

Motion By: Rogulski
Seconded By: Steinberg

RESOLUTION

(Assignment of Medline Industries, Inc. Project)

A regular meeting of the Orange County Industrial Development Agency was held on March 8, 2018 at 2:00 p.m. (local time) at 33 Airport Center Drive, 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 the assignment, amendment and subordination of certain agreements for the benefit of Wawayanda Acquisition, LLC (the "Company") in connection with the Company's proposed sale/leaseback transaction with Prime Property Fund (the "Purchaser").

RESOLUTION AUTHORIZING THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO (I) CONSENT TO THE ASSIGNMENT, AMENDMENT AND SUBORDINATION OF CERTAIN AGREEMENTS FOR THE BENEFIT OF WAWAYANDA ACQUISITION, LLC (THE "COMPANY") IN CONNECTION WITH THE COMPANY'S PROPOSED SALE/LEASEBACK TRANSACTION WITH PRIME PROPERTY FUND (THE "PURCHASER") AND (II) NEGOTIATE AND EXECUTE RELATED DOCUMENTS IN CONNECTION THEREWITH.

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, **WAWAYANDA ACQUISITION, LLC** (the "Company") was previously appointed as agent of the Agency for the purposes of undertaking a certain project (the "Project") consisting of: (i) the acquisition of title to or a leasehold interest in a parcel of land located at 3301 U.S. Highway 6 in the Town of Wawayanda, Orange County, New York (the "Land"), (ii) the construction and equipping on the Land of an approximately 505,000 square-foot building to be used by the Company as a distribution center (the "Improvements"), and (iii) the acquisition in and around the Improvements of certain items of equipment and other tangible personal property, all in furtherance of the Company's medical supplies manufacturing and distribution business (the "Equipment" and, collectively with the Land and the Improvements, the "Facility"), all pursuant to: (a) a certain Lease Agreement, dated as of September 1, 2008, from the Company to the Agency (the "Lease Agreement"); (b) a certain Leaseback Agreement, dated as of September 1, 2008, from the Agency to the Company, as amended by a certain Leaseback Agreement, dated as of January 1, 2011, from the Agency to the Company (as amended, the

"Leaseback Agreement"); and (c) a certain Payment-In-Lieu-Of-Tax Agreement, dated as of September 1, 2008, by and between the Agency, the Company and Medline Industries, Inc. (the "Guarantor"), as amended by that certain First Amendment to Payment-In-Lieu-Of-Tax Agreement, dated as of January 1, 2011, by and between the Agency, the Company and the Guarantor (as amended, the "PILOT Agreement"); and

WHEREAS, the Company is contemplating entering into a sale/leaseback transaction (the "Transaction") with Prime Property Fund or such other entity as may be identified by the Company (the "Purchaser") and after the closing of the Transaction, the Company intends to continue operating the Facility pursuant to a lease agreement with the Purchaser (the "New Lease Agreement"); and

WHEREAS, in order to complete the Transaction, the Company will (i) assign its interest in the Lease Agreement, the Leaseback Agreement and the PILOT Agreement to the Purchaser; (ii) amend the PILOT Agreement in order to, among other things, clarify that the Company and the Guarantor will be responsible for the Company's current payment and performance obligations thereunder and (ii) enter into the New Lease Agreement with the Purchaser, which New Lease Agreement shall be subordinate to the Lease Agreement and the Leaseback Agreement; and

WHEREAS, prior to the (i) assignment of the Company's interest under the Lease Agreement, the Leaseback Agreement and the PILOT Agreement to the Purchaser, (ii) amendment of the PILOT Agreement in order to, among other things, clarify that the Company and the Guarantor will be responsible for the Company's current payment and performance obligations thereunder and (iii) subordination of the New Lease Agreement to the Lease Agreement and the Leaseback Agreement, the Agency must first consent to such assignment, amendment and subordination; and

WHEREAS, the Agency desires to adopt a resolution authorizing it to consent to (i) the Company's assignment of the Lease Agreement, the Leaseback Agreement and the PILOT Agreement to the Purchaser, (ii) the amendment of the PILOT Agreement in order to, among other things, clarify that the Company and the Guarantor will be responsible for the Company's current payment and performance obligations thereunder and (ii) the subordination of the New Lease Agreement to the Lease Agreement and the Leaseback Agreement.

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

Section 1. The Company has presented a letter in a form acceptable to the Agency describing the Transaction, the operation of Facility and the current number of employees that are and will continue to be employed at the Facility. Based upon the representations made by the Company therein, the Agency hereby finds and determines that the Agency has the authority to take the actions contemplated herein under the Act and that it is desirable and in the public interest for the Agency to undertake such actions.

Section 2. The Agency consents to (i) the assignment of the Company's interest under the Lease Agreement, the Leaseback Agreement and the PILOT Agreement to the Purchaser, (ii) the amendment of the PILOT Agreement to, among other things, clarify that the Company and the Guarantor will be responsible for the Company's current payment and performance obligations thereunder; and (iii) the subordination of the New Lease Agreement to the Lease Agreement and the Leaseback Agreement.

Section 3. The Chairman, Vice Chairman and/or the Chief Operating Officer of the Agency are hereby authorized, on behalf of the Agency, to negotiate and execute such documents as may be necessary to (i) assign the Lease Agreement, the Leaseback Agreement and the PILOT Agreement, (ii) amend the PILOT Agreement and (iii) subordinate the New Lease Agreement to the Lease Agreement and the Leaseback Agreement (collectively, the "Agency Documents"), provided that such agreements include indemnification of the Agency by the Company, the Guarantor and/or the Purchaser for actions taken by the Company, the Guarantor and/or the Purchaser and/or claims arising out of or related to the Project and that in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 4. Where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency, if any, to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or Chief Operating Officer of the Agency shall approve, the execution thereof by the Chairman, Vice Chairman and/or Chief Operating Officer of the Agency to constitute conclusive evidence of such approval.

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. Due to the complex nature of this transaction, the Agency hereby authorizes the Chairman, Vice Chairman and/or Chief Operating Officer of the Agency to approve, execute and delivery on behalf of the Agency, such further agreements, documents and certificates as the Agency may be advised by counsel to the Agency to be necessary or desirable to effectuate the foregoing, such approval to be conclusively evidenced by execution of such agreements, documents or certificates by the Chairman, Vice Chairman or Chief Operating Officer of the Agency.

Section 7. These Resolutions shall take effect immediately.

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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	✓			
John Steinberg, Jr.	✓			
Stephen Brescia	✓			
Edward A. Diana	✓			
Robert J. Schreibeis, Sr.			✓	
Michael Bonura			✓	

The Resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF ORANGE) ss:

I, the undersigned ^{COO}~~Secretary~~ of the Orange County Industrial Development Agency, DO
HEREBY CERTIFY:

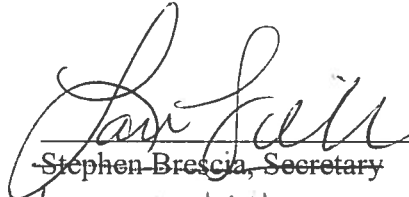
That I have compared the foregoing extract of the minutes of the meeting of the Orange County Industrial Development Agency (the "Agency") including the resolution contained therein, held on March 8, 2018, with the original thereof on file in my office, and that the same is a true and correct copy of 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
8 day of March, 2018.


~~Stephen Brescia, Secretary~~
Laurie Villasuso, Chief Operating Officer