

January 26, 2017

HARRIS BEACH ^{PLC}
ATTORNEYS AT LAW

99 GARNSEY ROAD
PITTSFORD, NY 14534
(585) 419-8800

RUSSELL E. GAENZLE

DIRECT: (585) 419-8718
FAX: (585) 419-8816
RGAENZLE@HARRISBEACH.COM

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED:

TO ALL ON THE ATTACHED DISTRIBUTION LIST:

Re: Orange County Industrial Development Agency ("OCIDA")
BDL, LLC Project
1116 and 1126 River Road in the Town of New Windsor, Orange County, NY
(Tax Map Nos.: 9-1-97 and 9-1-96.1, respectively)

Ladies and Gentlemen:

Enclosed herewith please find a copy of the Tax Agreement and the Application for Real Property Tax Exemption with respect to the above-captioned matter.

Very truly yours,

Russ Gaenzle
Russell E. Gaenzle

REG/lap
Enclosures

cc: Laurie Villasuso, OCIDA
Martha Orlando
Marcia A. Jacobowitz, Esq.

DISTRIBUTION LIST

Honorable Steven M. Neuhaus
Orange County Executive
40 Matthews Street
Goshen, New York 10924
CERTIFIED MAIL RECEIPT #:
7016 1970 0000 5154 3669

Mr. George A. Green, Supervisor
Town of New Windsor
555 Union Avenue
New Windsor, New York 12553
CERTIFIED MAIL RECEIPT #
7016 1970 0000 5154 3683

Mr. J. Todd Wiley, Assessor
Town of New Windsor
555 Union Avenue
New Windsor, New York 12553
CERTIFIED MAIL RECEIPT #
7016 1970 0000 5154 3706

Mr. John I. McCarey
Real Property Tax Service
124 Main Street
Goshen, New York 10924
CERTIFIED MAIL RECEIPT #:
7016 1970 0000 5154 3676

Dr. Roberto Padilla, Superintendent
Newburgh Enlarged City School District
124 Grand Street
Newburgh, New York 12550
CERTIFIED MAIL RECEIPT #
7016 1970 0000 5154 3690

Newburgh Enlarged City School District
Attn: Board President
124 Grand Street
Newburgh, New York 12550
CERTIFIED MAIL RECEIPT #
7016 1970 0000 5154 3713

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AND

BDL, LLC

TAX AGREEMENT

Dated as of January 1, 2017

**Premises:
TMID Nos. 9-1-97 and 9-1-96.1**

**Affected Tax Jurisdictions:
Orange County
Town of New Windsor
Newburgh Central School District**

TAX AGREEMENT

THIS TAX AGREEMENT, dated as of the 1st day of January, 2017 (the "Tax Agreement"), is by and between the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly existing under the laws of the State of New York with its registered offices located at Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, New York 12553 (the "Agency") and **BDL, LLC**, a limited liability company duly formed and validly existing under the laws of the State of New York with offices at 1126 River Road, New Windsor, New York 12553 (the "Company").

WITNESSETH:

WHEREAS, the Agency was created by Chapter 390 of the Laws of 1972 of the State of New York pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York (collectively, the "Act") as a body corporate and politic and as a public benefit corporation of the State of New York (the "State"); and

WHEREAS, 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 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 147,698 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, in order to induce the Company to acquire, construct, renovate and equip the Facility, the Agency is willing to take title to or a leasehold interest in the Land, Improvements and personal property constituting the Facility pursuant to the terms and conditions of a certain Lease Agreement, dated as of the date hereof (the "Lease Agreement"), and lease said Land, Improvements and personal property back to the Company pursuant to the terms and conditions of a certain Leaseback Agreement, dated as of the date hereof (the "Leaseback Agreement"); and

WHEREAS, pursuant to Section 874(1) of the Act, the Agency is exempt from the payment of taxes imposed upon real property and improvements owned by it or under its jurisdiction, control or supervision, other than special ad valorem levies, special assessments and service charges against real property which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into an agreement making provisions for payments in lieu of taxes by the Company to the Agency for

the benefit of Orange County (the "County"), the Town of New Windsor (the "Town") and the Newburgh Central School District (the "School District" and, collectively with the County and the Town, the "Affected Tax Jurisdictions").

