

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Orange County Business Accelerator
4 Crotty Lane, Suite 100
New Windsor, NY 12553
Phone: 845-234-4192 Fax: 845-220-2228

Robert T. Armistead, Chairman
Mary Ellen Rogulski, Vice Chairman
Russell O. Vernon, Second Vice Chairman
Stephen Brescia, Secretary
John Steinberg, Jr., Assistant Secretary
Henry VanLeeuwen
Robert J. Schreibeis, Sr.

Joel Kleiman, Chief Financial Officer
Kevin Dowd, Attorney
Laurie Villasuso, Administrative Assistant

REVISED Agenda

PLEASE TAKE NOTICE, The Orange County Industrial Development Agency will hold a regularly scheduled meeting on July 17, 2013 at 3:00 p.m. in the Orange County Business Accelerator, 4 Crotty Lane, New Windsor, New York, to consider and/or act upon the following:

Order of Business

- **Roll Call**
- **Approval of the minutes from June 20, 2013 meeting**
- **Financial Reports and/or Requests for Payments**
- **New and Unfinished Business**
 - Chairman's Report
 - OCBA Report
 - OCP Report
 - Discussions
 - OCIDA Website
- **Resolutions**
 - Center for Global Advanced Manufacturing – Project Expenditure
 - Kikkerfrosch, LLC – Inducement Resolution
 - *Stewart FBI, LLC – Final Resolution
 - *CPG Partners, LP – Final Resolution
- **Such other and further business as may be presented**
- **Public Comments**
- **Adjournment**

Dated: July 15, 2013

Stephen Brescia, Secretary

By: Robert T. Armistead, Chairman

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

June 20, 2013

A regular meeting of the Orange County Industrial Development Agency was convened in public session on June 20, 2013 at 1:30 P.M. at the Orange County Business Accelerator in New Windsor, New York.

The meeting was called to order by the Chairman, Robert Armistead, and upon roll being called, the following were:

PRESENT: Robert Armistead, Mary Ellen Rogulski, Russell Vernon, John Steinberg [Stephen Brescia, Robert Schreibeis, and Henry VanLeeuwen joining past roll call]

ABSENT: None

ALSO PRESENT: Kevin Dowd – Attorney
Laurie Villasuso – Administrative Assistant
Charles Schachter – Harris Beach
James O'Donnell
Maureen Halahan – Orange County Partnership
Michael Sullivan – Orange County Partnership
Brian Gates – HVEDC
Peter Malone – Orange County Business Accelerator
James Petro – Town of New Windsor
Michael Huntress – Stewart FBI LLC/Acquest Development
Vincent Cozzolino – Center for Global Advanced Manufacturing
Carl Meyer – Center for Global Advanced Manufacturing
Jim Reeks – Bette & Cring
Matt Bette – Bette & Cring
Laurent Rejto – Hudson Valley Film Commission
Steve Perfit – UCIDA
Henry Keller – GE Capital
Jamie Halas – GE Capital
Michael Mayfield – Monroe Cable
Abraham Weider – Monroe Cable
Lucy Joyce – Cornell Cooperative Extension
Bernadette Reichle – Cornell Cooperative Extension
John Villapiano – Simon Property Group
Louis D'Arminio – Price, Meese, Shulman & D'Arminio
James Walsh – Times Herald Record

Chairman Armistead calls the meeting for the Orange County IDA, June 20, 2013 (Pledge of Allegiance is recited). Board consists of five members. There is a quorum.

Review of the prior May 15 and May 28, 2013 meeting minutes. Motion made by Vernon, seconded by Steinberg, to approve the minutes as presented. Motion carries with all in favor.

Roll Call taken.

Financial Reports and/or Requests for Payment

With Mr. Kleiman absent, Chairman Armistead asks the Board Members to review the provided Income and Expense summary, in addition to the Bank Balance report. The Board Members have no questions, and Chairman Armistead moves on the review the revised voucher list.

Motion made by Rogulski, seconded by Vernon, that the Board accepts the financial report and authorization of payments and vouchers for June 2013. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman's Report

Chairman Armistead begins his report by addressing the Board, and noting that many applications have been coming into the IDA office at the last minute. When applications are received at the last minute, it creates an issue distributing the applications to the Members for review. Chairman Armistead advises the room that he would like the IDA to institute a deadline for application submission: Any applications must be received by the IDA office at least ten (10) days before the IDA meeting. Mr. Vernon agrees, and notes that it helps the members and the applicant; when the Board has a chance to fully review the application, they can contact the applicant with any questions or issues present, and have them addressed prior to the meeting.

Along those same lines, Chairman Armistead adds that any requests for payments from projects and/or vendors should be received by the IDA ten days prior to the meeting.

[Mr. Schreibeis enters the meeting]

Chairman Armistead moves on to note that IDA offices have relocated out of the 911 center in Goshen and into the Orange County Business Accelerator. He adds that he and Mr. Dowd met with Ms. Villasuso to discuss the transition. He advises the members that there will be some purchases coming up, including a postage meter and computers, in addition to creating a new IDA website.

OCBA Report

Mr. Gates advises the Board that the OCBA website is being redesigned, and the new version of the site should be available within the next few weeks. In addition to the website, Mr. Gates notes, attraction posters have been created and will be displayed throughout the county. HVEDC held an event at SUNY New Paltz called HV3D, regarding the up and coming 3D printing industry. The Accelerator's Business Challenge winner, Free Thought Design, was featured at the event. In their continued effort to hold events in conjunction with the Orange County Chamber, there will be an education series in July, Business Plan and Marketing Plan events. Some events will take place at the Accelerator, some will take place at the Chamber.

Moving onto client news, Mr. Gates notes that Connected Contractors will take over the vacant Roadlok suite in the Accelerator, and Mr. Malone notes that he's been talking with a few potential clients. One is a company out of VA in the document destruction business, a DOD-approved vendor looking to move into NYS. The other is a robotics company looking for space. There is also an ENT Doctor interested in starting a new company helping hospitals meet the new requirements of the Affordable Health Act.

Mr. Steinberg asks what has happened to Roadlok, and is advised that they have left the space in order to consolidate their company on the west coast, in CA.

Misters Malone and Gates are associated with the Business Incubator Association of NY, and attended an event in Syracuse. There is an incubator piece to the Start Up New York Tax Free Initiative, and while the legislation still has to go through, there is a potential to see if the Accelerator can be part of the Tax Free Initiative and program. He adds that he would like to add a student connection to the Accelerator.

Offering a commercial kitchen update, Mr. Malone advises that he is waiting for a consulting proposal from the person in charge of the Entrepreneur Space kitchen. Once her proposal is received, they can address the Armory as the proposed site.

Mr. Gates notes that HVEDC will hold an event on cyber security on October 1st.

Mr. Vernon asks to be supplied with the Business Incubator legislation. Mr. Gates confirms that he will forward it once he has all of the information.

[Mr. Brescia enters the meeting]

OCP Report

Ms. Halahan introduces Mike Sullivan, OCP's new director of Business Attraction.

For her report, Ms. Halahan begins by showing the members a list of the OCP leads to date. She adds that she would like to discuss the possibility of meeting with the Board and creating a shovel-ready site campaign. She and Mr. Sullivan discussed the 12th Annual Commercial Broker's Tour at Turning Stone, and discussed having a similar event of their own.

Ms. Halahan goes on to highlight companies that have already set up site tours, or are interested in coming. In that list is Project Tooth, which is related to the recruitment of a second professional school associated with the already-announced Touro Medical School in Middletown. She also lists some attraction projects. With regard to Business Retention & Expansion, Ms. Halahan details 3 closed expansions – CRH, Medora Snacks and Coach – and 6 pending expansions. Ms. Halahan then advises the Board that Project X is in the high-tech manufacturing field. Two other locations are in contention – PA and ME – but the negotiations are ongoing. She goes on to update the UNFI and Takasago projects.

She goes on to detail the recent OCP marketing campaigns and social media efforts. Lastly, the WSJ insert is almost complete and ready to submit to the IDA for review.

Hudson Valley Film Commission – IDA Agent Status

Mr. Perfit begins by advising the Board that, as Treasurer of the UCIDA, he has been working with Mr. Rejto and the HVFC for quite some time. He gives the Board an overview of the work HVFC has done for not only Ulster County, but for the Hudson Valley. He asks the Board to continue their contributions to the HVFC.

Mr. Rejto distributes packets to the Members, which includes detailed information and the budget for the HVFC. He reminds the Board that he directs films to shoot all over the Hudson Valley, wherever, he says, the fit is best. He notes that when films come into the area, the people hired to work are generally local people. In addition to hiring locals, films in the area bring spending to restaurants, hotels and local businesses. Using HVFC's website as a visual aide, Mr. Rejto highlights the recent films and events that he and his commission have had a part in bringing to the area.

Mr. Vernon asks Mr. Rejto if he works with Dawn Ansbro of the Orange County Arts Council. When Mr. Rejto advises that the HVFC provides information to Dawn, Mr. Vernon asks the difference between OCArts and HVFC. Mr. Rejto advises that he is regional and Orange County Arts Council is local. He adds that Orange County Arts is more geared towards looking for locations.

Chairman Armistead notes that at this time, HVFC agreement runs from June 2012 to June 2013. At this time, Chairman Armistead would recommend that the Board approve to renew their agent status through December of 2013, bringing the HVFC onto a schedule that mimics that of the other Agents of the IDA.

Center for Global Advanced Manufacturing

Mr. Cozzolino, introduces himself and Mr. Meyer of CGAM, and reminds the Board that they represent and are trying to help all advanced manufacturers in the Hudson Valley. He advises the board that, at the Newburgh Armory, they are looking to institute a machinist and automation training program in the basement, and creating a super-smart classroom upstairs on the 2nd floor. They have partnered with the State University of New York Institute of Technology – a 4 year college – who will run both the machinist and automation programs in the basement, and will run the 3rd and 4th year educational courses in Mechanical Engineering Technologies, Electrical Engineering Technologies on the 2nd floor. Currently, those courses aren't accessible in this region. The initiative will tie into economic development and attraction; as manufacturers come in, they will see that they have a pool of trained technicians, as well as have the ability to train more advanced technicians. Currently, that option doesn't exist in the County or the region.

CGAM's original request came to \$750K, but upon gathering further information and quotes, the request is now for just over \$1M. There are three elements to the request: One is the machinist element of the program, which will build out the basement to house the equipment and will include equipment training and the cutting of metal. He notes that the equipment has been donated from IBM or will be purchased through a NYS grant. The second element is the upstairs classroom, which will be outfitted with the latest technology, including a Cisco Telepresence System. Some of the coursework will be delivered from Utica, and some will be live, but will all be in real time. The estimate includes the infrastructure to support those elements. The third element is the connecting elevator for handicapped access. If the project must be broken into two parts, the elevator could be done at a later date. Waiting on the elevator would not jeopardize the entire plan, as there is an alternate plan to ensure they are ADA-compliant.

The head of SUNY IT has visited the Armory, and the curriculum is being developed with IBM East Fishkill. The very first pilot program will be run in September at IBM East Fishkill, as they have the machines in place. They hope to have the Armory part ready by Christmas time.

Mr. Vernon asks if the Armory has approved the project. Mr. Cozzolino notes that they will seek final approval from the Armory at tonight's Armory Board meeting.

