

**PILOT DEVIATION NOTICE RESOLUTION
USEF SAILFISH, LLC PROJECT**

A special meeting of the Town of Montgomery Industrial Development Agency (the "Agency") was convened in public session in the Town Hall located at 110 Bracken Road in the Town of Montgomery, Orange County, New York on January 24, 2020 at 1:00 o'clock p.m., local time.

The meeting was called to order by the (Vice) Chair of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Jeffrey D. Crist	Chairperson
Edwin Williams	First Vice Chairperson
Stephen Rainaldi	Second Vice Chairperson
John W. Dickson	Member
Matthew Stoddard	Treasurer
John Macioce	Member
Robert Santo	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Sue Hadden	Secretary
Robert J. McLaughlin, Esq.	Agency Counsel

The following resolution was offered by Member Rainaldi, seconded by Member Dickson, to wit:

Resolution No. 1219-

RESOLUTION AUTHORIZING THE CHAIR OR ANY VICE CHAIR OR OFFICER OF THE TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY TO SEND A LETTER TO THE CHIEF EXECUTIVE OFFICERS OF THE AFFECTED TAXING ENTITIES INFORMING THEM OF A PROPOSED DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED USEF SAILFISH, LLC PROJECT.

WHEREAS, Town of Montgomery Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 527 of the 1971 Laws of New York, as amended, constituting Section 911-c of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial, manufacturing and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, in December, 2018, Bluewater I LLC, a Delaware limited liability company (the "Company") or such other person(s) or entities as may be designated by the Company and agreed upon by the Agency (collectively, the "Company"), submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency and on the Agency website (www.montgomeryida.com), requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 187 acre parcel of land located at NYS Route 17K and 747, AKA 635 International Drive in the Town of Montgomery, Orange County, New York (tax map numbers 31-1-64; 31-1-65.22; 31-1-70.2 and 31-1-89) (collectively the "Land"), (2) the construction on the Land of an approximately 1,010,880 square foot facility with related site work and exterior improvements (the "Facility"), and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (collectively, the "Equipment"), all of the foregoing to constitute a warehouse/distribution facility (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person(s) or entities as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on January 14, 2019 (the "Public Hearing Resolution"), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chairperson of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the Financial Assistance being contemplated by the Agency with respect to the Project, to be mailed and hand delivered on January 28, 2019 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located; (B) caused notice of the Public Hearing to be posted on January 28, 2019 on a bulletin board located at Town Hall located at 110 Bracken Road in the Town of Montgomery, Orange County, New York; (C) caused notice of the Public Hearing to be published on January 30, 2019 in the Wallkill Valley Times, a newspaper of general circulation available to the residents of the Town of Montgomery, Orange County, New York; (D) conducted the Public Hearing on February 12, 2019 at 5:45 o'clock p.m., local time at the office of the Agency located at 110 Bracken Road in the Town of Montgomery, Orange County, New York; and (E) prepared a report of the Public Hearing (the "Hearing Report") fairly summarizing the views presented at such Public Hearing and caused copies of said Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), the Company submitted to the Agency (A) the Final Environmental Impact Statement prepared with respect to the Project (the "FEIS") which was submitted and accepted by the Town of Montgomery Planning Board (the "Town Planning Board"), as the lead agency with respect to SEQRA on August 1, 2019, and (B) the Town Board's findings statement dated September 24, 2019 (the "Findings Statement"); and

WHEREAS, by resolution adopted by the members of the Agency on November 12, 2019 (the "SEQR Resolution"), the Agency adopted the Findings Statement as the Agency's written Findings Statement relative to the Project, as required by 6 NYCRR 6.17.11 (c); and

WHEREAS, at its regular meeting held on November 12, 2019, the Agency authorized an Approving Resolution for the Project and the Financial Assistance set forth therein, which provided, among other things, that the Agency had given due consideration to the Application, the public comments received at the Public Hearing and thereafter, and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project would be an inducement to the Company to undertake the Project in the Town of Montgomery, Orange County, New York, and (B) the completion of the Project would not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and would not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York; and