NOW, THEREFORE, in consideration of the covenants herein contained, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

Section I - Payment in lieu of Ad Valorem Taxes:

Section 1.1 A. Subject to the completion and filing by the taxable status date (**March 1, 2017**) (the "Taxable Status Date") of New York State Form RP-412-a Application For Real Property Tax Exemption (the "Exemption Application") under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act and the approval of the Exemption Application by the appropriate assessors or Board of Assessment Review, the Facility shall be exempt from Real Estate Taxes commencing with the **2018** County and Town calendar tax year and the **2017/2018** School District fiscal tax year. For purposes of the foregoing "Real Estate Taxes" means all general levy real estate taxes levied against the Facility by the County, Town and School District. The Company shall provide to the Agency with the information necessary for the completion and filing of the Exemption Application and shall provide such additional information and take such actions as are required by the appropriate assessors or Board of Assessment Review to process and approve the Exemption Application. Notwithstanding anything contained herein or in the Leaseback Agreement to the contrary, in the event the exemption from Real Estate Taxes is denied for any reason, the Company shall pay (and hereby agrees to pay) all Real Estate Taxes levied upon the Facility as they become due. After giving written notice to the Agency, the Company may in good faith contest the denial of the Exemption Application, provided that (i) the overall operating efficiency of the Facility is not impaired and the Facility continues to qualify as a "project" under the Act; (ii) neither the Facility nor any part of or interest in it would be in any danger of being sold, forfeited or lost; or (iii) neither the Company nor the Agency, as a result of such contest, shall be in any danger of any civil or criminal liability. The Company hereby waives any claim or cause of action against the Agency, and releases the Agency from any liability to the Company, arising from the denial of an exemption from Real Estate Taxes except to the extent that such denial results solely from the failure of the Agency to file the Exemption Application with the appropriate assessors or Board of Assessment Review by the Taxable Status Date.

B. Agreement to Make Payments. The parties agree and acknowledge that payments made under this Tax Agreement are to obtain revenues for public purposes, and to provide a revenue source that the Affected Tax Jurisdictions would otherwise lose because the subject parcels are not on the tax rolls. The Company shall pay annually to the Affected Tax Jurisdictions as a payment in lieu of taxes (i) on or before September 1 of each calendar year for School District taxes, and (ii) on or before January 1 of each calendar year for County and Town taxes; an amount equal to the Total Tax Payment (as calculated on Schedule A attached hereto, and in accordance with the other provisions set forth in this Tax Agreement). The first such Total Tax Payments shall be due on **September 1, 2017 and January 1, 2018**, respectively, and on each September 1 and January 1 thereafter for the term of this Tax Agreement. Upon the

expiration of this Tax Agreement; the Company shall pay the County, Town and School District tax bills in the amounts and on the dates when due as if the Agency were not in title.

1.2 Allocation. The Agency shall remit to the Affected Tax Jurisdictions amounts received hereunder, if any, within thirty (30) days of receipt of said payment and shall allocate said payments among the Affected Tax Jurisdictions in the same proportion as ad valorem taxes would have been allocated but for the Agency's involvement, unless the Affected Tax Jurisdictions have consented in writing to a specific allocation.

1.3 Tax Rates. For purposes of determining the allocation of the Total Tax Payment among the Affected Tax Jurisdictions, the Agency shall use the last tax rate utilized for levy of taxes by each such jurisdiction. For County, Town and special district purposes, the tax rates used to determine the allocation of the Total Tax Payment shall be the tax rates relating to the calendar year which includes the Tax Payment due date. For School District purposes, the tax rates used to determine the Tax Payment shall be the rates relating to the School District year which includes the Tax Payment due date.

1.4 Valuation of Future Additions to the Facility. If there shall be a future addition to the Facility constructed or added in any manner after the date of this Tax Agreement, the Company shall notify the Agency of such future addition ("Future Addition"). The notice to the Agency shall contain a copy of the application for a building permit, plans and specifications, and any other relevant information that the Agency may thereafter request. Upon the earlier of substantial completion, or the issuance of a certificate of occupancy for any such Future Addition to the Facility, the Company shall become liable for payment of an increase in the Total Tax Payment. The Agency shall notify the Company of any proposed increase in the Total Tax Payment related to such Future Addition. If the Company shall disagree with the determination of assessed value for any Future Additions made by the Agency, then and in that event, that valuation shall be fixed by a court of competent jurisdiction. Notwithstanding any disagreement between the Company and the Agency, the Company shall pay the increased Tax payment until a different Total Tax Payment shall be established. If a lesser Total Annual Payment is determined in any proceeding or by subsequent agreement of the parties, the Total Tax Payment shall be re-computed and any excess payment shall be refunded to the Company or, in the Agency's sole discretion, such excess payment shall be applied as a credit against the next succeeding Tax Payment(s).