Chairman Armistead asks what other sources have been tapped for financing. Mr. Cozzolino notes that all other financial sources have been dedicated to the purchase of the equipment that was not donated. Mr. Steinberg asks what kind of equipment will be used, and Mr. Cozzolino lists some of the machines they will use. Mr. Vernon asks how many people a year they can run through the program. The first program will run with 15 people, and they feel that that is a comfortable number; 15 or 16 per program. And each program will be modular, so the skills will build. There will be an introduction program, then a series of longer training/education programs. He believes they would run about 80 students a year through the program. If the industry grows around it, they can certainly increase their numbers. In that vein, he explains the marketing program for the school. He notes that the first round of students will be WIB-supported, and federal grants will pay their tuition. Mr. Vernon asks what it will cost the student to go through the program, and is advised that they don't have a solid answer on that yet, but they are trying to keep the cost to what the federal department of labor will allocate to a person, which is \$1100. The money goes to SUNY IT to cover instructors.

Chairman Armistead reminds Mr. Cozzolino that the Board is excited about the project, but it must be referred to Governance. Mr. Cozzolino also notes that the program is running as an extension of SUNY IT. Ms. Rogulski asks if there's a reason that SUNY IT is not being asked to contribute to the build out. Mr. Meyer advises that SUNY is providing the labor and the in-kind services on their nickel, which is a significant in-kind contribution. Mr. Cozzolino agrees to come back to the July meeting, to allow Governance to review the request.

Cornell Cooperative Extension – Project Expenditure

Ms. Joyce, Executive Director of the CCE, introduces herself and Ms. Reichle, a CCE Board Member, and thanks the Board for their time. She begins by noting that they received site plan approval on Monday, and finalizing the details on the lease. She asks the Board to refer to the information provided in their packets and goes on to explain that the plan – to develop this currently undeveloped land – into a mostly year round facility will function as something of a rural mirror to the Newburgh Armory. Most buildings will be seasonal, but one or two buildings will be year round. The plan is to offer tremendous in-depth natural resource and agricultural education for youth and adults, in addition to providing nutritional education that includes the use of a teaching kitchen. There is a heavy emphasis on science, technology, engineering and math for the youth, and the location allows for messy, hands-on activities that are unavailable in regular office spaces. The programs will be open to a wide array of people, with a focus on the kind of skill building and training that will result in job creation in expansion of their agricultural program. The site is also fertile ground for research.

The site is in close proximity to the Otisville train station, and it is believed that the location will draw people from all over the County, New Jersey and NYC. The park will be available to many associations, and will be available to host livestock and breeder shows, car shows, small farm and rural living expos, among other events. Ms. Reichle adds that the Cornell Cooperative Extension's plan is to attract regional attendance. The focus is regional, with a seven-county area. But this site, in Orange County, is the only one like it in the region, and will be a hub for their organization, hosting regional conferences and meetings in addition to events. There are currently over 11K young people from the county engaged in their various programs, and they rely on about one thousand volunteers to run the organization.

Ms. Joyce advises that the infrastructure for the site must be completed first. While they can raise money for buildings, and have access to tremendous volunteers, the infrastructure (Phase 1) is the part of the focus of their request of the IDA. She adds that not only is it an educational facility, but the site itself is educational in that it is green infrastructure. IDA funding will also help with the Consolidated Funding Application process for further funding. The site has a strong storm water management program for engineers and landscape architects now, and the site will allow for demonstration for them and anyone involved in the construction industry. IDA funding will help attract other funding for the green infrastructure.

Ms. Reichle adds that the Town of Mt. Hope invited the Extension, ending their years-long search for the right location. The town is excited to have them, and some of the facilities on the site will be used by the town. Mr. Vernon asks what the total cost of the project will be, and is advised that it is approximately \$5M for everything.

Chairman Armistead advises that Governance will need to review the request. Mr. Dowd suggests providing more in-depth tourism and job creation figures. Ms. Halahan notes that in order to go through the CFA, they want the

companies to have some buy-in from another organization, and asks CCE how much they need to facilitate the process. Ms. Joyce will gather more information and provide it after the meeting.

The Monroe Cable Company

Mr. Keller, of GE Capital, introduces Mr. Mayfield of Monroe Cable Company. Before their presentation begins, Chairman Armistead advises Monroe Cable that it is the policy of the IDA to defer to the local municipalities. While Monroe was pushing, at the last minute, to come before the Board at this meeting, they never approached the Walkill IDA, which should be done prior to approaching the Orange County IDA. Mr. Keller notes that he has spoken with Mr. Depew of the Walkill IDA, but agrees that it was not until last night that they were able to connect. At this time, they have a meeting scheduled for next week. Prior to the Orange County Industrial Development Agency officially hearing the application, they must meet with Walkill and receive a letter of support from Mr. Depew. Chairman Armistead does agree to allow a short presentation on the project.

Mr. Mayfield advises that Monroe Cable manufactures wiring cable, and primarily a defense contractor, and they are the primary supplier to the US Navy for all wire and cable for Naval vessels. Additionally, they supply the NY Metro infrastructure. Their technology is based around "low-smoke, zero-halogen, cross-linked polymers." Monroe Cable treats plastics for specific environments. He gives further detail about Monroe Cable's process, and notes that, at this time, some of their technology is outsourced to NJ and CT. This project aims to bring that technology in-house. The existing facility is 100K square feet, and they hope to add 40K square feet. The project would add about 25 jobs, paying between \$15-25/hour, and will add at least 1 degreed engineer to oversee the project. The project also allows them to enter new markets, the most notable of which is the aerospace market. After their expansion, Monroe Cable projects that, over a five year period, they will grow from a \$45M/year operation to a \$65-70M/year operation, with at least 50 jobs added.

Chairman Armistead thanks Mr. Mayfield for the presentation, and advises that after they meet with Walkill IDA, and if they send the project to the Orange County Industrial Development Agency, Mr. Depew will need to send a letter to that effect.

[Mr. Brescia Exits]

CoGen Power Technologies

Chairman Armistead notes that this item was not on the agenda, but indicates that he was aware that they were planning to attend.

Mr. Bette explains the CoGen is combined heat and power, produces electricity at the site where it's being use, capturing heat from the production of electricity and putting into the facility. The way people currently buy energy – from the utility – is about 50% efficient. When you make it onsite, it becomes about 80-85% efficient, also becoming more reliable and more robust. In the aftermath of Sandy, where many companies were without electricity but not without gas, this service becomes even more reliable. Cogeneration is employed for a number of reasons: reliability, predictability of their overall budget, prolonged life of existing equipment, significant reduction in their carbon footprint (30-80%), among other reasons.

Mr. Bette suggests that this project would aide in the attraction of the FAA and enhance Orange County's offering. He notes that there is an abundance of natural gas at the site. The reduction of the carbon footprint would meet the federal mandate to do so by 2020. He adds that CoGen runs parallel to utility, but that the CoGen becomes the prime power, and utility becomes the backup. Whatever electricity cannot be produced on site can be purchased from utility.

With regard to the FAA project, Mr. Bette notes that an LDC or IDA can own the facility and sell the energy back to the FAA as a 3rd party. A 3rd Party developer and the IDA could support the developer. There are a number of options.

Mr. O'Donnell notes that this would give Orange County a distinct advantage over Long Island. There is a possibility that a private investor could build it, or the IDA could decide to invest, but he will sit with Mr. Reeks of CoGen and go over the numbers – what the FAA needs, what they will use, and what this will generate – to see if it's a worthwhile investment. Mr. Bette notes that Long Island has a shortage of natural gas. There is no such issue in Orange County.

[Mr. VanLeeuwen enters]

Mr. Vernon makes a motion to enter executive session pursuant to section 105(1)(f) of the open meetings law to discuss the employment history of a particular person, namely, the Executive Director of the IDA. Motion seconded by Rogulski. All in favor.

Executive Session

The members discuss employment matters.

End of Executive Session

Motion to close Executive Session made by VanLeeuwen, seconded by Steinberg. All in favor. No action taken in Executive Session.

Resolution to Amend Orange County Support Services Agreement

Mr. Dowd reads aloud the Resolution to Amend the Orange County Support Services Agreement. Motion made by Steinberg, seconded by Vernon. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Resolution Declaring Position of Executive Director Vacant

Mr. Dowd reads aloud the Resolution Declaring Position of Executive Director Vacant. Motion made by Schreibeis, seconded by VanLeeuwen. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Resolution Appointing James D. O'Donnell as a Temporary Consultant to the IDA and Authorizing the Chairman to Execute an Agreement Setting Forth the Terms of Engagement Therefor.

Mr. Dowd reads aloud the Resolution Appointing James D. O'Donnell as a Temporary Consultant to the IDA and Authorizing the Chairman to Execute an Agreement Setting Forth the Terms of Engagement Therefor. Motion made by Vernon, seconded by Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Fairbanks Manufacturing, LLC – Final Resolution

Chairman Armistead notes that the recent Fairbanks public hearing went well.

Mr. Dowd reads the Fairbanks Manufacturing, LLC final resolution aloud. Motion made by VanLeeuwen, seconded by Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Pharmline, Inc. – Final Resolution

Chairman Armistead notes that the recent Pharmline public hearing also went well.

Mr. Dowd reads the Pharmline, Inc. final resolution aloud. Motion made by VanLeeuwen, seconded by Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Stewart FBI, LLC – Initial Resolution

Mr. Huntress advises the Board that Acquest specializes in doing GSA leasing. The project today is an FBI project, 24K square foot building, which they hope to locate on the Avenue of the Americas in the Town of New Windsor. The tenants are currently located in Goshen, but the move will more than double their current space. They aim to go from their current 20 agents to 30 or 40 agents. New employees will earn anywhere from \$75-100K per year, with support staff anywhere from \$40-55K per year. They aim to hire all local contractors to construct the building over the next 18 months. Based on their other projects, he notes that hotel traffic increases, in addition to restaurant and local business traffic. This FBI field office will see visitors from Washington DC, NYC and other areas.

He adds that the FBI has not yet signed the lease with New Windsor, and while they have been told that they have been awarded the contract from GSA, they have yet to receive the signed agreement. The one remaining step prior to signing is their pricing step; their pricing proposal is based upon receiving incentives to receive the reward.

Mr. Dowd notes that, at this time, the Town of New Windsor owns the property, and will enter into a long term lease with Acquest, who will build the building, which will then be leased to the FBI.

Asked to clarify, Mr. Petro advises that Acquest will lease the 2.4 acre property for 40 years; the FBI will lease the building for 20 years. The 24K square feet building will be brand new, and the Town has been working on the project for a number of years. An important note is that, currently, the property is not taxed at all. Because the building will not be government-owned, it will become taxable, which is important to the Town of New Windsor, the school district and the County; everyone benefits from day one of the signed lease.

The request is for a 10 Year Enhanced PILOT, mortgage recording tax exemption and sales tax exemption. He adds that the abatement will be passed along to the tenant.

Chairman Armistead notes that a letter of support was received from the Town Supervisor.

Mr. Dowd reads the Stewart FBI, LLC initial resolution aloud. Motion made by Steinberg, seconded by Schreiber. Open for discussion. Affirmative votes of all members present resulted in motion carried.

CPG Partners/Woodbury Common – Initial Resolution

Mr. Villapiano notes that this renovation is very important to CPG Partners and Woodbury Commons. The property is a global leader in retail outlet shopping; it is a major destination property, and easily the most visited outlet centers in the world. The site attracts over 13M visitors per year; 12M of which are from out of the area. Forty percent of the visitors are from outside of Orange County: NYC, Westchester County, CT, and Northern NJ; Twenty percent are from other domestic locations; Thirty percent are international tourists.