WHEREAS, at its regular meeting held on November 12, 2019, the Agency determined to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of the Town of Montgomery, New York by undertaking the Project in the Town of Montgomery, Orange County, New York; and

WHEREAS, on December 2, 2019, the Agency received various documents, including an assignment application (the "Assignment Application") submitted by USEF Sailfish, LLC, (the "Assignee") which requested the Agency's consent to the assignment of (i) the Project and (ii) the Financial Assistance for the Project considered and approved by the Agency at its regular meeting held on November 12, 2019 as set forth in the Approving Resolution; and

WHEREAS, the Company disclosed in the Application its intention to assign the Application and any Financial Assistance to a successor entity which would implement the Project; and

WHEREAS, the Company submitted a letter dated November 29, 2019 to the Agency in which the Company consents to the assignment of the Application and the approved Financial Assistance for the Project to the Assignee, including all of the Company's right, title, benefit, privileges and interest in, to and under the Application submitted by the Company in December 2018; and

WHEREAS, in connection with the Application, the Company made a request to the Agency (the "Pilot Request") at the Agency's regular meeting held on November 12, 2019, to deviate from its uniform tax exemption policy (the "Policy") with respect to the payments to be made under a payment in lieu of tax agreement by and between the Agency and the Company (the "Proposed Pilot Agreement"); and

WHEREAS, the Assignee requested approval of the assignment of the Application by the Company to the Assignee, including the Financial Assistance set forth in the Approving Resolution dated November 12, 2019 which Financial Assistance includes the Pilot Request; and

WHEREAS, pursuant to Section 874(4) of the Act and the Policy, prior to taking final action on the Pilot Request for a deviation from the Policy, the Agency must give the chief executive officers of the County and each city, town, village and school district in which the Project is located (collectively, the "Affected Tax Jurisdictions") prior written notice of the proposed deviation from the Policy and the reasons therefore; and

WHEREAS, the Policy provides that the real property tax abatements to be provided by the Agency shall apply only to the value added by an applicant's construction or renovation activities to the existing parcel and improvements involved (the "Added Value"). The Policy further provides a Level 3 payment in lieu of tax schedule of benefits for fifteen (15) years as follows:

<u>TAX YEAR</u>	<u>PERCENTGE OF EXEMPTION</u>
1 to 5	100%
6	50%
7	45%
8	40%
9	35%
10	30%
11	25%
12	20%
13	15%
14	10%
15	5%
16 and thereafter	0%

The Policy also provides that the period of the exemption will not exceed the period of the respective financing or lease and will be for a period of up to fifteen (15) years; and

WHEREAS, pursuant to Section 856(15) of the Act, unless otherwise agreed by the Affected Tax Jurisdictions, payments in lieu of taxes must be allocated among the Affected Tax Jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each Affected Tax Jurisdiction had the Project Facility not been tax exempt due to the status of the Agency; and

WHEREAS, the Board of the Agency voted to issue a Notice of Deviation to the Affected Tax Jurisdictions by Resolution dated December 3, 2019, a copy of which is attached as Exhibit A; and

WHEREAS, no objection to the proposed deviation from the Policy was received from the taxing jurisdictions; and

WHEREAS, the Agency, after proper notice required by the Act, held a Public Hearing on January 6, 2020 at Town Hall, 110 Bracken Road, Orange County, Town of Montgomery, New York, to consider the public comments on the Assignment Application and the request to assign the Financial Assistance approved at the Agency meeting held on November 12, 2019; and

WHEREAS, THE Public Hearing commenced on January 6, 2020 has been held open and will continue on February 11, 2020; and

WHEREAS, on or about January 21, 2020, the Agency received a letter from the Assignee on behalf of itself and the Project, advising the Agency of a proposed further modification to the proposed Pilot Request, a copy of which is attached as Exhibit B; and

WHEREAS, pursuant to Section 874(4) of the Act and the Policy, prior to taking final action on such Assignment request, as well as the Pilot Request for a deviation from the Policy, the Agency must give the Affected Tax Jurisdictions prior written notice of the proposed deviation from the Policy and the reasons therefore; and