1.5 Period of Benefits. The tax benefits provided for herein should be deemed to include (i) the **2017/2018** School District fiscal tax year through the **2026/2027** School District fiscal tax year and (ii) the **2018** County and Town calendar tax year through the **2027** County and Town calendar tax year. This Tax Agreement shall expire on **December 31, 2027**; provided, however, the Company shall pay the **2027/2028** School District tax bill and the **2028** County and Town tax bills on the dates and in the amounts as if the Agency were not in title on the tax status date with respect to said tax years. In no event shall the Company be entitled to receive tax benefits relative to the Facility for more than the periods provided for herein, unless the period is extended by amendment to this Tax Agreement executed by both parties after any applicable public hearings. The Company agrees that it will not seek any tax exemption for the Facility which could provide benefits for more than the periods provided for herein and specifically

agrees that the exemptions provided for herein, to the extent actually received (based on the number of years elapsed under the Leaseback Agreement), supersede and are in substitution of the exemptions provided by Section 485-b of the New York Real Property Tax Law ("RPTL"). It is hereby agreed and understood that the Affected Tax Jurisdictions can rely upon and enforce the above waiver to the same extent as if they were signatories hereto.

Section II - Special District Charges, Special Assessments and other charges.

2.1 Special district charges, special assessments, and special ad valorem levies (specifically including but not limited to fire district charges), and pure water charges and sewer charges are to be paid in full in accordance with normal billing practices.

Section III - Transfer of Facility.

3.1 In the event that the Facility is transferred from the Agency to the Company (the lease/leaseback agreements are terminated), and the Company is ineligible for a continued tax exemption under some other tax incentive program, or the exemption results in a payment to the Affected Tax Jurisdictions in excess of the payment described in Section I hereof, or this Tax Agreement terminates and the property is not timely transferred back to the Company, the Company agrees to pay no later than the next tax lien date (plus any applicable grace period), to each of the Affected Tax Jurisdictions, an amount equal to the taxes and assessments which would have been levied on the Facility if the Facility had been classified as fully taxable as of the date of transfer or loss of eligibility of all or a portion of the exemption described herein or date of termination.

Section IV - Assessment and Assessment Challenges.

4.1 The Company shall have all of the rights and remedies of a taxpayer as if and to the same extent as if the Company were the owner of the Facility, with respect to any proposed assessment or change in assessment with respect to the Facility by any of the Affected Tax Jurisdictions and likewise shall be entitled to protest before and be heard by the appropriate assessors or Board of Assessment Review, and shall be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or amount of any tax equivalent provided for herein.

4.2 The Company shall have all of the rights and remedies of a taxpayer with respect to any tax, service charge, special benefit, ad valorem levy, assessment, or special assessment or service charge in lieu of which the Company is obligated to make a payment pursuant to this Tax Agreement, as if and to the same extent as if the Company were the owner of the Facility.

4.3 The Company shall (i) cause the appropriate real estate tax assessment office and tax levy officers to assess the Facility and apply tax rates to the respective assessments as if the Facility were owned by the Company, (ii) file any accounts or tax returns required by the appropriate real estate tax assessment office and tax levy officers.

4.4 The Company has entered into a stipulation with the Town of New Windsor as to payment of taxes for years 2016-17, 2017-18, 2018-19 and 2019-20. The Company shall be entitled to receive the tax benefits most favorable to the Company under this agreement or stipulation.

Section V - Changes in Law.

5.1 To the extent the Facility is declared to be subject to taxation or assessment by an amendment to the Act, other legislative change, or by final judgment of a Court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

Section VI - Events of Default.

6.1 The following shall constitute "Events of Default" hereunder. The failure by the Company to: (i) make the payments described in Section I within thirty (30) days of the Payment Date (the "Delinquency Date"); (ii) make any other payments described herein on or before the last day of any applicable cure period within which said payment can be made without penalty; or (iii) the occurrence and continuance of any events of default under the Leaseback Agreement after any applicable cure periods. Upon the occurrence of any Event of Default hereunder, in addition to any other right or remedy the Agency and/or the Affected Tax Jurisdictions may have at law or in equity, the Agency and/or Affected Tax Jurisdictions may, immediately and without further notice to the Company (but with notice to the Agency with respect to actions maintained by the Affected Tax Jurisdictions) pursue any action in the courts to enforce payment or to otherwise recover directly from the Company any amounts so in default. The Agency and the Company hereby acknowledge the right of the Affected Tax Jurisdictions to recover directly from the Company any amounts so in default pursuant to Section 874(6) of the General Municipal Law and the Company shall immediately notify the Agency of any action brought, or other measure taken, by any Affected Tax Jurisdiction to recover any such amount.