The \$120M project will include renovation of the roofs and facades of all buildings. They will demolish some existing retail, and construct new buildings and expand existing space, which will result in a net increase of 60K square feet GLA. There will be 5 new buildings, including a new market hall with a food court. Lastly, the major component of the project is to improve the traffic situation with the new layout of existing parking areas, creating an external ring road around the entire property and building a 2200 spot, 4-level parking structure.

Ms. Rogulski asks if there will still be limited entrance and exit points. At this point, there will be no additional entry/exit points, but the DOT will address that issue at a later date.

To reiterate, the total project cost is \$120M. The expected construction jobs are 400-500 over 2.5 years. They expect 400 full and part time jobs, all employed by the tenants, adding to the existing 4500 existing jobs. At this time, they are only seeking the Sales Tax Exemption.

Mr. Dowd reads the CPG Partners, LP initial resolution aloud. Motion made by VanLeeuwen, seconded by Schreiber. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Such other and further business as may be presented

Motion made by VanLeeuwen, seconded by Schreiber, to recess the meeting the time being 4:10 p.m. Motion carries with all in favor.

[Steinberg Exits]

Motion made to reconvene the meeting by VanLeeuwen, seconded by Vernon. Motion carries with all in favor.

Mr. Schreiber makes a motion to enter executive session pursuant to section 105(1)(f) of the open meetings law to discuss the employment history of a particular person. Motion seconded by Vernon. All in favor.

Executive Session

The members discuss employment matters.

End of Executive Session

Motion to close Executive Session made by VanLeeuwen, seconded by Schreibeis. All in favor. No action taken in Executive Session.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Rogulski, seconded by VanLeeuwen, the time being 5:00 p.m.

DRAFT

Orange County Industrial Development Agency
Banks Accounts/Certificates of Deposit/Money Markets Accounts
As of June 30, 2013

Listed in order of maturity date.

#	Purchase Date	Maturity Date	# of Days	Bank	Principal	Interest Rate	Interest Amount	Status
1	10/5/07	1/4/08	91	Catskill Hudson Bank	\$ 2,820,045	5.03%	\$ 37,931.64	closed
2	12/10/07	1/15/08	36	Catskill Hudson Bank	\$ 1,000,000	4.82%	\$ 4,820.00	closed
3	12/10/07	2/19/08	71	Catskill Hudson Bank	\$ 1,000,000	4.79%	\$ 9,446.94	closed
4	1/4/08	3/18/08	74	Orange County Trust	\$ 1,000,000	4.52%	\$ 9,291.11	closed
5	1/4/08	4/15/08	102	Catskill Hudson Bank	\$ 1,000,000	4.75%	\$ 13,458.33	closed
6	1/4/08	5/20/08	137	Catskill Hudson Bank	\$ 1,000,000	4.75%	\$ 18,076.39	closed
7	1/15/08	6/17/08	154	Catskill Hudson Bank	\$ 1,000,000	4.45%	\$ 19,036.11	closed
8	2/19/08	7/15/08	147	Catskill Hudson Bank	\$ 1,000,000	3.13%	\$ 12,780.83	closed
9	7/15/08	9/17/08	63	Catskill Hudson Bank	\$ 1,000,000	3.13%	\$ 5,477.50	closed
10	8/19/08	10/15/08	55	Catskill Hudson Bank	\$ 1,000,000	3.06%	\$ 4,675.00	closed
11	9/17/08	12/17/08	91	Catskill Hudson Bank	\$ 4,800,000	3.18%	\$ 38,584.00	closed
12	10/15/08	4/15/09	182	HSBC	\$ 1,004,690	3.70%	\$ 18,793.00	closed
13	12/17/08	6/17/09	182	Orange County Trust	\$ 5,342,486	3.12%	\$ 83,114.44	closed
14	4/15/09	10/21/09	189	Orange County Trust	\$ 1,023,484	1.40%	\$ 7,419.55	closed
15	6/17/09	12/16/09	182	Orange County Trust	\$ 5,425,922	2.10%	\$ 56,816.10	closed
16	10/21/09	1/20/10	91	Catskill Hudson Bank	\$ 530,917	1.02%	\$ 1,368.88	closed
17	12/16/09	3/17/10	91	Orange County Trust	\$ 2,800,000	0.85%	\$ 5,934.00	closed
18	12/16/09	6/16/10	182	Orange County Trust	\$ 2,682,739	1.32%	\$ 17,657.56	closed
19	1/20/10	9/15/10	238	Orange County Trust	\$ 532,285	0.80%	\$ 2,776.63	closed
20	3/17/10	9/15/10	182	Catskill Hudson Bank	\$ 1,400,000	0.65%	\$ 4,600.56	closed
21	12/29/09	12/15/10	351	Orange County Trust	\$ 750,000	1.05%	\$ 7,572.95	closed
22	3/17/10	3/16/11	364	Catskill Hudson Bank	\$ 1,405,934	0.70%	\$ 9,950.89	closed
21	6/16/10	6/15/11	364	Orange County Trust	\$ 2,300,396	0.75%	\$ 17,205.70	closed
22	6/15/11	12/21/11	189	Orange County Trust	\$ 2,317,650	0.45%	\$ 5,400.44	closed
23	12/21/11	12/19/12	364	Orange County Trust	\$ 2,323,051	0.50%	\$ 11,583.43	closed
24	8/16/12	8/16/13	365	Orange County Trust	\$ 1,400,000	0.50%	\$ 6,992.82	open
25	12/19/12	12/18/13	364	Orange County Trust	\$ 2,334,634	0.35%	\$ 8,148.10	open

	Amount	% of total	rate		
Bank Account	Chase - checking	\$ 152,969	2%	bank account	0.10%
Certificates of Deposit	Orange County Trust	\$ 3,734,634	50%	CD	
Money Market	Orange County Trust	\$ 3,638,028	48%	MM	0.30%
	total	\$ 7,525,632	100%		

Orange County Funding Corporation
As of June 30, 2013

	Amount	% of total	rate		
	Chase - checking	\$ 99,027	14%	bank account	0.10%
	Orange County Trust	\$ 600,340	86%	MM	0.30%
	total	\$ 699,368	100%		

Orange County IDA

Received for June/July 2013

Orange County Business Accelerator (2Q Reimbursement0	29,167.44
Kikkerfrosch, LLC (Application Fee)	5,000.00
Total	34,167.44

Vouchers & Payments July 2013

Orange County Partnership (2Q Contribution for 2013)	50,000.00
Orange County Partnership (WSJ Insert 2013)	29,951.69
Laurie Villasuso (Reimbursements - postage/job posting)	764.70
Robert T. Armistead (Reimbursement - NYEDC conference)	442.40
Kevin T. Dowd, Esq (Legal 6/11-7/9)	4,662.00
Charles B. Merrill Office Products (office furntiure/supplies for OCBA)	1,170.91
Frances Roth (Fairbanks Public Hearing)	250.00
Frances Roth (Pharmline Public Hearing)	250.00
Focus Media	153.88
Harris Beach, PLLC (CPG Partners Pass Through)	2,500.00
Harris Beach, PLLC (Stewart FBI, LLC Pass Through)	2,500.00
Total	92,645.58

Orange County Business Accelerator
Profit & Loss YTD Comparison
June 2013

	Jun 13	Jan - Jun 13	Budget 2013	% YTD
Ordinary Income/Expense				
Income				
Federal Tax Refund	0.00	293.12		
IDA Deposit	174,356.50	348,713.00		
Insurance Refund	0.00	13.23		
NYS Refund	0.00	22.26		
Rent-Clients	5,584.40	32,971.24	100,000.00	33%
Rent-HVEDC	3,145.98	18,876.48	38,400.00	49%
Seminar/Sponsor			2,000.00	
Rent Sponsors	1,333.34	5,333.36		
Utility Reimbursement	154.54	1,407.09	4,000.00	35%
Total Income	184,574.76	407,629.78	144,400.00	
Expense				
Admin. Salary - Ent. Dev. Dir.	3,076.96	20,000.24	40,000.00	50%
Admin. Salary - IDA Admin Asst	3,118.92	21,040.98	40,556.00	52%
Admin. Salary -Admin. Assistant	3,072.00	19,200.00	39,900.00	48%
Automobile Expense	0.00	340.39	10,000.00	3%
Benefits				
403B	247.16	1,906.88		
MVP	1,201.36	6,907.86		
NYSDBL	12.72	82.68		
Total Benefits	1,461.24	8,897.42	21,000.00	42%
Building Insurance			5,000.00	0%
Building Rent	14,647.50	87,885.00	175,770.00	50%
Building Utilities	1,395.33	9,571.85	20,000.00	48%
Business Accelerator Management	6,000.00	36,000.00	72,000.00	50%
Contingency			5,000.00	0%
Common Area Maintenance	4,104.76	24,628.56	44,400.00	55%
Dues and Subscriptions	0.00	1,246.34	3,500.00	36%
Info Technology	483.90	6,743.01	30,000.00	22%
Marketing/PR & Web	281.26	42,414.31	150,000.00	28%
Office Cleaning	250.00	1,500.00	3,000.00	50%
Office Supplies & Postage	266.78	4,449.46	9,000.00	49%
Payroll Taxes & Fees				
FICA / Med	134.40	873.59		
FICA / SS	574.60	3,734.87		
FUTA	0.00	386.58		
Staff-Line Fee	162.20	1,054.30		
SUTA	0.00	382.56		
Workers Comp	69.52	451.88		
Total Payroll Taxes & Fees	940.72	6,883.78	12,000.00	57%
Professional Fees	525.00	3,375.00	6,300.00	54%
Rent Expense	0.00	250.00		
Revenue Reimbursement to IDA	29,167.44	45,776.34		
Security Deposit - Refund	0.00	250.00		
Travel, Lodging, Meals	0.00	478.28	10,000.00	5%
Total Expense	68,791.81	340,930.96	697,426.00	49%
Net Ordinary Income	115,782.95	66,698.82		
Other Income/Expense				
Other Income				
Interest Income	7.97	72.52		
Total Other Income	7.97	72.52		
Net Other Income	7.97	72.52		
Net Income	115,790.92	66,771.34		

**ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

Orange County Business Accelerator

4 Crotty Lane, Suite 100

New Windsor, NY 12553

Phone: 845-234-4192 Fax: 845-220-2228

Robert Armistead, Chairman

Mary Ellen Rogulski, Vice Chairman

Joel

Kleiman, Chief Financial Officer

Russell O. Vernon, Second Vice Chairman

Kevin Dowd, Attorney

Stephen Brescia, Secretary

Laurie Villasuso, Administrative Assistant

John Steinberg, Jr., Assistant Secretary

Henry VanLeeuwen

Robert J. Schreibeis, Sr.

GUIDELINES FOR PROJECT EXPENDITURE APPLICANTS

These guidelines are provided to help your organization prepare a complete Project Expenditure application.

Funding Considerations:

To be considered for funding, an organization must be designated as not-for-profit and/or tax exempt, or other at the discretion of the Industrial Development Agency Board.

Orange County Industrial Development Agency is most interested in organizations that have a program which:

Directly benefits Orange County Job Development

Is beneficial to Orange County on a county-wide basis

Promotes Tourism

Has clear goals and objectives for Economic Development

Orange County Industrial Development Agency DOES NOT FUND:

Advertising or fund raising drives
Partisan, political, or denominational programs
Salaries, travel expenses or general and administrative costs
Requests that do not include a detailed description of the project in writing
and are not accompanied with a Project Expenditure application

**ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

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John Steinberg, Jr., Assistant Secretary
Henry VanLeeuwen
Robert J. Schreiber, Sr.

