

Motion By: BRESCIA
Seconded By: QUINN

INDUCEMENT RESOLUTION
(Wallkill Owner LLC)

A regular meeting of the Orange County Industrial Development Agency was held on February 11, 2021 at 2:00 p.m. (local time) at The Accelerator, 4 Crotty Lane, Suite 100, New Windsor, New York 12553 in accordance with Executive Order Number 202.1, as extended by subsequent executive orders.

After the meeting had been duly called to order, the Chairperson 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 the below-defined Company.

RESOLUTION OF THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF WALLKILL OWNER LLC (THE "COMPANY") WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW), (ii) TAKING OFFICIAL ACTION TOWARDS THE ISSUANCE OF UP TO \$18,000,000 PRINCIPAL AMOUNT MULTI-FAMILY HOUSING REVENUE BONDS FOR THE PURPOSE OF FINANCING SUCH PROJECT, (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT TO SUCH PROJECT AND (iv) 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 "Issuer") 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, **WALLKILL OWNER LLC**, a New York limited liability company, for itself and/or on behalf of an entity to be formed (collectively, the "Company"), has submitted an application (the "Application") to the Issuer, copies of which were presented at this meeting and a copy of which is on file at the office of the Issuer, requesting that the Issuer issue its multi-family housing revenue bonds in a principal amount not to exceed \$18,000,000 (the "Bonds") for the purpose of financing a certain project (the "Project"), consisting of: (A) the acquisition by the Issuer of title to or a leasehold interest in approximately 14.10 acres of real property located at 455 Schutt Road Extension in the Town of Wallkill, New York (the "Land", being more particularly described as tax parcel No. 50-2-49.22) and the existing improvements located thereon consisting principally of an approximately 160,000 square foot building (the "Existing Improvements"); (B) the planning, design, construction, reconstruction, rehabilitation and upgrade of the Existing Improvements as a low-income elderly housing facility, consisting of approximately 136 residential rental units (consisting of approximately 58 one-bedroom units and 78 two-bedroom units), all of which will serve those at 60% Area Median Income (the

"Improvements"); and (C) the acquisition and installation, in, on or around the Improvements of various machinery, equipment and personal property (collectively, the "Equipment"; and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); (D) funding all or a portion of the costs of a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs and expenses incidental to the issuance of the Bonds (the costs associated with items (A) through (D) above being hereinafter referred to as the "Project Costs"); and (E) the acquisition by the Issuer of fee title to or a leasehold (or other) interest in the Facility and the lease (with the obligation to purchase) or sale of such interest in the Facility back to the Company; and

WHEREAS, pursuant to Article 18-A of the General Municipal Law, the Issuer desires to adopt a resolution describing the Project and the Financial Assistance (as defined below) that the Issuer is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Issuer will hold a public hearing and (i) negotiate an project agreement (the "Project Agreement"), pursuant to which the Issuer 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 "Tax Agreement"), (iii) take title to, or a leasehold interest in, the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility (once the Lease Agreement, Leaseback Agreement and Tax Agreement have been negotiated), and (iv) provide financial assistance to the Company in the form of (a) financing a portion of the Project Costs by the issuance of the Bonds in an amount not to exceed the lesser of the Project Costs or \$18,000,000 (such Bonds, if issued, to be non-recourse to the Issuer), (b) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Facility, (c) a partial real property tax abatement structured within the Tax Agreement, and (d) an exemption from the New York State Mortgage Recording Tax (collectively the "Financial Assistance");

WHEREAS, the Company reasonably expects that it will (1) pay or incur certain capital expenditures in connection with the Project prior to the issuance of the Bonds, (2) use funds from sources other than proceeds of the Bonds which are or will be available on a short-term basis to pay for such capital expenditures, and (3) reimburse itself for the use of such funds with proceeds of the Bonds.

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 Issuer. Based upon the representations made by the Company to the Issuer in the Company's Application, the Issuer hereby finds and determines that:

(A) By virtue of the Act, the Issuer 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 Issuer to (i) acquire title to or other interest in the Land, the Existing Improvements, the Improvements and the Equipment constituting the Facility, (ii) lease or sell the Issuer's interest in the Land, the Existing

Improvements, the Improvements and the Equipment constituting the Facility to the Company pursuant to a leaseback agreement to be negotiated, and (iii) issue the Bonds to finance a portion of the Project Costs; and

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

(D) The action to be taken by the Issuer will induce the Company to develop the Project, thereby increasing employment opportunities in Orange County, New York, and otherwise furthering the purposes of the Issuer 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 Issuer 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.