6.2 If payments pursuant to Section I hereof are not made by the Delinquency Dates, or if any other payment required to be made hereunder is not made by the last day of any applicable cure period within which said payment can be made without penalty, the Company shall pay penalties and interest as follows. With respect to payments to be made pursuant to Section I hereof, if said payment is not received by the Delinquency Date defined in Section 6.1 hereof, Company shall pay, in addition to said payment, (i) a late payment penalty equal to five percent (5%) of the amount due and (ii) for each month, or any part thereof, that any such payment is delinquent beyond the first month, interest on the total amount due plus the late payment penalty, in an amount equal to one percent (1%) per month. With respect to all other payments due hereunder, if said payment is not paid within any applicable cure period, the Company shall pay, in addition to said payment, the greater of the applicable penalties and interest or penalties and interest which would have been incurred had payments made hereunder been tax payments to the Affected Tax Jurisdictions.

Section VII - Assignment.

7.1 No portion of any interest in this Tax Agreement may be assigned by the Company, nor shall any person other than the Company be entitled to succeed to or otherwise obtain any benefits of the Company hereunder without the prior written consent of the Agency, which shall not be unreasonably withheld or delayed.

Section VIII - Miscellaneous.

8.1 This Tax Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.

8.2 All notices, claims and other communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or mailed first class, postage prepaid, as follows:

To the Agency:

Orange County Industrial Development Agency
Orange County Business Accelerator
4 Crotty Lane, Suite 100
New Windsor, New York 12553
Attn: Laurie Villasuso, Chief Operating Officer
and Executive Vice President

With Copy To:

Kevin T. Dowd, Esq.
Attorney - Orange County IDA
46 Daisy Lane
Montgomery, New York 12549

And To:

Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Attn: Russell E. Gaenzle, Esq.

To the Company:

BDL, LLC
1126 River Road
New Windsor, New York 12553
Attn.: Martha Orlando, Controller

With Copy To:

Jacobowitz & Gubitz, LLP
P.O. Box 367
158 Orange Ave.
Walden, New York 12589
Attention: Marcia A. Jacobowitz, Esq.

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

8.3 This Tax Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the Federal or state courts located in Orange County, New York.

8.4 Notwithstanding any other term or condition contained herein, all obligations of the Agency hereunder shall constitute a special obligation payable solely from the revenues and other monies, if any, derived from the Facility and paid to the Agency by the Company. None of the members of the Agency nor any person executing this Tax Agreement on its behalf shall be liable personally under this Tax Agreement. No recourse shall be had for the payment of the principal or interest on amounts due hereunder or for any claim based upon or in respect of any modification of or supplement hereto against any past, present or future member, officer, agent, servant, or employee, as such, of the Agency, or of any successor or political subdivision, either directly or through the Agency or any such successor, all such liability of such members, officer, agents, servants and employees being, to the extent permitted by law, expressly waived and released by the acceptance hereof and as part of the consideration for the execution of this Tax Agreement.

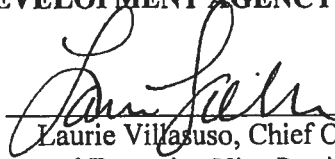
[Remainder of Page Intentionally Left Blank]

[Signature Page to Tax Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Tax Agreement as of the day and year first above written.

**ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____


Laurie Villasuso, Chief Operating Officer
and Executive Vice President

BDL, LLC

By: _____

Bonnie L. Gatof, Member

[Signature Page to Tax Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Tax Agreement as of the day and year first above written.

**ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Laurie Villasuso, Chief Operating Officer
and Executive Vice President

BDL, LLC

By: Bonnie L. Gatof
Bonnie L. Gatof, Member

SCHEDULE A
TO
TAX AGREEMENT DATED AS OF JANUARY 1, 2017
BY AND BETWEEN THE
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
AND BDL, LLC

"Total Tax Payment" shall be calculated as follows:

<u>Tax Year</u>	<u>County and Town Tax Year</u>	<u>School Tax Year</u>	<u>Total Taxable Valuation</u>
Year 1	2018	2017/2018	Base Valuation, plus (Added Value x .00)
Year 2	2019	2018/2019	Base Valuation, plus 10% (Added Value x .10)
Year 3	2020	2019/2020	Base Valuation, plus 20% (Added Value x .20)
Year 4	2021	2020/2021	Base Valuation, plus 30% (Added Value x .30)
Year 5	2022	2021/2022	Base Valuation, plus 40% (Added Value x .40)
Year 6	2023	2022/2023	Base Valuation, plus 50% (Added Value x .50)
Year 7	2024	2023/2024	Base Valuation, plus 60% (Added Value x .60)
Year 8	2025	2024/2025	Base Valuation, plus 70% (Added Value x .70)
Year 9	2026	2025/2026	Base Valuation, plus 80% (Added Value x .80)
Year 10	2027	2026/2027	Base Valuation, plus 90% (Added Value x .90)

