

RESOLUTION

A reconvened meeting of County of Sullivan Industrial Development Agency ("Agency") was convened in session at the Sullivan County Government Center, Monticello, New York on July 27, 1999 at 10:00 a.m. local time.

The meeting was called to order by Chairman Robert Kunis and, upon the roll being called, the following members of the Agency were:

	<u>Present</u>	<u>Absent</u>
Robert Kunis	[✓]	[]
Allan C. Scott	[✓]	[]
Raymond Walter	[✓]	[]
Edward T. Sykes	[✓]	[]
Harold Gold	[]	[✓]
Joyce Salimeno	[]	[✓]
Irving Shapiro	[]	[✓]

The following persons were also present:
Jennifer Brylinski, IDA Executive Director
Walter F. Garigliano, Esq., IDA Counsel.
All members present waived Notice of the Meeting.

The following resolution was offered by Raymond Walter, seconded by Edward T. Sykes, to wit:

RESOLUTION OF THE COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY APPOINTING NORMAN KAUFMAN AND STEVEN L. KAUFMAN, AS AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, AND EQUIPPING A 3,275 SQUARE FOOT EXPANSION TO AN EXISTING BUILDING ("FACILITY"); MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY; AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGENT AGREEMENT BETWEEN THE AGENCY AND THE KAUFMANS; AUTHORIZING THE AGENCY TO EXECUTE THE LEASE AGREEMENT, PAYMENT-IN-LIEU-OF-TAX-AGREEMENT ("PILOT"), AND RELATED DOCUMENTS WITH RESPECT TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE FACILITY.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 560 of the Laws of 1970 of the State of New York, as amended and codified as Section 960 of the General Municipal Law (collectively, the "Act"), the Agency was created with the authority and power to own, lease and sell property as authorized by the Act; and

WHEREAS, Norman Kaufman and Steven L. Kaufman (collectively referred to as "Kaufman") have presented an application (the "Application") to the Agency, a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of (i) the construction on a parcel of real estate located at 30 North Street, Monticello, Sullivan County, New York 12701 (identified on the tax map of the Town of Thompson Section 111, Block 4, Lots 26 & 27), (the "Land") of a 2 story expansion to an existing building which shall consist of approximately 3,275 square feet in the aggregate (1,215 square feet to be used for commercial storage and 2,060 square feet to be used for office space) and related facilities thereto (the "Building") to be owned by the Agency; (ii) the acquisition and installation thereon and therein of certain furniture, fixtures, machinery, tools and equipment (the "Equipment"); (iii) the construction of improvements to the Land, the Building, the Equipment and other improvements therein (collectively referred to as the "Facility") and (iv) the lease of the Facility from the Agency to Kaufman; and

WHEREAS, the total financial assistance being contemplated by the Agency is less than \$100,000; and

WHEREAS, it is contemplated that the Agency will (i) designate Kaufman as its agent for the purpose of acquiring, constructing and equipping the Project; (ii) negotiate and enter into a Lease Agreement (the "Agreement") and payment in lieu of tax agreement (the "PILOT Agreement") with Kaufman; (iii) hold title to the land, the improvements and personal property thereon which constitute the Project (once the Lease Agreement and PILOT Agreement have been negotiated); and (iv) provide financial assistance to Kaufman in the form of (a) sales tax exemption for purchases related the acquisition, construction and equipping of the Project (b) a mortgage tax exemption for financing related to the Project; and (c) a real property tax abatement on increased value resulting from improvements to the Land through the PILOT Agreement; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York ("SEQR"), the Agency constitutes a "State Agency"; and

WHEREAS, to aid the Agency in determining whether the Project may have significant adverse effects on the environment, Kaufman has presented a Short Environmental Assessment Form to the Agency with respect to the Project for its review; and

WHEREAS, the Agency has given due consideration to the application of Kaufman and to representations by Kaufman that the proposed financial assistance is an inducement to Kaufman to undertake the Project; and

WHEREAS, the Agency has considered the following matters as more fully set forth in its Uniform Tax Exemption Policies:

- A. Permanent private sector job creation and retention;
- B. Estimated value of the tax exemption;
- C. Whether the affected taxing jurisdictions shall be reimbursed by Kaufman if the