Joel

PROJECT EXPENDITURE APPLICATION FORM

ORGANIZATION

Name of Organization: The Center For Global Advanced
Manufacturing (CGAM) _____ DATE: July
10, 2013 _____

Project Title: Newburgh Armory Machinist Training
Center _____

Address: 434 Old neighborhood Rd.,

City/Zip Code: Kingston, NY
12401

Telephone: (845) 336-5354 E-mail Address:
carl.tsec@gmail.com

Name of Contact: Carl E.
Meyer

Title: President/
CEO

Specific amount requested from Orange County IDA:
\$ 550,000

Have you received any Project Expenditures or other forms of assistance from the Orange County Industrial Development Agency in the past? Yes No Dates and amounts N/A

Have you received any other assistance from other agencies or organizations?
 Yes No

If yes, please indicate from whom and the type or amount. Attachment 1 lists the various capital and project-based grants that CGAM has received within the past several years .

(Please remember that your request will receive the same consideration whether or not you have had previous requests in the past with the Orange County IDA.)

ORGANIZATION BACKGROUND

(Include a brief history of your organization.)

The Center for Global Advanced Manufacturing (CGAM) is a 501©(3) founded in 2012 by a group of retired executives (principally Carl Meyer, retired CHG&E President, Vincent Cozzolino, retired IBM Vice president, Frank Falatyn, President, FALA Technologies, along with others) to provide a range of technical and business services to small/medium manufacturers in the region. These services assist the manufacturers to improve their processes, develop/commercialize new products and train their workers, thus improving their competitiveness and enabling them to grow and prosper. CGAM's measure of success will be to retain existing manufacturing jobs and create new jobs in the Hudson Valley. CGAM members include industry organizations, such as The Council of Industry and the HV Technology Development Center, along with academic partners, such as SUNY IT and Mount Saint Mary College. The organization relies on these industry/academic partners, along with others, to provide collaborative resources, principally business/technical/R&D support and training/educational opportunities for workers at all levels, to assist small/medium manufacturers to grow and create jobs, while at the same time developing the advanced manufacturing workforce of the future. Attachment 2 contains a broader overview of CGAM's objectives. In its relatively short existence as summarized in Attachment 1, CGAM has obtained over \$20 million in capital funding and directed grants in support of its mission.

DESCRIPTION OF PROJECT

(Please indicate the amount of the project, capital investment, job creation and economic benefit to Orange County and its residents. Please provide a concise description of the need or problem to be addressed. Include the overall goals and purposes of your organization or specific department concerned, the specific purpose of the funds, and how the objective will be accomplished. Moreover, what is unique about your program? Include photos, drafts, charts, drawings, supporting documentation and any phasing, if more than one. Indicate what years funding represents and a breakdown. Please attach additional pages if more space is needed.)

CGAM proposes to create a Machinist Training Center in the basement area of the Newburgh Armory (see Attachment 3 for a preliminary layout sketch). In addition, a high tech (Cisco Telepresence) classroom will be created on the first floor of the building, which will enable on-line courses to be provided at the Center. The basement facility will be utilized by CGAM to train workers in machinist and automated equipment skills. The classroom will be utilized to conduct certificate, engineering technology and if the demand is there, engineering education courses. Plans are also underway to offer a unique basic math skills course for high school students with hands-on skills development utilizing the equipment in the Machinist Training Center. Both the machinist training and the classroom education courses will be administered by SUNY

IT, who has committed to open a satellite campus at the Armory. Orange County Community College has committed to teaching the basic math skills course. CGAM expects to complete the renovations and offer the first training and education classes at the Center in early 2014.

CGAM is seeking \$550,000 in funding from the Orange County IDA to cover the costs of the building improvements needed to accommodate the machinist training center and the high tech classroom. CGAM has obtained \$1 million in capital funding from NY ESD (through an approved CFA) to support the development of this multi-year project. In addition to the CFA funding, CGAM has received commitments for in-kind support from other industry partners, principally IBM and SUNY IT, to turn this \$3.5 million project into reality. Attachment 4 summarizes the financial support, including in-kind services, for this project. Attachment 5 summarizes the project's estimated capital costs. Note that the cost of the elevator and the structural design costs will not be covered by this funding request. Instead, CGAM has identified another source for this capital funding and it is our intent to install the elevator and stairway in fall, 2013, so the renovated Center will meet ADA requirements when it opens in 2014.

The newly renovated Machinist Training Center/classroom facility will provide a central location in Orange County where workers can go to gain the skills they need to work as machinists or to operate automated machinery. CGAM's industry partners indicate that they have open positions that they can not fill due to a lack of trained workers. Importantly, they expect this situation to worsen as more experienced employees "age out" of the workforce. Moreover, the classroom facility will provide an opportunity for workers to improve their job skills and increase their job knowledge, thus enabling them to advance in their jobs, or possibly to strike out on their own by starting their own company. The advantages to small/medium manufacturers in Orange County are obvious. Gaining access to trained, skilled workers and/or better educated workers will enable the manufacturers to improve product quality, reduce turn-around times and possibly introduce new products to the marketplace. The end result will be an improved competitive position for these businesses, which will in turn clearly benefit Orange County's economy. Companies will no longer have to leave the county or move work to other locations because they are unable to find skilled workers in the area to fill open positions. In addition, new companies will be encouraged to locate in the county if they see that a trained workforce awaits them.

It is difficult to predict how many jobs will be retained or created in Orange county as this project rolls out and the Center becomes established. The various programs will have the capacity to turn out hundreds of graduates per year, once the word gets out that the skills that are being taught are in demand by local manufacturers. CGAM's manufacturing partners constantly state: "if a trained machinist walked through the door, I would hire him/her on the spot. These people are so hard to find nowadays." As a further example, the recent IBM downsizing presents an opportunity to close the "skills gap" that

these displaced workers are facing by providing them with new skills that will enable them to find new jobs in the manufacturing sector without having to relocate to another state to find work to support their families.

BUDGET

Specific amount requested from the Orange County Industrial Development Agency:

\$ 550,000

(Please include an itemized budget for this project and total program, your current sources of income and expenses, a balance sheet for the past year and contributions from other institutions or organizations, if any.)

The budget for the Newburgh Armory Training Center, including funds and in-kind services provided by others, is shown in Attachment 4; details of this request for funding by the IDA are shown in Attachment 5.

Since CGAM is a relatively new organization, we can not provide a balance sheet for the past year. The Armory project has been principally developed by CGAM's retired executives, who have volunteered their time and talent to get this project off the ground. Some limited funding to establish CGAM has been provided through unrestricted funds, which have been made available by The Solar Energy Consortium.

TARGET POPULATIONS AND PERFORMANCE SITE(s)

(This project must show its benefits to all of Orange County and the residents or describe the unique

benefit to a specific segment of Orange County that may not happen if the Orange County IDA were to reject this Project Expenditure.)

The target populations for this project and the impacts to this segment of the Orange County population if this project is not approved are discussed in detail under the Project Description section, above.

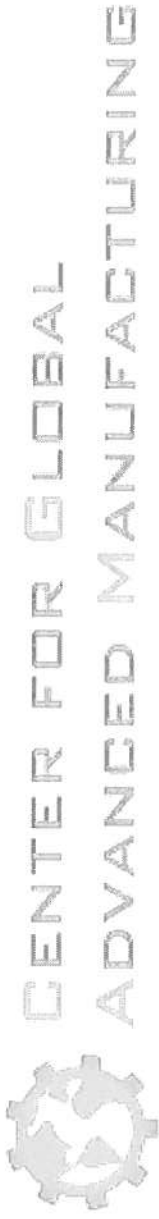
EVALUATION

(How will you determine the impact of this project if funded? [For example, a survey, appraisal of physical improvements or attendance figures.] Please be specific.

As discussed above, the best measure of success for the Machinist Training center project is the number of individuals that successfully complete the training programs and education courses each year. It is expected that the majority of these people will be Orange County residents. Moreover, it is anticipated that the job skills that are taught will enable the graduates to find jobs in the manufacturing sector in the region. CGAM will track these numbers. CGAM will also track open manufacturing positions on a collective basis (to maintain company confidentiality) to ensure that the Center is turning out enough graduates with the skillsets that are needed to satisfy the needs of the manufacturing industry.

PLEASE RETURN THIS APPLICATION TO:

Orange County Industrial Development Agency
Orange County Business Accelerator
4 Crotty Lane, Suite 100
New Windsor, NY 12553



CGAM Grant Award Summary

<u>Grantor</u>	<u>Amount</u>
US Economic Development Administration	\$2,400,000
NY Empire State Development	750,000
NYS Dormitory Authority	750,000
NY Empire State Development Regional CFA	1,000,000
Ulster County	75,000
Dyson Foundation	150,000
SUNY 2020	15,000,000

Center for Global Advanced Manufacturing (CGAM)

Overview

CGAM links together multi-regional industry and academic partners to:

- Assist established SME manufacturers to grow and create jobs
- Create “mutual gains” academic/industry partnerships, which link university R&D programs and technical/business course content with the application-based educational needs of regional manufacturers
- Develop the advanced manufacturing workforce of the future by providing a continuum of educational opportunities targeted at advanced manufacturing skill sets to upgrade the skills of current workers and to train/educate future workers through:
 - Certificate Programs
 - AAS 2 year degrees
 - Technical/business 4 year degrees

*Emphasis will be placed on attracting military veterans, who already possess skill sets closely aligned with manufacturing processes
- Provide resources to K-12 educators in support of STEM programs and to highlight current and future manufacturing technologies and to encourage students to pursue career paths in the advanced manufacturing sector.

