by the Agency with the provisions of Article Eight of the Environmental Conservation Law of the State of New York, we have relied upon the accuracy of the conclusions contained in the resolution adopted by the members of the Agency on August 1, 2024 (the "SEQR Resolution") in which the Agency (A) concurred in the determination that the Town of New Bremen Town Board (the "Town Board") was designated to act as the "lead agency" with respect to the Project and (B) acknowledged receipt of a negative declaration from the Town Board issued on February 12, 2024 (the "Negative Declaration") in which the Town Board determined that that the Project will not have a "significant effect on the environment" and, therefore, that an "environmental impact statement" is not required to be prepared with respect to the Project; provided, however, that we are not passing upon nor do we assume any responsibility for the accuracy, completeness, or fairness of the statements, information or conclusions contained in the foregoing and we make no representation that we have independently verified the accuracy, completeness, or fairness of any such statements, information or conclusions.

We have not been requested to examine and have not examined any documents or information relating to the Company other than the documents hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof.

This opinion is rendered as of the date hereof, and no opinion is expressed as to matters referred to herein on any subsequent date.

Very truly yours,

HODGSON RUSS LLP

BY



Christopher C. Canada