- D. Facility does not fulfill the purposes for which the exemption was granted; Impact of project on existing and proposed business or economic development projects;
- E. The amount of private sector investment generated or likely to be generated by the proposed project;
- F. Demonstrated public support for the proposed project;
- G. Likelihood of accomplishing the proposed project in a timely fashion;
- H. Environmental Impact;
- I. Extent to which the proposed project will require additional services including but not limited to educational, police, transportation, EMS, and fire;
- J. Extent to which the proposed project will provide additional revenues; and
- K. Extent to which the proposed project will serve the public purposes of the Act by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in the State;

and

WHEREAS, the Agency desires to encourage Kaufman to advance the job opportunities, health, general prosperity and economic welfare of the people of Sullivan County, New York by providing the contemplated financial assistance and undertaking the Project; and

WHEREAS, the Executive Director has negotiated a Lease Agreement, PILOT Agreement and related documents with Kaufman; and

WHEREAS, the Lease Agreement, PILOT Agreement and related documents have been prepared by Agency counsel.

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

Section 1. Kaufman has presented to the Agency, among other things:

- (A) An application in form acceptable to the Agency;
- (B) A Cost/Benefit Analysis relating to the proposed financial assistance; and
- (C) A Short Environmental Assessment Form.

Section 2. Based upon (i) the representations made by Kaufman to the Agency, and (ii) a review of the Environmental Assessment Form and related documents, the Agency hereby determines that :

- (A) The Project constitutes an unlisted action under the SEQR;
- (B) The Agency is the lead agency for SEQR review;
- (C) The Project will result in no major impacts and, therefore, is one which will not cause significant damage to the environment;
- (D) The Project will not have a "significant effect on the environment" as such quoted terms are defined in Article 8 of the Environmental Conservation Law

and Regulations adopted pursuant thereto by the Department of Environment Conservation;

- (E) No "environmental impact statement" as such quoted term is defined in SEQR, need be prepared for this action; and
- (F) This determination constitutes a negative declaration for purposes of SEQR.

A copy of this resolution shall together with the attachments thereto be placed on file in the office of the Agency where the same shall be available for public inspection during business hours, and notices of this negative declaration shall be filed in such offices, posted in such places, and published in such publications as shall be necessary to conform with the requirements of SEQR.

Section 3. The Agency has determined that the financial assistance does not exceed the sum of \$100,000.00 and therefore the proposed action is not subject to a public hearing.

Section 4. Based upon representations made by Kaufman to the Agency, the Agency hereby makes, finds and determines as follows:

- (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;
- (B) It is desirable and in the public interest for the Agency to (i) take title the Land and to take title to the improvements and personal property constituting the Project; (ii) appoint Kaufman as its agent for purposes of acquiring, renovating and equipping the Project, and (iii) lease or installment sell the Land, improvements and personal property constituting the Project to Kaufman pursuant to the Agreement and subject to the PILOT Agreement;
- (C) The Agency has the authority to take the actions contemplated therein under the Act;
- (D) The action to be taken by the Agency will induce Kaufman to develop the Project, thereby increasing employment opportunities in Sullivan County and otherwise furthering the purposes of the Agency as set forth in the Act;
- (E) The Project will not result in the removal of a commercial, industrial, or manufacturing plant of Kaufman or any other proposed occupant of the Project from one area of the State to another area of the State or result in the abandonment of one or more plants or facilities of Kaufman or any other proposed occupancy of the Project located in the State;

Section 5. Subject to Kaufman executing an Agent Agreement in form and substance approved by the Project Liaison, the Agency hereby authorizes Kaufman to proceed with the acquisition, construction and equipping of the Project and hereby appoints Kaufman as the true and lawful agent of the Agency to acquire, construct and equip the Facility on behalf of the Agency; with the authority to delegate its status as agent of the Agency to Kaufman's agents, subagents, contractors, subcontractors, suppliers, vendors and other such parties as Kaufman may chose. The appointment described

above includes the following activities as they relate to the acquiring, constructing and equipping of the Facility, whether or not the materials, services or supplies described below are incorporated into or become an integral part of the Facility; (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with acquiring, constructing and equipping the Facility; (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description in connection with acquiring, constructing, and equipping of the Facility; and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs with respect thereto), installed or placed in, upon or under the Facility, including all repairs and replacements of such property. This agency appointment includes the power to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agents for the Agency, and in general to do all things which may be requisite or proper for completing the Facility, all with the same powers and with the same validity as the Agency could do if acting on its own behalf. The aforesaid appointment of Kaufman as agent of the Agency to acquire, construct and equip the Facility shall expire on April 30, 2000 if the Agreement and PILOT Agreement have not been executed and delivered.