For the term of this Tax Agreement, the Company shall continue to pay full taxes based on the assessed value of the Land and Existing Improvements before the completion of any Project improvements (the "Base Valuation"). During the term of this Tax Agreement, the Base Valuation shall be increased from time to time by the percentage increase in the assessed valuation in all taxable real property in the Town of New Windsor, Orange County, New York, as of the respective tax status date for the tax year for which the recalculation is being made. The Total Taxable Valuation for each Total Tax Payment shall be calculated such that a graduated abatement factor ("Abatement Factor") shall be applied to the increased assessed valuation attributable to the Improvements (the "Added Value"). The abatement schedule shall allow for a 100% exemption from taxation for the Added Value in the first PILOT Year, with such exemption being eliminated in 10% increments in PILOT Years 2-10. Pursuant to Stipulation and Order of Settlement, dated March 15, 2016, Supreme Court, Orange County, Index Nos. 7553/2011, 6191/2012, 6088/2013, 5704/2014, 5858/2015, the Base Valuation for the 2017 Assessment Roll is \$503,100.00; for the 2018 Assessment Roll is \$485,000.00; and for the 2019 Assessment Roll is \$466,000.00. Unless increased in the assessed valuation in all taxable use property in the Town of New Windsor, Orange County, New York, the Base Valuation for the 2020 Assessment Roll through the 2026 Assessment Roll shall be \$466,000.00.

Once the Total Taxable Valuation is established using the Abatement Factor, the Total Tax Payment shall be determined by multiplying the Total Taxable Valuation by the respective tax rate for each affected tax jurisdiction (after application of any applicable equalization rate).

After the tenth Tax Year, the Facility shall be subject to full taxation by the affected taxing jurisdictions.

$\text{Total Taxable Valuation} = \text{Base Valuation} + (\text{Added Value} \times \text{Abatement Factor})$

$\text{Total Tax Payment} = \text{Total Taxable Valuation (after equalization)} \times \text{Tax Rate}$

COPY

STATE OF NEW YORK
SUPREME COURT

ORANGE COUNTY

LOC REALTY CORP. and
LITTMAN INDUSTRIES, INC.,

Petitioners,

-against-

BOARD OF ASSESSORS FOR THE TOWN OF NEW
WINDSOR and TOWN OF NEW WINDSOR,

Respondents.

**STIPULATION & ORDER
OF SETTLEMENT**

Index Nos.: 7553/2011,
6191/2012, 6088/2013,
5704/2014 and 5858/2015

Assigned Judge:
Hon. Catherine M. Bartlett

The above named petitioners having duly brought this Real Property Tax Law ("RPTL") Article 7 proceeding to review the tax assessment made against premises owned by the petitioner Loc Realty Corp. located at 1116 River Road (SBL No.: 9-1-97) in the Town of New Windsor, County of Orange, State of New York (the "Loc Parcel") and against the premises owned by the petitioner Littman Industries, Inc. located at 1126 River Road (SBL No. 9-1-96.1) in the Town of New Windsor, County of Orange, State of New York (the "Littman Parcel") (the Loc Parcel and the Littman Parcel are hereinafter collectively referred to as the "Parcels"), for the years 2011, 2012, 2013, 2014 and 2015 and being the real property mentioned and more fully described in the petitions made and filed herein, and issue having been duly joined herein, and the Petitioners having appeared by Jacobowitz & Gubits, LLP, Gerald N. Jacobowitz, Esq., the Respondents having appeared by Goldman Attorneys PLLC, Paul J. Goldman, Esq., and the parties having entered into and consent to this Stipulation & Order of Settlement;

NOW, on motion of Goldman Attorneys PLLC, attorneys for Respondents, it is hereby,

1. ORDERED, ADJUDGED and DECREED, that the 2011 assessments of the Parcels in the Town of New Windsor, County of Orange, State of New York on the assessment roll of the Town of New Windsor for the year 2011 be reduced as follows:

<u>Property</u>	<u>Original Assessed Value</u>	<u>Corrected Assessed Value</u>	<u>Reduction in Assessed Value</u>
1116 River Rd (SBL No.: 9-1-97)	\$213,100	\$87,350	\$125,750
1126 River Rd (SBL No.: 9-1-96.1)	\$680,900	\$629,000	\$51,900

