

Motion By: Brescia
Seconded By: Schreibels

RESOLUTION

(Leentjes Amusement Corp. (d/b/a The Castle) Project)

A regular meeting of the Orange County Industrial Development Agency was held on November 14, 2018 at 2:00 p.m. (local time) in the Statutory Committee Room, Government Center Building, 3rd Floor, 255 Main Street, Goshen, New York 10924.

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 project for the benefit of Leentjes Amusement Corp. (d/b/a The Castle) (the "Company").

RESOLUTION AUTHORIZING THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") TO (i) AMEND THE TAX AGREEMENT BETWEEN THE AGENCY AND LEENTJES AMUSEMENT CORP. (D/B/A THE CASTLE) IN ORDER TO DELAY THE PARTIAL REAL PROPERTY TAX ABATEMENT PROVIDED THEREUNDER UNTIL 2021; (ii) AMEND THE LEASE AGREEMENT, MEMORANDUM OF LEASE, LEASEBACK AGREEMENT AND MEMORANDUM OF LEASE TO COINCIDE WITH THE END OF THE TERM OF THE TAX AGREEMENT; AND (iii) EXECUTE AND DELIVER RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 19-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, (collectively, 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, pursuant to resolutions duly adopted on March 10, 2016 and April 14, 2016 and the terms of an Agent Agreement (as defined below), the Agency appointed **LEENTJES AMUSEMENTS CORP. (d/b/a THE CASTLE)** (the "Company") as its agent to undertake a certain project (the "Project") consisting of: (A) the acquisition or retention by the Agency of a leasehold interest in a portion of a parcel of land located at 109-115 Brookside Avenue in the Village and Town of Chester, Orange County, New York [TMID Nos.: Part of 107-2-14.2 and Part of 107-2-15] (collectively, the "Land") and the existing improvements thereon consisting principally of two 18-hole mini golf courses, go-kart track, climbing wall, arcade, batting cages, a roller skating rink, laser tag area, 200-seat restaurant, rock climbing area and indoor arcade (collectively, the "Existing Improvements"); (B)(i) the removal of the existing batting cages to make room for new rides, and (ii) the construction on the Land of an approximately 15,000 square-foot addition to the existing building to accommodate new rides, arcade equipment, inflatable bounces, digital billboards and related improvements and equipment in furtherance of the Company's existing amusement park (collectively, the "Improvements"); and (C) the

acquisition in and around 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"); and

WHEREAS, in connection with the Project, the Agency and Company entered into (i) a certain lease agreement, dated as of April 1, 2016, whereby the Company leased the Facility to the Agency (the "Lease Agreement"), together with a certain related memorandum of lease (the "Memorandum of Lease"); (ii) a certain leaseback agreement, dated as of April 1, 2016, whereby the Agency leased the Facility back to the Company (the "Leaseback Agreement"), together with a certain related memorandum of leaseback (the "Memorandum of Leaseback"); and (iii) a certain payment-in-lieu-of-tax agreement, dated as of April 1, 2016, and amended by the First Amendment to Tax Agreement dated as of June 1, 2017, by which the Company agreed to make payments in lieu of real property taxes pursuant to the terms and conditions contained therein (as amended, the "Tax Agreement"; and, collectively with the Lease Agreement, Memorandum of Lease, Leaseback Agreement and Memorandum of Leaseback, the "Documents"); and

WHEREAS, under the terms of the Tax Agreement, the real property tax abatement were to commence as of June 30, 2019 and continue until December 31, 2029 (the "Original Term"); and

WHEREAS, by correspondence dated October 16, 2018, the Company advised the Agency that construction of the Facility has been delayed until September 2019 and requested that the real property tax abatement under the Tax Agreement not begin until said construction is completed, which date is estimated as September 2021; and

WHEREAS, the Company has therefore requested that the Tax Agreement be amended to delay the benefits until the 2020 tax status date and to amend the Lease Agreement, Memorandum of Lease, Leaseback Agreement and Memorandum of Leaseback to extend their respective terms so as to coincide with the end of the term of the amended Tax Agreement; and

WHEREAS, the Agency desires to adopt a resolution authorizing the amendment to the Documents to delay the tax benefits offered under the Tax Agreement and to extend the term of the Documents through the end of the term of the amended Tax Agreement, all with respect to the Project.

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

Section 1. The Agency is hereby authorized to execute and deliver any amendments to the Documents pursuant to this resolution and to extend the term of the Documents through the end of the term of the amended Tax Agreement.

Section 2. The Agency shall cause an amended Tax Agreement and related Form RP-412-a to be filed with Orange County (the "County"), the Town of Chester (the "Town"), the Village of Chester (the "Village") and the Chester Union Free School District (the "School District"; and, collectively with the County, the Town and the Village, the "Affected Tax

Jurisdictions”) before March 1, 2020 (the “Taxable Status Date”). The tax benefits shall commence with the 2021 County and Town taxes and the 2020/2021 Village and School District taxes.

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>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
Mary Ellen Rogulski	✓			
John Steinberg, Jr.	✓			
Stephen Brescia	✓			
Edward A. Diana	✓			
Robert J. Schreibeis, Sr.	✓			
James DiSalvo	✓			
Michael Gaydos	✓			

The Resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF ORANGE) ss:

I, the undersigned Acting 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 November 14, 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 14 day of November, 2018.



Stephen Brescia, Secretary