Section 6. The Lease Agreement, PILOT Agreement and related documents which were negotiated by the Executive Director, are hereby approved as to form and substance on condition that: (i) the payments under the Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by Kaufman for actions taken by Kaufman and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreements are consistent with the Agency's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 7. The Chairman or Vice Chairman of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Lease Agreement, PILOT Agreement and related documents in the form presented at this meeting all with such changes, variations, omissions and insertions as the Chairman or Vice Chairman of the Agency shall approve, the execution thereof by the Chairman or Vice Chairman of the Agency to constitute conclusive evidence of such approval.

Section 8. The Chairman or Vice Chairman of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rent, security agreement, UCC-1 Financing Statements and all documents reasonable contemplated by these resolutions or prepared on advise of counsel to the Agency ("Financing Documents"); and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Financing Documents and to attest the same, provided that in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 9. 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 this resolution 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 10. It is hereby found and determined that all formal actions of the Agency concerning and relating to the adoption of this resolution were adopted in an open meeting of the Agency; and that all deliberations of the Agency and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 11. The Executive Director and Counsel to the Agency are hereby authorized and directed (i) to distribute copies of this resolution to Kaufman; and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 12. This resolution shall take effect immediately.

THE MEMBERS VOTED ON THE FOREGOING RESOLUTION AS FOLLOWS:

Robert Kunis	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent
Alan C. Scott	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent
Raymond Walter	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent
Edward T. Sykes	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent
Harold Gold	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Absent
Joyce Salimeno	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Absent
Irving Shapiro	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Absent

STATE OF NEW YORK :
 :SS
 COUNTY OF SULLIVAN:

I, the undersigned Assistant Secretary of the County of Sullivan Industrial Development Agency DO HEREBY CERTIFY THAT:

1. I have compared the foregoing copy of a resolution of the County of Sullivan Industrial Development Agency (the "Agency") with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.
2. Such resolution was passed at a reconvened meeting of the Agency duly convened in public session on the 27th day of July, 1999 at 10:00 a.m. at the Legislative Meeting room at the Sullivan County Government Center, 100 North Street, Monticello, New York, at which the following members were present:

	<u>Present</u>	<u>Absent</u>
Robert Kunis	[<input checked="" type="checkbox"/>]	[]
Allan C. Scott	[<input checked="" type="checkbox"/>]	[]
Raymond Walter	[<input checked="" type="checkbox"/>]	[]
Edward T. Sykes	[<input checked="" type="checkbox"/>]	[]
Harold Gold	[]	[<input checked="" type="checkbox"/>]
Joyce Salimeno	[]	[<input checked="" type="checkbox"/>]
Irving Shapiro	[]	[<input checked="" type="checkbox"/>]

3. The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted follows:

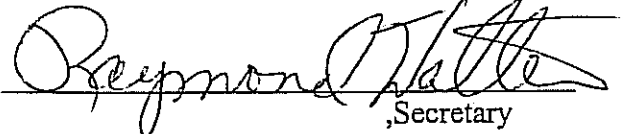
Robert Kunis	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent
Allan C. Scott	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent
Raymond Walter	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent
Edward T. Sykes	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent
Harold Gold	[] Yes	[] No	[<input checked="" type="checkbox"/>] Absent
Joyce Salimeno	[] Yes	[] No	[<input checked="" type="checkbox"/>] Absent
Irving Shapiro	[] Yes	[] No	[<input checked="" type="checkbox"/>] Absent

and therefore, the resolution was declared duly adopted.

The Agreement and the Application are in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the 27th day of July, 1999.


Secretary