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

Section 1. Having considered both the Application, the Assignment of the Application, the Pilot Request, the Policy, and the Financial Assistance approved by the Agency for the Project at the November 12, 2019 Agency regular meeting, the Agency hereby authorizes the Chair, any Vice Chair or any Officer of the Agency, to send a written notice to the chief executive officers of each of the Affected Tax Jurisdictions informing them that the Agency is considering a proposed deviation from the Policy with respect to the Project and the reasons therefore (in substantially the form of the draft of said letter attached hereto as Exhibit C), and soliciting any comments that such Affected Tax Jurisdictions may have with respect to said proposed deviation.

Section 2. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Jeffrey D. Crist	VOTING	YES
Edwin Williams	VOTING	YES
Stephen Rainaldi	VOTING	ABSTAIN
Matthew P. Stoddard	VOTING	YES
John W. Dickson	VOTING	YES
John Macioce	VOTING	YES
Robert Santo	VOTING	YES

The foregoing Resolution was thereupon declared duly adopted

STATE OF NEW YORK

) ss.:

COUNTY OF ORANGE

I, the undersigned Secretary of the Town of Montgomery Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on January 24, 2020 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) 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 rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 27th day of January, 2020.

Suzanne Hadden
Secretary



EXHIBIT A

NOTICE OF DEVIATION TO THE AFFECTED TAX JURISDICTIONS ISSUED IN
ACCORDANCE WITH AGENCY RESOLUTION DATED DECEMBER 3, 2019

**PUBLIC HEARING RESOLUTION
USEF SAILFISH, LLC PROJECT**

A special meeting of the Town of Montgomery Industrial Development Agency (the "Agency") was convened in public session in the Town Hall located at 110 Bracken Road in the Town of Montgomery, Orange County, New York on December 3, 2019 at 5:30 o'clock p.m., local time.

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

PRESENT:

Jeffrey D. Crist	Chairperson
Edwin Williams	First Vice Chairperson
Stephen Rainaldi	Second Vice Chairperson
Matthew P. Stoddard	Treasurer
John W. Dickson	Member
John Macioce	Member
Robert Santo	Member

ABSENT:

Stephen Rainaldi	Second Vice Chairperson
Matthew P. Stoddard	Treasurer

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Suzanne Hadden	Clerical and Recording Secretary
Robert J. McLaughlin, Esq.	Agency Counsel

The following resolution was offered by Member Dickson, seconded by First Vice Chairperson Williams, to wit:

Resolution No. 1219-__

RESOLUTION AUTHORIZING THE CHAIR OR ANY VICE CHAIR OR ANY OFFICER OF THE TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY TO HOLD A PUBLIC HEARING REGARDING A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF USEF SAILFISH, LLC.

WHEREAS, the Town of Montgomery Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 527 of the 1971 Laws of New York, as amended, constituting Section 911-c of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, in December, 2018, Bluewater I LLC, a Delaware limited liability company (the “Company”), has submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 187 acre parcel of land located at NYS Route 17K and 747, AKA 635 International Drive in the Town of Montgomery, Orange County, New York (tax map numbers 31-1-64; 31-1-65.22; 31-1-70.2 and 31-1-89) (collectively the “Land”), (2) the construction on the Land of an approximately 1,010,880 square foot facility with related site work and exterior improvements (the “Facility”), and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (collectively, the “Equipment”), all of the foregoing to constitute a warehouse/distribution facility (the Land, the Facility and the Equipment being collectively referred to as the “Project Facility”); (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person(s) or entities as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on January 14, 2019 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chairperson of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed and hand delivered on January 28, 2019 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located; (B) caused notice of the Public Hearing to be posted on January 28, 2019 on a bulletin board located at Town Hall located at 110 Bracken Road in the Town of Montgomery, Orange County, New York; (C) caused notice of the Public Hearing to be published on January 30, 2019 in the Wallkill Valley Times, a newspaper of general circulation available to the residents of the Town of Montgomery, Orange County, New York; (D) conducted the Public Hearing on February 12, 2019 at 5:45 o’clock p.m., local time at the office of the Agency located at 110 Bracken Road in the Town of Montgomery, Orange County, New York; and (E) prepared a report of the Public Hearing (the “Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Company submitted to the Agency (A) the Final Environmental Impact Statement prepared with respect to the Project (the “FEIS”) which was submitted and accepted by the Town of Montgomery Planning Board (the “Town Planning Board”), as the lead agency with respect to SEQRA on August 1, 2019, (B) the Town Board’s findings statement dated September 24, 2019 (the “Findings Statement”) and (C) an environmental assessment form (the “EAF”); and