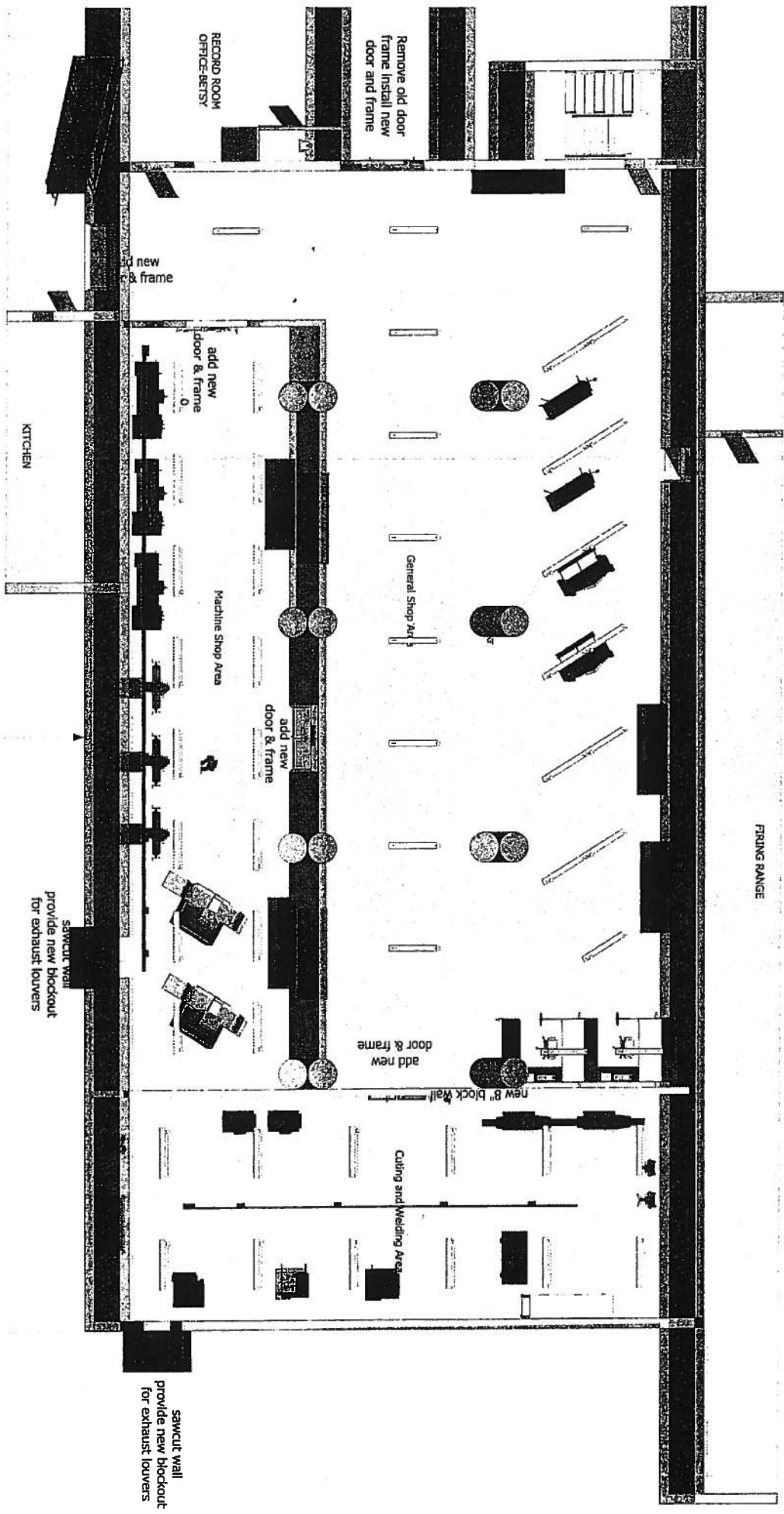
CGAM’s multi-regional industry/academic partnership approach is unique, yet it is already providing significant benefits to manufacturers, namely,

- Takes advantage of manufacturing diversity between regions by capitalizing and building on the strengths of each
- Seeks out/nurtures collaborative, supply chain relationships between manufacturers within the three regions and essentially throughout NYS
 - CI/MACNY
 - Regional MEPs
- Identifies technological breakthroughs, best practices and successful marketing strategies demonstrated by “early adopter” manufacturers and connects these companies with others who may be able to benefit from their successful implementation

- Provides tremendous networking opportunities for the manufacturers as well as partner academic institutions through its widely disseminated and highly acclaimed outreach activities, e.g.,
 - E-Bulletin
 - Annual Manufacturing Conference
 - CEO Roundtables
- Links the R&D capabilities of four year academic institutions with the product development/commercialization needs of the manufacturers
- Provides a conduit to community colleges and four year universities through which the workforce skills and educational requirements can be defined and accommodated
- Established equipment sharing labs in each of the regions, which manufacturers can use at no charge to, for example,
 - Test new technologies/products
 - Improve product quality
 - Lower manufacturing costs

*Over \$3 million of state-of-the-art test equipment has been purchased for or committed to these labs.

ATTACHMENT 3



ATTACHMENT 4

Funding (\$K)	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Category
NFP							
Training Center Acquisition/Fi-Up	\$ 600	\$ 100				\$ 700	Property Acquisition
Training Center Operation	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 250	Utilities
TSEC Equipment Donation	\$ 400					\$ 400	Machinery and Equipment
MSM/C/Rockland/IBM space (In kind)	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 230	Rent/Lease
Gateway Industries space(TSEC cash)	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 150	Rent/Lease
Labor (cash)	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40	\$ 200	Wages and Salaries
EDA GRANT (cash)	\$ 550					\$ 550	Training
	\$1,716	\$ 266	\$ 166	\$ 166	\$ 166	\$ 166	
Roll-up By Category							
Property Acquisition	\$ 700						
Equipment Donation (TSEC)	\$ 400						
Labor (Cash)	\$ 200						
Rent/Lease -(\$230k In kind, \$150kCash)	\$ 380						
Utilities	\$ 250						
Training (EDA/ETA Grant)	\$ 550						
Total Match	\$2,480					\$2,480	
COI - Council of Industry							
HVTDC - Hudson Valley Technology Development Center							
Total Match	\$1,000					\$1,000	
	\$3,480					\$3,480	

NEWBURGH ARMORY

NEWBURGH ARMORY

D1	ARCH/STRUCT/ELECT/MECH DESIGN	\$ 146,058.15
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ELEVATOR AND STAIRWELL

E1	ARCH - ELEVATOR SHAFT, STAIRWELL, & PARTITIONS	\$ 157,040.00
E3	HVAC - ELEVATOR (VENTILATION & GAS LINE RELOCATE)	\$ 52,920.00
E4	ELECTRICAL - ELEVATOR, SHAFT, AND STAIRWELL	\$ 32,848.00
E6	ELEVATOR CONTRACTOR	\$ 143,325.00
ELEVATOR AND STAIRWELL FITOUT TOTAL =		\$ 386,133.00

CLASSROOM FIT-UP

C1	ARCH CLASS ROOM FIT-UP	\$ 30,870.00
C2	HVAC CLASSROOM FIT-UP	\$ 17,640.00
C3	ELECTRICAL CLASSROOM FIT-UP	\$ 29,988.00
C3	CLASSROOM FURNITURE	\$ 13,827.20
C4	CISCO SYSTEM	\$ 16,538.00
CLASSROOM FITUP TOTAL =		\$ 108,863.20

BASEMENT SHOP FIT-UP

B1	ARCH BASEMENT SHOP AREA (DOOR, LOUVERS, PARTITIONS, & PAINTING)	\$ 81,421.00
B2	HVAC BASEMENT SHOP AREA	\$ 181,912.00
B3	ELECTRICAL BASEMENT SHOP AREA	\$ 169,027.50
BASEMENT FITUP TOTAL =		\$ 432,360.50

ESTIMATED PROJECT TOTAL =		\$ 1,073,414.85
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CUDDY & FEDER^{LLP}

445 Hamilton Avenue, 14th Floor
White Plains, New York 10601
Tel 914.761.1300 Fax 914.761.5372
www.cuddyfeder.com

July 2, 2013

VIA E-MAIL (lrendleman@orangecounty.gov)
AND FEDERAL EXPRESS

James O'Donnell, Executive Director
Orange County Industrial Development Agency
4 Crotty Lane, Suite 100
New Windsor, New York 12553

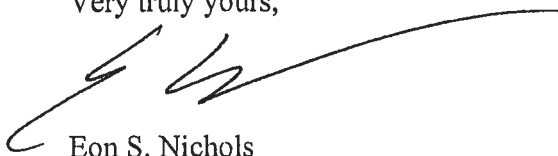
*Re: \$20,000,000 Tax-Exempt/Taxable Industrial Development Revenue Bonds, Series 2013
(Kikkerfrosch LLC Project)*

Dear Mr. O'Donnell:

This Firm represents Kikkerfrosch, LLC, a New York limited liability company, that plans to acquire vacant land and construct an approximately 90,000 square foot facility in Orange County, New York. With regard thereto, enclosed are two (2) copies of an Application for Financing submitted on behalf of Kikkerfrosch LLC together with a check in the amount of \$5,000.00 representing the required application filing fee.

We and our clients will be present at the Agency's July 17th meeting to answer any questions which the Agency's members may have with respect to the Application. In the interim, if you have any questions or comments, feel free to call me at 914-761-1300 or e-mail me at enichols@cuddyfeder.com.

Very truly yours,



Eon S. Nichols

Enclosures

cc: Working Group (via e-mail w/enclosures)

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

KIKKERFROSCH LLC

\$20,000,000 Tax-Exempt/Taxable Industrial Development Revenue Bonds, Series 2013

(KIKKERFROSCH LLC PROJECT)

INDEX

- | | |
|--------------|---|
| Tab 1 | Application |
| Tab 2 | Description/History of the Applicant and its Members |
| Tab 3 | Biographies of the Applicant's Principals |
| Tab 4 | Description of the Project |

**ORANGE COUNTY
INDUSTRIAL
DEVELOPMENT
AGENCY**

**APPLICATION FOR
FINANCIAL ASSISTANCE**

Kikkerfrosch LLC
(Applicant Name)

James O'Donnell
Executive Director
Office of Economic Development
Orange County Government Center
255 Main Street
Goshen, NY 10924
Tel: 845-291-2700
www.orangecountygov.com
jodonnell@orangecountygov.com

Updated August 2012

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION

Company Name: Kikkerfrosch LLC

Mailing Address: 7855 Boulevard East, #24C, North Bergen, New Jersey 07047

Phone No.: (201) 869-2200

Fax No.: (201) 869-2209

Fed Id. No.: 46-2837648

Contact Person: Michael Politopoulos

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership): **See Tab 2 for a Description of the Applicant and Tab 3 for Biographies of the Applicant's Principals.**

Michael Politopoulos	25% ownership
Demetri Politopoulos	25% ownership
Evans Stepanov	25% ownership
Tetyana Ryazanova	25% ownership

Corporate Structure (*attach schematic if applicant is a subsidiary or otherwise affiliated with another entity*)

Form of Entity

Corporation

Date of Incorporation: _____

State of Incorporation: _____

Partnership

General _____ or Limited _____
Number _____ of general partners
_____ If applicable, number of limited
partners _____

Date of formation _____

Jurisdiction of Formation _____

X Limited Liability Company/Partnership (number of members 4)

Date of organization: March 25, 2013

State of Organization: New York

Sole Proprietorship

If a foreign organization, is the applicant authorized to do business in the State of New York? _____

APPLICANT'S COUNSEL

Name: Robert J. Levine, Esq. – Cuddy & Feder LLP

Address: 445 Hamilton Avenue, 14th Floor, White Plains, New York 10601

Phone No.: (914)761-1300

Fax No.: (914)761-5372

II. PROJECT INFORMATION

A) Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected. **See Tab 4 for a Project Description.**

B) Furnish a copy of any environmental application presently in process of completion concerning this project, providing name and address of the agency, and copy all pending or completed documentation and determinations.

Currently, there is no environmental application in process.

If any of the above persons, or a group of them, owns more than a 50% interest in the company, list all other organizations which are related to the company by virtue of such persons having more than a 50% interest in such organizations.

Not Applicable

Is the company related to any other organization by reason of more than 50% common ownership? If so, indicate name of related organization and relationship.

No

Has the company (or any related corporation or person) made a public offering or private placement of its stock within the last year? If so, please provide offering statement used.

No

Project Data

1. Project site (land) **See Tab 4 for a Project Description**
 - (a) Indicate approximate size (in acres or square feet) of project site.
Applicant intends to obtain a site containing approximately 12 to 18 acres of vacant land.

 - (b) Are there buildings now on the project site?

_____Yes **x**_____No
 - (c) Indicate the present use of the project site.
The site has not yet been selected.

 - (d) Indicate relationship to present user of project.
Applicant intends to own and use the land and the Project.

