

Motion By: Boyscia
Seconded By: Rogneski

PRELIMINARY RESOLUTION
(USAI, LLC Project)

A regular meeting of the Orange County Industrial Development Agency held on March 9, 2015, at 2:00 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 USAI, LLC.

RESOLUTION (i) ACCEPTING THE APPLICATION OF USAI, LLC WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW) TO BE LOCATED ON APPROXIMATELY 21.3-ACRES IN THE TOWN OF NEW WINDSOR, ORANGE COUNTY, NEW YORK, (ii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT TO SUCH PROJECT, (iii) MAKING A DETERMINATION WITH RESPECT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT ("SEQR"), 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 "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, **USAI, LLC**, a limited liability company formed and validly existing under the Laws of the State of New York, for itself or on behalf of an entity to be designated by it (the "Company") has submitted an application (the "Application"), a copy of which is on file with 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 interest in an aggregate approximately 21.3-acre parcel of land (being more particularly described as TMID No. 9-1-97 and 9-1-96.1) located at 1116 and 1126 River Road in the Town of New Windsor, Orange County, New York (the "Land") and the existing improvements located thereon consisting principally of an approximately 49,358 square-foot building (the "Existing Improvements"), (ii) the renovation, rehabilitation and upgrading of the Existing Improvements (the "Improvements"); and (iii) the acquisition and installation in and around the Existing Improvements and the Improvements of certain items of equipment, machinery and other

tangible personal property (the "Equipment" and, collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); all to accommodate the Company's expanding business of design, development, assembly, testing and distribution of state-of-the-art LED lighting; and

WHEREAS, the Town of New Windsor Planning Board (the "Planning Board"), as lead agency, reviewed the Company's Full Environmental Assessment Form ("EAF") and issued a negative declaration (the "Negative Declaration") under Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, "SEQR") with respect to the Project, a copy of which is attached hereto as Exhibit A; 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 renovating, rehabilitating, upgrading 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) a sales and use tax exemption for purchases and rentals related to the renovation, rehabilitation, upgrading and equipping of the Facility, (b) a partial real property tax abatement structured within the Tax 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 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

(E) The Planning Board has issued a Negative Declaration with respect to the Project. The Project involves an "Unlisted Action" as said term is defined under SEQR. The review is uncoordinated. Based upon the review by the Agency of the Negative Declaration, the EAF and related documents delivered by the Company to the Agency and other representations made by the Company to the Agency in connection with the Project, the Agency hereby ratifies the Planning Board's findings that (i) the Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (ii) the Project will not have a "significant effect on the environment" as such quoted terms are defined in SEQR; and (iii) no "environmental impact statement" as such quoted term is defined in SEQR, need be prepared for this action. This determination constitutes a negative declaration for purposes of SEQR.

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 Tax 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 T. Armistead	✓			
Mary Ellen Rogulski	✓			
Stephen Brescia	✓			
John Steinberg, Jr.	✓			
Henry VanLeeuwen			✓	
Robert J. Schreibeis, Sr.	✓			
Edward A. Diana			✓	

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 9th day of March, 2015, 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.

9th IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Agency this
day of March, 2015.

Stephen Brescia
Stephen Brescia, Secretary

EXHIBIT A

Negative Declaration of the Town of New Windsor Planning Board

(See Attached)