WHEREAS, by resolution adopted by the members of the Agency on November 12, 2019 (the “SEQR Resolution”), the Agency adopted the Findings Statement as the Agency’s written Findings Statement relative to the Project, as required by 6NYCRR 6.17.11(c); and

WHEREAS, at its regular meeting held on November 12, 2019, the Agency authorized an Approving Resolution for the Project and the Financial Assistance set forth therein, which provided, among other things, that the Agency had given due consideration to the Application, and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project would be an inducement to the Company to undertake the Project in the Town of Montgomery, Orange County, New York and (B) the completion of the Project would not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and would not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York; and

WHEREAS, at its regular meeting held on November 12, 2019, the Agency determined to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of the Town of Montgomery, New York by undertaking the Project in the Town of Montgomery, Orange County, New York; and

WHEREAS, on December 2, 2019, the Agency received various documents, including an assignment application submitted by USEF Sailfish, LLC, (the “Assignee”) which requested the Agency’s consent to assign of (i) the Project and (ii) certain financial assistance considered by the Agency at its regular meeting held on November 12, 2019 as set forth in the Approving Resolution; and

WHEREAS, the Company disclosed in the Application its intention to assign the Application and any Financial Assistance to a successor entity which would implement the Project; and

WHEREAS, the Company has submitted a letter dated November 29, 2019 (**Exhibit A**) in which the Company consents to the assignment to Assignee of all of the Company’s right, title, benefit, privileges and interest in, to and under the Application submitted by the Company in December 2018; and

WHEREAS, the Assignee has requested approval of the assignment of the Application by the Company to the Assignee, including the Financial Assistance set forth in the Approving Resolution dated November 12, 2019; and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any “financial assistance” (as defined in the Act) of more than \$100,000 to any project or applicant, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project; and

WHEREAS, the Agency desires to provide for compliance with the provisions of Section 859-a of the Act with respect to the Project and the Assignee to comply with the Act and to allow the residents of the Town of Montgomery to provide opinions to the Agency in connection with the proposed assignment of the (i) Application and (ii) the Financial Assistance to the Assignee;

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

Section 1. The Agency hereby authorizes the Chair, any Vice Chair or Officer of the Agency, after consultation with the members of the Agency and Agency Counsel, (A) to establish the time, date and

(B) to cause the Public Hearing to be held in a city, town or village where the Project Facility is or is to be located, and to cause notice of such Public Hearing to be given to the public by publishing a notice or notices of such Public Hearing in a newspaper of general circulation available to the residents of the governmental units where the Project Facility is or is to be located, such notice or notices to comply with the requirements of Section 859-a of the Act; (C) to cause notice of the Public Hearing to be given to the chief executive officer of the county and of each city, town, village and school district in which the Project Facility is or is to be located to comply with the requirements of Section 859-a of the Act; (D) to conduct or cause the holding of such Public Hearing; (E) to cause a report of the Public Hearing fairly summarizing the views presented at such Public Hearing (the "Report") to be prepared; and (F) to cause a copy of the Report to be made available to the members of the Agency.

Section 2. The Chair, any Vice Chair and/or Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 3. All action taken by the Chair, any Vice Chair and/or Officer of the Agency in connection with the Public Hearing with respect to the Project prior to the date of this Resolution is hereby ratified and confirmed.