2. Does the project involve acquisition of an existing building or buildings? If yes, indicate number, size and approximate age of buildings:
No

3. Does the project consist of the construction of a new building or buildings? If yes, indicate number and size of new buildings:
See Tab 4 for a Project Description

4. Does the project consist of additions and/or renovations to existing buildings? If yes, indicate nature of expansion and/or renovation:
See Tab 4 for a Project Description

5. What will the building or buildings to be acquired, constructed or expanded be used for by the company? (Include description of products to be manufactured, assembled or processed, and services to be rendered. . .
See Tab 4 for a Project Description

. . .including the percentage of building(s) to be used for office space and an estimate of the percentage of the functions to be performed at such office not related to the day-to-day operations of the facilities being financed.)
See Tab 4 for a Project Description

6. If any space in the project is to be leased to third parties, indicate total square footage of the project amount to be leased to each tenant and proposed use by each tenant.

No space will be leased to third parties.

7. List principal items or categories of equipment to be acquired as part of the project.

brewhouse equipment	tank farm (fermenters)
yeast propagation plant	malt handling plant (silos, elevator, mill)
beer filtration equipment	bright beer tanks
flash pasteurizer	keg filler
bottling line	steam boiler
refrigeration	cip plant
brew water plant	effluent treatment plant
co₂ recovery plant	

8. Has construction work on this project begun? **No**

Complete the following **None of the following are applicable at this point.**

(a) site clearance	-	Yes	-	No	-	% complete
(b) foundation	-	Yes	-	No	-	% complete
(c) footings	-	Yes	-	No	-	% complete
(d) steel	-	Yes	-	No	-	% complete
(e) masonry work	-	Yes	-	No	-	% complete
(f) other (describe below)	-	Yes	-	No	-	% complete

9. Will any of the funds borrowed through the Agency be used for refinancing?
No
-

10. Is a purchaser for the bonds in place? **None at the moment but the Applicant will be engaged in discussions with underwriters and institutional lenders.**

COST BENEFIT ANALYSIS:

	<u>Costs =</u> <u>Financial Assistance</u>	<u>Benefits =</u> <u>Economic Development</u>
Estimated Sales Tax Exemption	\$1,218,750 (assuming \$15,000,000 in total equipment and other personal property purchases)	New Jobs Created <u>80 - 85</u> Existing Jobs Retained <u>0</u>
Estimated Mortgage Tax Exemption	\$210,000 (assuming a \$20,000,000 Mortgage)	Private Funds invested <u>\$ 9,000,000</u>
Estimated Property Tax Abatement	\$200,000 Annually	Other Benefits _____ Expected Yearly Payroll <u>\$ 5,600,000</u>
Estimated Interest Savings IRB Issue	\$Unknown at this time	Expected Gross Receipts <u>\$ 30 Million</u>

B) Project Address: **Not Yet Available** _____

Tax Map Number _____
(Section/Block/Lot)

Located in City of _____

Located in Town of _____

Located in Village of _____

School District of _____

C) Are utilities on site? **See Tab 4 for a Project Description**

Water **Currently unknown** Electric **Currently unknown**

Gas **Currently unknown** Sanitary/Storm Sewer **Currently unknown**

D) Present legal owner of the site **Currently unknown**. If other than from applicant, by what means will the site be acquired for this project? **The Applicant will own the site**

E) Zoning of Project Site: Current: **Currently unknown** Proposed: _____

F) Are any variances needed? **Currently unknown**

G) Principal use of project upon completion: **Brewery**

H) Will the project result in the removal of a plant or facility of the applicant from one area of the State of New York to another? **No. Applicant has no facilities in New York State.**

Will the project result in the removal of a plant or facility of another proposed occupant of the project from one area of the State of New York to another area of the State of New York? **No**

Will the project result in the abandonment of one or more plants or facilities located in the State of New York? **No**

I) Estimate how many construction/permanent jobs will be created or retained as a result of this project and the estimated annual salary range:

<u>Number of jobs created</u>	<u>Estimated Annual Salary Range</u>	
Construction: Currently Unknown	\$ _____	to \$ _____
Permanent: 80-85	\$40,000	to \$ 175,000
Retained: _____	\$ _____	to \$ _____

J) Financial Assistance being applied for:

	<u>Estimated Value</u>
<u> X </u> Real Property Tax Abatement	\$200,000 annually
<u> X </u> Mortgage Tax Exemption	\$210,000
<u> X </u> Sales and Use Tax Exemption	\$1,218,750
<u> X </u> Issuance by the Agency of Tax Exempt Bonds	\$20,000,000

C&F 2184283 2

K) Project Costs (Estimates) **See Tab 4 for a Project Description.**

Land	<u>\$ 2,000,000</u>
Building	<u>\$ 6,500,000</u>
Equipment	<u>\$18,000,000</u>
Soft costs	<u>\$ 1,500,000</u>
Other	<u>\$ 1,000,000</u>
Total	<u>\$29,000,000</u>

III. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A. Job Listings In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entitle") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JPTA") in which the project is located.
- B. First Consideration for Employment In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JPTA Entities for new employment opportunities created as a result of the proposed project.
- C. A liability and contract liability policy for a minimum of three million dollars will be furnished by the Applicant insuring the Agency.
- D. Annual Sales Tax Fillings In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the Applicant.
- E. Annual Employment Reports The applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

- F. Absence of Conflicts of Interest The applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

The Applicant and the individual executing this Application on behalf of applicant acknowledge that the Agency and its counsel will rely on the representations made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.



(Applicant Signature)

Anastasia Burlyuk

(Name of Officer)

Manager

(Title)

This Application should be submitted to the Orange County Industrial Development Agency, c/o James O'Donnell, Executive Director, Orange County Government Center, 255 Main Street, Goshen, NY 10924 Tel: (845) 291-2700.

The Agency will collect an administrative fee at the time of closing.
SEE ATTACHED FEE SCHEDULE (page 10)

Bond Counsel
Charles Schachter, Esq./
Russell Gaenzle, Esq.
Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Tel: (585) 419-8633
Fax: (585) 419-8817

Attach copies of preliminary plans or sketches of proposed construction or rehabilitation or both. **The Applicant does not have any such items at this time.**

Attach the following Financial Information of the Company

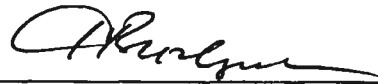
See Tab 2 for a Description of the Applicant and Tab 3 for Biographies of the Applicant's Principals.

1. Financial statements for last two fiscal years (unless included in company's Annual Reports). **The Applicant does not have any such items at this time.**

2. Company's annual reports (or Form 10-K's) for the two most recent fiscal years. **The Applicant does not have any such items at this time.**
3. Quarterly reports (Form 10Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any. **The Applicant does not have any such items at this time.**
4. In addition, please attach the financial information described above in items 1, 2 and 3 of any expected Guarantor of the proposed bond issue, if different from the company. **Not Applicable.**

HOLD HARMLESS AGREEMENT

Applicant hereby releases the ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof (the "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, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein 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. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in processing of the Application, including attorneys' fees, if any.

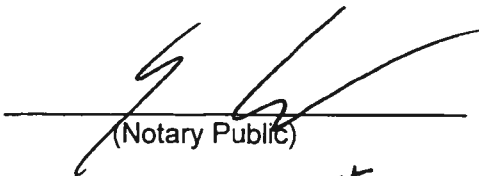


(Applicant Signature)

By: _____

Name: Anastasia Burlyuk

Title: Manager



(Notary Public)

Sworn to before me this 1st day
of July, 2013

EON STEPHEN NICHOLS
Notary Public, State of New York
No. 02N16228900
Qualified in Westchester County
Commission Expires Sept. 27, 20__

**FEE SCHEDULE FOR THE
ORANGE COUNTY IDA IS AS FOLLOWS:**

IDA

One-percent of the first \$2,000,000 plus one-half percent of amount above that, due at closing.*

Application Fee

\$5,000 non-refundable, due at application, broken down as follows:

IDA Administrative Fee: \$2,500

IDA Bond Counsel Fee: \$12,000-15,000 for straight lease transactions; fee for Tax-exempt transactions to be quoted depending on complexity of deal. **\$2,500 due at application** and balance due at closing for all deals.

NOTE: IDA reserves the right to seek additional IDA and Bond Counsel fees for exceptionally complex transactions.

Please make all Checks payable to:

Orange County Industrial Development Agency

Mail to:

*255 Main Street
Goshen, New York 10924*

*In the event that an applicant does not seek or does not qualify for the IDA's enhanced PILOT or the equivalent of the State's 485-b program, the fee will be a straight one-half percent (0.5%) of the IDA financing benefits provided to the project cost.

Labor Policy

Adopted May 18, 2006, it is the Labor Policy of the Orange County Industrial Development Agency to *encourage* all companies availing themselves of IDA benefits to use local workforce and pay prevailing wages on their project where possible.

DESCRIPTION/HISTORY OF THE APPLICANT AND ITS MEMBERS

The Applicant, Kikkerfrosch LLC, is a New York limited liability company. The Applicant's members are Michael Politopoulos, Demetri Politopoulos, Evans Stepanov¹ and Tetyana Ryazanova, each owning a 25% interest.

The following is a brief history of some of the Applicant's members as well as how the current Project came to fruition and the Applicant's vision for the products it will produce:

In January 1995, Demetri Politopoulos, a young Chemical Engineer and Brewemaster, returned to his birthplace, Greece, from New Jersey where he had studied, lived, and worked for a number of years. He returned with a dream to create the finest beer Greece had ever seen. He did. He built a beautiful 60,000 Barrel Brewery, and his vision materialized as Vergina Lager, and, as if out of thin air, suddenly a new brand and player emerged in the Greek Beer Market.

His passion for engineering excellence did not translate into easy success though. Distribution in Greece was tough beyond imagination, worthy perhaps of a thriller. He had come up against a powerful Monopoly, in a lawless environment. A synopsis of his story was documented by *The New York Times* in their Sunday Business Section cover story on January 29, 2011. Other people may have quit and accepted repeated offers to sell. But not so Demetri. He fought on and his indomitable entrepreneurial spirit led to final success. Macedonian Thrace Brewery grew to 200,000 barrels and today it sells every keg and bottle it can produce. Demetri did this by hiring people with the right stuff and patiently forging his own new national distribution network over a twelve year span. In 2012, Demetri was a top ten finalist in the Entrepreneur of the year award category of the European Business Awards in recognition of his perseverance. In 2013, Vergina Weiss received the silver medal at The International Brewing Awards, the most historic beer competition in the world. Macedonian Thrace Brewery is currently completing the erection of its own Malting Plant, and recently launched Tuvunu Greek Mountain Iced Tea, which barely three months after its launch, is a Brand in Greece, with broad distribution and strong sales and is shipping to the United Kingdom, California and Australia.

On a foggy January evening of 2013, Anastasia Burlyuk, an executive in the Medical field, and Michael Politopoulos, a chemical executive and Demetri's brother and partner in Macedonian Thrace Brewery, seated in Michael's study, were contemplating starting a new business together. Ideas were thrown out, and in a fit of part inspiration and part deja vue, Kikkerfrosch was born. The thought process that lead to Kikkerfrosch, basically goes as follows:

1. The United States does not produce Lagers equivalent to their German, Czech, or Dutch counterparts. Although Microbreweries in the United States do produce some excellent ales and specialty beers, no new large Lager facility has been erected for the purpose of launching a new All American Brand, probably on account of cost and risk factors.

¹ Note that Evans Stepanov is the son of Anastasia Burlyuk, whose biography is at Tab 3. Anastasia's membership interest in Kikkerfrosch LLC will be held via a trust or some other vehicle in trust for her son, Evans Stepanov.