Section 2. This resolution shall authorize the Issuer to hold a public hearing as required by Article 18-A of the New York State General Municipal Law and Section 147(f) of the Code.

Section 3. The proposed financial assistance being contemplated by the Issuer includes (i) financing a portion of the Project Costs by the issuance of the Bonds in an amount not to exceed the lesser of the Project Costs or \$18,000,000 (such Bonds, if issued, to be non-recourse to the Issuer), (ii) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included within the Project or used in the acquisition, construction or equipping of the Project, (iii) mortgage recording tax exemption for project financing and (iv) a partial real property tax abatement structured within the Tax Agreement, pursuant to which the Company would make payments in lieu of real property taxes to the Issuer for the benefit of the Affected Tax Jurisdictions.

Section 4. The granting of the Financial Assistance, as contemplated by Section 3 of this Resolution, shall be subject to:

(a) agreement by the Issuer, the Company and the purchaser of the Bonds on mutually acceptable terms for the Bonds and for the sale and delivery thereof and mutually acceptable terms and conditions for the security for the payment thereof; and

(b) approval by the County Executive of Orange County, New York, of the issuance of the Bonds in accordance with the provisions of Section 147(f) of the Code; and

(c) compliance by the Issuer with the volume cap limitations set forth in Section 146 of the Code and with any applicable New York State law, such that interest

on the Bonds shall not be included in gross income for purposes of Federal income taxation; and

(d) holding a public hearing as required by Article 18-A of the New York State General Municipal Law and Section 147(f) of the Code.

Section 5. The Chairperson, Vice Chairperson and/or the Chief Executive Officer of the Issuer are hereby authorized, on behalf of the Issuer, to hold a public hearing in compliance with the Code and the Act and negotiate the terms of (i) the Project Agreement, pursuant to which the Issuer appoints the Company as its agent to undertake the Project, (ii) the Lease Agreement, pursuant to which the Company leases the Facility to the Issuer, (iii) the related Leaseback Agreement, pursuant to which the Issuer conveys its interest in the Facility back to the Company, (iv) the Tax Agreement and (v) related documents; *provided*, the provisions of the Project Agreement and the rental payments under the Leaseback Agreement include payments of all costs incurred by the Issuer arising out of or related to the Project and indemnification of the Issuer by the Company for actions taken by the Company and/or claims arising out of or related to the Project.

Section 6. Counsel to the Issuer and Bond Counsel for the Issuer are hereby authorized to work with counsel to the Company and others to prepare for submission to the Issuer, all documents necessary to effect the authorization, issuance and sale of the Bonds, and reimbursement of the cost of all such work prior to the date hereof is hereby authorized to the extent permitted by the Code.

Section 7. This Resolution shall constitute the adoption of "official intent" (within the meaning of the United States Treasury Regulations Section 1.150-2(D) with respect to issuance of the Bonds and the original expenditures which are reasonably expected to be reimbursed from the proceeds of the Bonds.

Section 8. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer 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 Issuer with all of the terms, covenants and provisions of the documents executed for and on behalf of the Issuer.

Section 9. In the event that (i) the Company does not proceed to final Issuer approval within six (6) months of the date hereof and/or (ii) close with the Issuer on the proposed financial assistance within twelve (12) months of the date hereof, the Issuer reserves the right to rescind and cancel this resolution and all approvals made hereunder or under any other Issuer resolution or action.

Section 10. 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>
Mary Ellen Rogulski			X	
Edward A. Diana	X			
James DiSalvo	X			
Stephen Brescia	X			
Michael Gaydos	X			
John I. McCarey	X			
Denise Quinn	X			

The Resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF ORANGE) ss:

I, the undersigned Chief Executive Officer of the Orange County Industrial Development Agency, DO HEREBY CERTIFY:

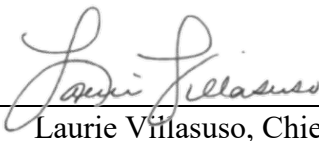
That I have compared the foregoing extract of the minutes of the special meeting of the Orange County Industrial Development Agency (the "Issuer") including the resolution contained therein, held on the 11th day of February, 2021, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Issuer 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 Issuer 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 Issuer 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 Issuer this 11th day of February, 2021.

By: 
Laurie Villasuso, Chief Executive Officer