, and

2. ORDERED, ADJUDGED and DECREED, that the 2012 assessments of the Parcels in the Town of New Windsor, County of Orange, State of New York on the assessment roll of the Town of New Windsor for the year 2012 be reduced as follows:

<u>Property</u>	<u>Original Assessed Value</u>	<u>Corrected Assessed Value</u>	<u>Reduction in Assessed Value</u>
1116 River Rd (SBL No.: 9-1-97)	\$213,100	\$87,350	\$125,750
1126 River Rd (SBL No.: 9-1-96.1)	\$680,900	\$600,930	\$79,970

, and

3. ORDERED, ADJUDGED and DECREED, that the 2013 assessments of the Parcels in the Town of New Windsor, County of Orange, State of New York on the assessment roll of the Town of New Windsor for the year 2013 be reduced as follows:

<u>Property</u>	<u>Original Assessed Value</u>	<u>Corrected Assessed Value</u>	<u>Reduction in Assessed Value</u>
1116 River Rd (SBL No.: 9-1-97)	\$213,100	\$87,350	\$125,750
1126 River Rd (SBL No.: 9-1-96.1)	\$680,900	\$618,000	\$62,900

, and

4. ORDERED, ADJUDGED and DECREED, that the 2014 assessments of the Parcels in the Town of New Windsor, County of Orange, State of New York on the assessment roll of the Town of New Windsor for the year 2014 be reduced as follows:

<u>Property</u>	<u>Original Assessed Value</u>	<u>Corrected Assessed Value</u>	<u>Reduction in Assessed Value</u>
1116 River Rd (SBL No.: 9-1-97)	\$213,100	\$65,500	\$147,600
1126 River Rd (SBL No.: 9-1-96.1)	\$680,900	\$557,700	\$123,200

, and

5. ORDERED, ADJUDGED and DECREED, that the 2015 assessments of the Parcels in the Town of New Windsor, County of Orange, State of New York on the assessment roll of the Town of New Windsor for the year 2015 be reduced as follows:

<u>Property</u>	<u>Original Assessed Value</u>	<u>Corrected Assessed Value</u>	<u>Reduction in Assessed Value</u>
1116 River Rd (SBL No.: 9-1-97)	\$213,100	\$65,500	\$147,600
1126 River Rd (SBL No.: 9-1-96.1)	\$680,900	\$556,500	\$124,400

, and

6. ORDERED, ADJUDGED and DECREED, that the County of Orange shall refund any excess Town taxes paid on account of the reductions set forth above to the 2011, 2012, 2013, 2014 and 2015 assessment of the Parcels for the 2011, 2012, 2013, 2014 and 2015 assessment rolls used to generate the 2012, 2013, 2014 and 2015 Town taxes on the Parcels and shall issue a corrected tax bill for the 2016 Town taxes on account of the 2015 assessment roll used to generate the 2016 taxes for the Parcel, or, in the event that a corrected tax bill is not timely issued, the County shall also refund any excess Town taxes paid on account of the corrected 2015 assessment for the Parcels set forth above, and it is further, and

~~7. ORDERED, ADJUDGED and DECREED, that the County of Orange shall refund~~
any excess County, water, sewer and all special district taxes paid on account of the reductions set forth above to the assessment of the Parcels on account of the 2011, 2012, 2013, 2014 and 2015

assessment rolls used to generate the 2012, 2013, 2014 and 2015 County, water, sewer and all special district taxes on the Parcels and shall issue a corrected tax bill for the 2016 County taxes on account of the 2015 assessment roll used to generate the 2016 taxes for the Parcel, or, in the event that a corrected tax bill is not timely issued, the County shall also refund any excess County taxes paid on account of the corrected 2015 assessment for the Parcels set forth above, and it is further, and

8. ORDERED, ADJUDGED and DECREED, that the Newburgh Enlarged City School District shall refund any excess School District taxes (including the library taxes) paid on account of the reductions set forth above to the assessment of the Parcels on account of the 2011, 2012, 2013, 2014 and 2015 assessment rolls used to generate the 2011-2012, 2012-2013, 2013-2014, 2014-2015 and 2015-2016 School District taxes (including the library taxes) on the Parcels, and

9. ORDERED, ADJUDGED and DECREED, in the event that the Loc Parcel is not merged into the Littman Parcel on or before March 1, 2016 or any subsequent taxable status date for the years identified below, the Assessed Values of the Parcels shall be as follows:

	<u>1116 River Road (SBL No.: 9-1-97)</u>	<u>1126 River Road (SBL No.: 9-1-96.1)</u>
2016	\$40,000	\$492,000
2017	\$40,000	\$473,100
2018	\$40,000	\$455,000
2019	\$40,000	\$436,000

, and

10. ORDERED, ADJUDGED and DECREED, for the first taxable status date following the total merger of the Loc Parcel into the Littman Parcel so that the parcels are combined into a single parcel by deed, the assessed value of the combined Littman Parcel shall be as follows:

<u>Year</u>	<u>Assessed Value</u>
2016	\$522,000
2017	\$503,100
2018	\$485,000
2019	\$466,000

, and

11. ORDERED, ADJUDGED and DECREED, subject to the terms, covenants and conditions set forth herein, the provisions of RPTL §727 shall be applicable to the 2016, 2017, 2018 and 2019 assessment rolls; and

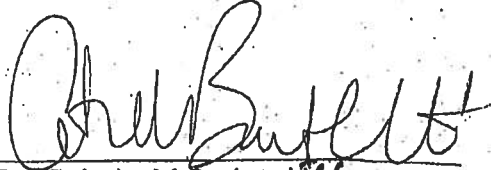
12. ORDERED, ADJUDGED and DECREED, that the Town expressly waives its right to reassess the Parcels for modification to the building improvements unless the improvements involve an expansion of the footprint of the existing building improvements. In the event that there is an expansion to the footprint of the existing building improvements, the additional square footage shall be added to the assessment at the rate of \$20 per square foot on a full value basis which shall be multiplied by the applicable State equalization rate in effect at the time that the assessment for the additional square footage is added to the assessment; and

13. ORDERED, ADJUDGED and DECREED, that the Respondents may revisit the assessment of the Parcels in 2020 and the Petitioners, including any successor in interest thereto, expressly waive their right to claim selective and/or illegal reassessment, in response to any increase that may result from the review; and

14. ORDERED, ADJUDGED and DECREED, that the refunds, set forth above, shall be paid to Jacobowitz & Gubits, LLP, attorneys for the Petitioners, 158 Orange Avenue, P.O. Box 367, Walden, New York 12586-0367, without interest or costs, provided any such refunds are made

within ninety (90) days of the service of this Stipulation & Order of Settlement with notice of entry thereof.

Dated: MARCH 15, 2016
Goshen, New York


Hon. Catherine M. Bartlett, ^{ASC}
JUDGE NY STATE COURT OF CLAIMS
ACTING SUPREME COURT JUSTICE

STIPULATION

The Attorneys for the respective Parties do hereby consent to this Stipulation & Order of Settlement.

Dated: December 24, 2015

GOLDMAN ATTORNEYS PLLC

By: 

Paul J. Goldman, Esq.
Erika C. Browne, Esq.
Attorneys for Respondents
210 Washington Avenue Extension
Albany, New York 12203
(518) 431-0941

Dated: December 21st, 2015

JACOBOWITZ & GUBITS, LLP

By: 

Gerald N. Jacobowitz, Esq.
Attorneys for Petitioners
158 Orange Avenue
P.O. Box 367
Walden, New York 12586-0367
(845) 778-2121

Dated: December 21st, 2015

LOC REALTY CORP. AND
LITTMAN INDUSTRIES, INC.
Petitioners

By: 

ELFRIEDE LITTMAN

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ORANGE

LOC REALTY CORP. and
LITTMAN INDUSTRIES, INC.,

Petitioners,

-against-

BOARD OF ASSESSORS FOR THE TOWN OF
NEW WINDSOR and TOWN OF NEW WINDSOR,
Respondents.

AFFIDAVIT OF MAILING

INDEX NOS. 7553/11

6191/12

6088/13

5704/14

5858/15

STATE OF NEW YORK)

SS.:

COUNTY OF ORANGE)

LUIS VARGAS, being duly sworn, deposes and says, I am not a party to the action, am over 18 years of age and reside at Walden, New York.

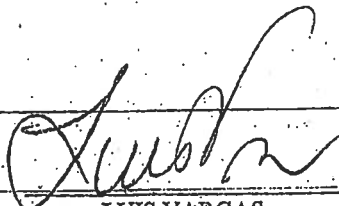
On January 12, 2016, I served a true copy of the annexed STIPULATION & ORDER OF SETTLEMENT NOTICED FOR SETTLEMENT in the following manner:

By mailing the same in a sealed envelope, with postage prepaid thereon, in a post-office or official depository of the U.S. Postal Service within the State of New York, addressed to the last known address of the addressees as indicated below:

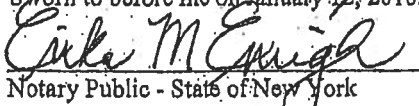
Matthew Nothnagle, Esq.
Orange County Department of Law
15 Matthews Street, Suite 304
Goshen, New York 10924

Superintendent of the
Newburgh Central School District
124 Grand Street
Newburgh, New York 12550

Paul J. Goldman, Esq.
Goldman Attorneys, PLLC
Attorney for the Respondents
210 Washington Avenue Extension
Albany, New York 12203


LUIS VARGAS

¹³
Sworn to before me on January 12, 2016.