2. Imported European Lagers are not truly fresh when they arrive on our shores and have been heavily pasteurized for shelf life purposes. Spaten tastes differently in Munich than it does in Manhattan.
3. New York is universally regarded as the most significant locale on Earth today. The name exudes magic and people the world over dream of visiting. Yet, there is no New York Beer Brand that can compete with Amsterdam's, Hamburg's, Munich's, Copenhagen's, Prague's or Dublin's finest brands. There is, as of yet, no Kikkerfrosch - New York.
4. There is an interesting trend under way: Americans are coming up with world class cars like the Tesla. And the public has a thirst for high end products.
5. Then there is the Haagen Dazs story that is a source of inspiration. An exceptional quality American product with a name that makes one think of old world charm and craftsmanship. Arguably the strongest ice cream Brand in the World, it traces its roots to the Bronx. Kikkerfrosch will build on the Haagen Dazs Branding example, while emphasizing its New Yorkness.
6. It is Anastasia's, Demetri's and Michael's vision that Kikkerfrosch will be a well capitalized and executed venture, that will produce a lager to rival the finest of Germany, that Kikkerfrosch will be distributed fresh in a limited Geographic area to include New York City, and that it will supplant many European imports, which are its natural competition, as the top choice of many people living in or visiting the New York Metro area.

BIOGRAPHIES OF THE APPLICANT'S PRINCIPALS

Michael Politopoulos was born in Athens, Greece, in 1962, and immigrated to the United States in 1980. He is a graduate of Columbia College and holds an MBA from Clark University. After working at Chemie Linz, an Austrian Chemical Manufacturer, he founded GP Chemicals Inc., in 1990, which he operates to this day. In 1996, in partnership with his brother Demetri, he co-founded Macedonian Thrace Brewery SA, in Komotini Greece. In 2003, he purchased 50% of the equity in Cymer LLC in Decatur, Tennessee, a specialty Chemical Plant erected in 1998, which was facing financial difficulties. He helped bring Cymer to profitability and is today (summer 2013) spearheading an expansion to double capacity. Additionally, Michael is a 50% equity partner with his brother Demetri, in Tuvunu SA, an iced tea producer in Greece, as well as in a number of commercial Real Estate ventures in New Jersey and Greece. Michael lives in North Bergen, New Jersey.

Demetri Politopoulos was born in Athens, Greece, in 1963, and came to the United States to attend College in 1981. He is a graduate of Stevens Institute of Technology in Chemical Engineering and holds a Masters in Technology Management from the same institution. After working for Transpo Industries and GP Chemicals until 1995, and earning a Brewmaster's Diploma from Siebel Institute of Brewing Technology in Chicago, he returned to Greece and founded, along with his brother Michael, Macedonian Thrace Brewery SA. He supervised the erection of a new Brewery with a current nameplate capacity of 200,000 HL pa, and launched Vergina Beer in 1998. In 2013 he erected a 7000 MT per year malting plant adjacent to the Brewery, in Komotini, Greece. In March 2013, he launched, along with his brother Michael, Tuvunu SA, and is currently producing Greek Mountain Iced Tea under the Tuvunu Brand. He is a partner with his brother in a number of Commercial Real Estate Ventures in New Jersey and Greece. He was an award recipient at the 2012 European Business Awards, in the Entrepreneur of the Year category.

Anastasia Burlyuk was born in Kiev, Ukraine, in 1971. She is a graduate of Kiev Polytechnic Institute in Chemical Engineering. She immigrated to the United States in 1996. She initially worked as a licensed Real Estate Agent for Weichert Realtors in Closter, New Jersey. She founded Renaissance Construction Company which built Commercial and Residential projects, in New York and New Jersey. Anastasia entered the Medical Business in 2001, co-founding Essex Surgical Center in Hackensack, New Jersey, and Roseland Surgical Center in Roseland, New Jersey. Essex has been since sold and Anastasia remains a partner in Roseland. In 2010, Anastasia, along with three partners bought Meadowlands Hospital in Secaucus, New Jersey, where she is a member of the Board of Directors. In 2010 she launched the Columbus Acute Care facility in Newark, New Jersey, which she operates today. Anastasia lives in Closter, New Jersey.

Tetyana Ryazanova was born in 1975 in Kiev, Ukraine. She graduated from Kiev Medical School as a medical doctor. Tetyana immigrated to the United States in 1999, joining her sister, Anastasia Burlyuk, as an associate and then as a partner in Anastasia's Medical businesses. She is a shareholder in Columbus Acute Care and Meadowlands Hospital. Tetyana lives in Closter, New Jersey.

DESCRIPTION OF THE PROJECT

The Applicant intends on acquiring real property in Orange County, New York (the "Property"). The Applicant is currently discussing, negotiating and searching for such Property. The Applicant's ideal Property would consist of approximately 12-18 acres of vacant land. The Property should have or be able to be connected to the municipal water supply, have access to municipal sewer, have at least 265KW power supply as well as natural gas supply.

The Applicant intends to construct a facility (the "Facility") on the Property which Facility will consist of an approximately 90,000 square foot structure with an approximate height of 24 feet. The Applicant intends that the Facility will have its own waste water treatment facility.

The Facility will house a brewery capable of producing 200,000 barrels per year. In addition, the Facility will have a brewhouse, a grain elevator and malt milling area, a yeast propagation area, a filtration area, a bright beer tank farm area, a fermentation tank farm area, a boiler room, a refrigeration/chiller area, a carbon dioxide recovery – compression – storage area, a qc laboratory, a packaging area housing keg and bottle filling lines, raw materials and finished goods warehouse areas, reception area and administration office space (approximately 10,000 square feet of the Facility will be office space to house accounting, administration, logistics, and sales and marketing departments). In addition to the Facility, the Applicant intends on constructing malt and sent grain silos on the Property.

The project (the "Project") and costs will consists of the following:

(i)	Acquisition of the Property	Approximately \$ 2,000,000
(ii)	Construction of the Facility	Approximately \$ 6,500,000
(iii)	Purchase of equipment, furniture, machinery and other personal property for the Facility	Approximately \$18,000,000
(iv)	Closing Cost and additional soft costs	Approximately \$ 2,500,000

Currently, the Applicant estimates that the total Project cost will be \$29,000,000. The Project cost will be financed by the issuance of \$20,000,000 in bonds and the remaining \$9,000,000 will be equity from the Applicant.

The Applicant believes that the Agency should consider inducing the Applicant and eventually approving the Project and the issuance of bonds for several reasons, including the following:

1. The Project is intended to acquire vacant unused land in Orange County and construct a state-of-the-art brewery on such land. The Project will generate employment and

revenue for the County and, if successful, will become an attraction and even a tourist destination as many breweries have become.

2. The Agency's assistance with the Project will help to make the Project economically feasible and will offset the high costs of constructing and financing the Project. The high cost of acquisition, construction and equipping the Facility makes a project such as this financially risky if financed conventionally. Bond financing with its longer term and reduced interest costs, and in addition, the mortgage and sales tax exemptions as well as real estate tax abatements lessens the risk and makes the economics of the Project more feasible. These benefits all add to the economic feasibility of the Project and further ensure that the Project will be successful.
3. The Project will help to enhance the commercial and industrial core of Orange County and will inure to the benefit of the County from enhanced sales tax revenues as well as other revenues such as real estate taxes.
4. It is expected that the Project will increase employment opportunities and not disrupt existing employment nor result in job loss. The Project will provide a number of temporary construction jobs as well as permanent jobs as outlined in the Application.
5. The Project is not speculative. Applicant has invested substantial money and time in the Project. Applicant is currently searching for a suitable site in Orange County for the Project and expects to find a site shortly and enter into a contract of sale.
6. The Applicant considered undertaking the Project in other regions of the tri-state area. However, because of certain affinities of Applicant's members to Orange County and the Hudson Valley Region, Applicant decided to undertake the Project in Orange County. Because of the competitive nature of other states to lure businesses out of or from New York, Applicant believes that to enable it to compete with other businesses located in those states, Applicant needs financial assistance from the Agency as being requested in the Application.

Motion By: _____
Seconded By: _____

INITIAL RESOLUTION
(Kikkerfrosch LLC Project)

A regular meeting of the Orange County Industrial Development Agency held on July 17, 2013 at 3:00 p.m. (local time) at the Orange County Business Accelerator, 4 Crotty Lane, New Windsor, New York 12553.

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of Kikkerfrosch LLC (the "Company").

RESOLUTION (i) ACCEPTING THE APPLICATION OF KIKKERFROSCH LLC WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW), (ii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT TO SUCH PROJECT AND (iii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO SUCH PROJECT.

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 390 of the Laws of 1972 of the State of New York, (hereinafter collectively called the "Act"), the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power and for the purpose of, among other things, acquiring, constructing, reconstructing and equipping manufacturing, warehousing, research, commercial, or industrial facilities as authorized by the Act; and

WHEREAS, **KIKKERFROSCH LLC** (the "Company"), for itself or on behalf of an entity to be formed, has submitted an application (the "Application") to the Agency requesting the Agency's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Agency of a leasehold interest in certain land to be acquired by the Company in Orange County, New York (the "Land"), (ii) the construction on the land by the Company as agent of the Agency of an approximately 90,000 square foot state-of-the-art brewery including, but not limited to, a brewhouse, grain elevator, malt milling area, yeast propagation area, filtration area, fermentation tank farm area, refrigeration/chiller area, storage area, finished goods warehouse areas, keg and bottle filling lines, and office space (the "Improvements"); and (iii) the acquisition in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment" and, collectively with the Land and the Improvements, the "Facility"); and

WHEREAS, pursuant to Article 18-A of the General Municipal Law, the Agency desires to adopt a resolution describing the Project and the financial assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will hold a public hearing and (i) negotiate an agent agreement (the "Agent Agreement"), pursuant to which the Agency will appoint the Company as its agent for the purpose of acquiring, constructing and equipping the Facility, (ii) negotiate and enter into a lease agreement (the "Lease Agreement"), a leaseback agreement (the "Leaseback Agreement") and a payment-in-lieu-of-tax agreement (the "PILOT Agreement"), (iii) take title to, or a leasehold interest in, the Land, the Improvements and the Equipment constituting the Facility (once the Lease Agreement, Leaseback Agreement and PILOT Agreement have been negotiated), and (iv) provide financial assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Facility, (b) a partial real property tax abatement structured within the PILOT Agreement, and (c) a mortgage recording tax exemption for financing or re-financing related to the Project (collectively the "Financial Assistance").

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented an Application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's Application, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Agency has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Orange County, New York, and otherwise furthering the purposes of the Agency as set forth in the Act; and

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

Section 2. The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to hold a public hearing in compliance with the Act and negotiate the terms of (A) an Agent Agreement, pursuant to which the Agency appoints the Company as its agent to undertake the Project, (B) a Lease Agreement, pursuant to

which the Company leases the Facility to the Agency, (C) a related Leaseback Agreement, pursuant to which the Agency conveys its interest in the Facility back to the Company, (D) a PILOT Agreement and (E) related documents; *provided*, the provisions of the Agent Agreement and the rental payments under the Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project.

Section 3. The Agency is hereby authorized to conduct a public hearing in compliance with the Act.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 5. These Resolutions shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to vote on roll call, which resulted as follows:

	<u><i>Yea</i></u>	<u><i>Nay</i></u>	<u><i>Absent</i></u>	<u><i>Abstain</i></u>
Robert Armistead				
Mary Ellen Rogulski				
Russell O. Vernon				
Stephen Brescia				
John Steinberg, Jr.				
Henry VanLeeuwen				
Robert Schreibeis, Sr.				

The Resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF ORANGE) ss:

I, the undersigned [Secretary] of the Orange County Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing extract of the minutes of the meeting of the Orange County Industrial Development Agency (the "Agency") including the resolution contained therein, held on the 17th day of July, 2013, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Agency this 17th day of July, 2013.

_____, [Secretary]

Motion By: _____
Seconded By: _____

FINAL RESOLUTION
(Stewart FBI, LLC Project)

A regular meeting of the Orange County Industrial Development Agency was held on July 17, 2013 at 3:00 p.m. (local time) at the Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, New York 12553.

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of Stewart FBI, LLC (the "Company").

RESOLUTION AUTHORIZING THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO (i) TAKE TITLE TO OR A LEASEHOLD INTEREST IN APPROXIMATELY 2.40-ACRES OF VACANT LAND IN THE TOWN OF NEW WINDSOR, ORANGE COUNTY, NEW YORK (THE "LAND"); (ii) APPOINT STEWART FBI, LLC AS ITS AGENT TO UNDERTAKE A CERTAIN PROJECT AS MORE FULLY DESCRIBED BELOW; (iii) NEGOTIATE AND EXECUTE A LEASE AGREEMENT, LEASEBACK AGREEMENT AND RELATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT; (iv) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH THE PILOT AGREEMENT; AND (C) IF NECESSARY, A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (v) EXECUTE RELATED DOCUMENTS.

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 390 of the Laws of 1972 of the State of New York, as amended (hereinafter collectively called the "Act"), the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **STEWART FBI, LLC** (the "Company"), for itself or on behalf of an entity to be formed (the "Company"), has submitted an application (the "Application") to the Agency requesting the Agency's assistance with respect to a certain project (the "Project") consisting of (i) the acquisition by the Agency of a leasehold or other interest in an approximately 2.40-acre parcel of vacant land located at 347 Avenue of the Americas (part of Stewart International Airport) in the Town of New Windsor, Orange County, New York (the "Land", being more particularly described as TMID No. 3-1-53), (ii) the construction on the Land of an

approximately 24,000 square-foot office building and related improvements (the "Improvements"); and (iii) the acquisition and installation in and around the Improvements of certain items of machinery, equipment and other tangible personal property including, but not limited to, HVAC systems, plumbing and electrical fixtures, security systems, elevators and office furniture (collectively, the "Equipment" and, together with the Land and the Improvements, the "Facility"); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on July 15, 2013, at 10:00 a.m. local time, in the Court Room of the New Windsor Town Hall, 555 Union Avenue, New Windsor, New York 12553, the Agency held a public hearing with respect to the Project and the proposed financial assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. A copy of the Minutes of the Public Hearing along with the Notice of Public Hearing published and forwarded to the affected taxing jurisdictions ten (10) days prior to said Public Hearing are attached hereto as Exhibit A; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of acquiring, constructing and equipping the Facility pursuant to an agent agreement (the "Agent Agreement"), (ii) negotiate and enter into a lease agreement (the "Lease Agreement"), leaseback agreement (the "Leaseback Agreement") and payment-in-lieu-of-tax agreement (the "PILOT Agreement") with the Company, (iii) take title to or a leasehold interest in the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Project (once the Lease Agreement, Leaseback Agreement and PILOT Agreement have been negotiated), and (iii) provide financial assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, (b) a partial real property tax abatement through the PILOT Agreement, and (c) if necessary, a mortgage recording tax exemption for financing related to the Project; and

WHEREAS, the Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents have been negotiated and are presented to this meeting for approval and execution.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application and other correspondence submitted by the Company to the Agency, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Orange County and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

(F) The Agency ratifies all findings and resolutions made in the initial resolution adopted on June 20, 2013 in connection with the Project; and

(G) Based upon representations and warranties made by the Company in the Application, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project, that would otherwise be subject to New York State and local sales and use tax in an amount up to \$2,100,000, which result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$170,625. The Agency agrees to consider any requests by the Company for increase to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services. Pursuant to Section 875(3) of the New York General Municipal Law, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any sales and use tax exemption benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the sales and use tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project. As a condition precedent of receiving sales and use tax exemption benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project,

shall (i) cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

Section 2. Subject to the Company executing the Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the Agent Agreement shall expire on December 31, 2014 (unless extended for good cause by the Executive Director of the Agency) if the Lease Agreement, Leaseback Agreement and PILOT Agreement contemplated have not been executed and delivered.

Section 3. The Chairman, First Vice Chairman and Second Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to negotiate and execute (A) the Lease Agreement whereby the Company leases the Project to the Agency, (B) the related Leaseback Agreement conveying the Project back to the Company, and (C) the PILOT Agreement; provided, that, (i) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 4. The Chairman, First Vice Chairman, Second Vice Chairman and/or Executive Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any Lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement and PILOT Agreement are collectively referred to as, the "Agency Documents"); and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman, First Vice Chairman, Second Vice Chairman and/or Executive Director of the Agency shall approve, the execution thereof by the Chairman, First Vice Chairman, Second Vice Chairman and/or Executive Director of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 6. These Resolutions shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to vote on roll call, which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
Robert Armistead				
Mary Ellen Rogulski				
Russell O. Vernon				
Stephen Brescia				
John Steinberg, Jr.				
Henry VanLeeuwen				
Robert Schreibeis, Sr.				

The Resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF ORANGE) ss:

I, the undersigned Secretary of the Orange County Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing extract of the minutes of the meeting of the Orange County Industrial Development Agency (the "Agency") including the resolution contained therein, held on July 17, 2013, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Agency this 17th day of July, 2013.

_____, Secretary

EXHIBIT A

Public Notice Documents

[See Attached]

Motion By: _____
Secoded By: _____

FINAL RESOLUTION
(CPG Partners, L.P. Project)

A regular meeting of the Orange County Industrial Development Agency was held on July 17, 2013 at 1:30 p.m. (local time) at the Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, New York 12553.

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of CPG Partners, L.P. (the "Company").

RESOLUTION OF THE ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY AUTHORIZING FINANCIAL ASSISTANCE TO
THE COMPANY IN EXCESS OF \$100,000 WITH RESPECT TO A CERTAIN
PROJECT AS MORE FULLY DESCRIBED BELOW.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 390 of the Laws of 1972 of the State of New York, as amended (hereinafter collectively called the "Act"), the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **CPG PARTNERS, L.P.**, for itself or on behalf of an entity to be formed (collectively, the "Company"), has submitted an application (the "Application") to the Agency requesting the Agency's assistance with a certain project (the "Project") involving: (i) certain parcels of land aggregating approximately 149.2 acres located at the junction of NY Thruway Exit 16 and NYS Route 32 in the Village of Woodbury, Orange County, New York at the Woodbury Common Premium Outlets having an address of 498 Red Apple Court, Central Valley, Orange County, New York (Tax Map Nos. 225-1-70.2 and 226-1-1) (collectively, the "Land") and the approximately 852,728 gross leasable square-foot open air outlet mall facility located thereon (the "Existing Facility"), together with supportive restaurants, court yards, kiosks, landscaping and parking (the "Existing Improvements" and, together with the Existing Facility and the Land, the "Original Facility"); (ii) the renovation and expansion of the Original Facility, including, but not limited to, the following: (A) renovations to the façade and roof, (B) new landscaping, (C) new hardscape for walkways and common pedestrian areas, (D) new seating areas and site amenities, (E) the rehabilitation of existing bathrooms and the construction of new restrooms, (F) the construction of a new main entrance and an approximately 50,000 square-foot new main tower building, (G) the relocation and reconstruction of the food court within the main tower building, (H) the construction of five new retail buildings aggregating approximately 100,000 square feet, (I) the expansion of existing retail buildings by approximately 6,000 square feet, (J) the construction of new and improved kiosks and retail

merchandising units, (K) the removal and realignment of certain buildings and straightening of certain courts and new pedestrian crosswalks, (L) new signage, (M) the construction of new pick-up and drop-off laybys for tour buses and public transit bus traffic, (N) the construction of a new approximately 5,000 square-foot welcome center, (O) the construction of new maintenance facilities aggregating approximately 5,000 square feet, (P) the reconfiguring of existing surface parking spaces, (Q) the construction of a four-level parking structure containing approximately 2,223 total parking spaces, and (R) various storm water management improvements, utility upgrades and infrastructure modifications (collectively, the "Improvements"); and (iii) the acquisition and installation in, on and around the Original Facility and the Improvements of certain items of equipment and other tangible personal property (the "Equipment" and, collectively with the Original Facility and the Improvements, the "Facility"); and'

WHEREAS, on June 20, 2013, the Agency adopted a resolution (the "Inducement Resolution") authorizing the Company to act as its agent to undertake the Project and directed that the Agency hold a public hearing and execute an agent agreement (the "Agent Agreement") and sales tax exemption letter (the "Sales Tax Exemption Letter"); *provided, however*, that the Financial Assistance (as defined in the Inducement Resolution) being provided by the Agency to the Company would not exceed \$100,000 until such time as the Agency had held a public hearing and adopted a subsequent resolution with respect to the Project;

WHEREAS, pursuant to General Municipal Law Section 859-a, on July 16, 2013, at 10:00 a.m. local time, at the Woodbury Town Hall, 511 Route 32, Highland Mills, New York 10930, the Agency held a public hearing with respect to the Project and the proposed financial assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. A copy of the Minutes of the Public Hearing along with the Notice of Public Hearing published and forwarded to the affected taxing jurisdictions ten (10) days prior to said Public Hearing are attached hereto as Exhibit A; and

WHEREAS, the Agency desires to adopt a resolution acknowledging that the Public Hearing was held in compliance with the Act and authorizing Financial Assistance to the Company in excess of \$100,000.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The public hearing held by the Agency on July 16, 2013, concerning the Project and the Financial Assistance was duly held in accordance with the Act, including but not limited to the giving of at least ten (10) days published notice of the Public Hearing (such notice also provided to the Chief Executive Officer of each affected tax jurisdiction), affording interested parties a reasonable opportunity, both orally and in writing, to present their views with respect to the Project.

Section 2. Based upon representations and warranties made by the Company in the Application, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project, that would otherwise be subject to New

York State and local sales and use tax in an amount up to \$55,000,000, which result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$4,440,000. The Agency agrees to consider any requests by the Company for increase to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services. Pursuant to Section 875(3) of the New York General Municipal Law, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any sales and use tax exemption benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the sales and use tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project. As a condition precedent of receiving sales and use tax exemption benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, shall (i) cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

Section 3. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 4. These Resolutions shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to vote on roll call, which resulted as follows:

	<u><i>Yea</i></u>	<u><i>Nay</i></u>	<u><i>Absent</i></u>	<u><i>Abstain</i></u>
Robert Armistead				
Mary Ellen Rogulski				
Russell O. Vernon				
Stephen Brescia				
John Steinberg, Jr.				
Henry VanLeeuwen				
Robert Schreibeis, Sr.				

The Resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF ORANGE) ss:

I, the undersigned Chairman of the Orange County Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing extract of the minutes of the meeting of the Orange County Industrial Development Agency (the "Agency") including the resolution contained therein, held on July 17, 2013, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of July, 2013.

Chairman

EXHIBIT A

Notice Documents

[See Attached]