Notary Public - State of New York

ERIKA M. EMIGH
Notary Public, State of New York
No. 01EM5043676
Qualified in Ulster County
Commission Expires May 15, 2019



NYS BOARD OF REAL PROPERTY SERVICES

RP-412-a (1/95)

INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

- | | |
|---|---|
| 1. INDUSTRIAL DEVELOPMENT AGENCY (IDA) | 2. OCCUPANT (IF OTHER THAN IDA)
(If more than one occupant attach separate listing) |
| Name <u>Orange County Industrial Development Agency</u> | Name <u>BDL, LLC</u> |
| Street <u>4 Crotty Lane, Suite 100</u> | Street <u>1126 River Road</u> |
| City <u>New Windsor, New York 12553</u> | City <u>New Windsor, New York 12553</u> |
| Telephone no. Day <u>(845) 234-4192</u> | Telephone no. Day <u>(845) 565-8500</u> |
| Evening <u>()</u> | Evening <u>()</u> |
| Contact <u>Laurie Villasuso</u> | Contact <u>Martha Orlando</u> |
| Title <u>COO & EVP</u> | Title <u>Controller</u> |

- 3. DESCRIPTION OF PARCEL**
- | | |
|--|--|
| a. Assessment roll description (tax map no./roll year)
<u>9-1-97 and 9-1-96.1</u> | d. School District <u>Newburgh CSD</u> |
| b. Street address
<u>1116 and 1126 River Road</u> | e. County <u>Orange</u> |
| c. City, Town or Village <u>New Windsor (Town)</u> | f. Current assessment <u>\$13,826.61 & \$44,437.02</u> |
| | g. Deed to IDA (date recorded; liber and page)
<u>Lease Agreement, a memorandum of which was recorded on or about January 27, 2017.</u> |

- 4. GENERAL DESCRIPTION OF PROPERTY** (if necessary, attach plans or specifications)
- | | |
|---|--|
| a. Brief description (include property use) <u>Rehabilitation, upgrading & renovation of an existing 49,358 sq ft. building for us in design, development, assembly, testing & distribution of state-of-the-art LED lighting.</u> | |
| b. Type of construction _____ | |
| c. Square footage <u>approx. 49,358</u> | f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA)
<u>December 31, 2027</u> |
| d. Total cost <u>approx. \$6,527,360</u> | |
| e. Date construction commenced <u>winter/spring 2016/17</u> | |

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION
(Attach copy of the agreement or extract of the terms relating to the project).

- a. Formula for payment Please see attached document
- _____
- _____
- _____
- b. Projected expiration date of agreement December 31, 2027

c. Municipal corporations to which payments will be made

	Yes	No
County <u>Orange</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City <u>New Windsor (Town)</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
School District <u>Newburgh CSD</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

d. Person or entity responsible for payment

Name BDL, LLC
 Title _____
 Address 1126 River Road
New Windsor, New York 12553

e. Is the IDA the owner of the property? Yes ☒ No ☐ (circle one)
 If "No" identify owner and explain IDA rights or interest in an attached statement. The IDA has a leasehold interest in the property.

Telephone 845- 565-8500

6. Is the property receiving or has the property ever received any other exemption from real property taxation?
 (check one) Yes ☐ No ☒

If yes, list the statutory exemption reference and assessment roll year on which granted:
 exemption _____ assessment roll year _____

7. A copy of this application, including all attachments, has been mailed or delivered on 1/26/17 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, Laurie Villasuso, COO & Executive Vice President of
Orange County Industrial Development Agency hereby certify that the information
Organization
 on this application and accompanying papers constitutes a true statement of facts.

1/18/17
 Date


 Signature

FOR USE BY ASSESSOR

1. Date application filed _____
2. Applicable taxable status date _____
- 3a. Agreement (or extract) date _____
- 3b. Projected exemption expiration (year) _____
4. Assessed valuation of parcel in first year of exemption \$ _____
5. Special assessments and special as valorem levies for which the parcel is liable:

 Date

 Assessor's signature