Section 4. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Jeffrey D. Crist	VOTING	AYE
Edwin Williams	VOTING	AYE
Stephen Rainaldi	VOTING	ABSENT
Matthew P. Stoddard	VOTING	ABSENT
John W. Dickson	VOTING	AYE
John Macioce	VOTING	AYE
Robert Santo	VOTING	AYE

The foregoing Resolution was thereupon declared duly adopted.

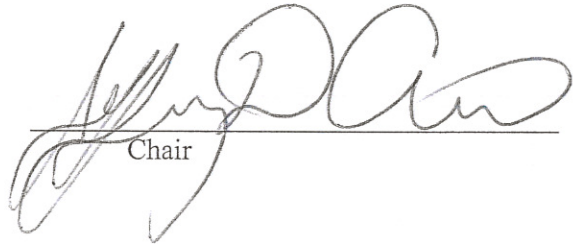
STATE OF NEW YORK)
) SS.:
COUNTY OF ORANGE)

I, the undersigned Chair of the Town of Montgomery Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 3, 2019 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) 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 rescinded.

3rd IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this day of December, 2019.


Chair

(SEAL)

EXHIBIT A

COPY OF LETTER FROM BLUEWATER DATED NOVEMBER 29, 2019

Bluewater I LLC

November 29, 2019

VIA FEDERAL EXPRESS

Mr. Jeffrey D. Crist, Chairman
Town of Montgomery Industrial Development Agency
110 Bracken Road
Montgomery, New York 12549

Re: Assignment of Application for Financial Assistance to USEF Sailfish, LLC

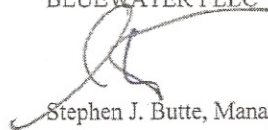
Dear Chairman Crist and Members of the Board:

BLUEWATER I LLC, a Delaware limited liability company, with an address of 52 Lochwood Lane, West Chester, Pennsylvania 19380 (the "Assignor"), consents to the assignment to USEF SAILFISH, LLC, a Delaware limited liability company, with an address of 9830 Colonnade Boulevard, Suite 600, San Antonio, Texas 78230 (the "Assignee"), of all of Assignor's right, title, benefit, privileges and interest in, to and under the Application for Financial Assistance to the Town of Montgomery Industrial Development Agency (the "Agency") dated December 2018 and revised November 2019 (the "Application") and the Resolution Approving Financial Assistance adopted by the Agency on November 12th, 2019 (the "Approval"). Please find attached a \$500.00 check representing the assignment application fee.

Any questions related to this assignment should be directed to Whiteman Osterman & Hanna LLP on behalf of BLUEWATER I LLC AND USEF SAILFISH, LLC. Thank you for your attention to this matter.

Sincerely,

BLUEWATER I LLC



Stephen J. Butte, Manager and Member

Bluewater I LLC, 52 Lochwood Lane, West Chester, PA 19380

THE RED THERMO SECURED "SP" LOGO IN THE LOWER CORNER OF THIS CHECK MUST FADE TEMPORARILY WHEN WARMED BY TOUCH OR FRICTION. SEE BACK FOR ADDITIONAL FEATURES.

Bluewater I LLC
52 Lochwood Lane
West Chester, PA 19380

DATE 11/29/19 2090
11-24/1210

JB 3820353

PAY TO THE ORDER OF Town of Montgomery Industrial Development Agency \$ 500.00
Five Hundred & 00/100 DOLLARS

WELLS FARGO Wells Fargo Bank, N.A.

MEMO IDA Assignment

[Signature]



⑈ 2090 ⑈ ⑆ 2 6000 248 ⑆ 43 6 6 6 6 8 2 2 ⑈

EXHIBIT B

COPY OF LETTER FROM ASSIGNEE DATED JANUARY 21, 2020

WHITEMAN
OSTERMAN
& HANNA LLP

Attorneys at Law
www.woh.com

One Commerce Plaza
Albany, NY 12260
518.487.7600 phone
518.487.7777 fax

Michelle L. Kennedy
Of Counsel
mkennedy@woh.com
(518) 487-7691

January 21, 2020

VIA ELECTRONIC MAIL

Mr. Jeffrey D. Crist, Chairman
Town of Montgomery Industrial Development Agency
110 Bracken Road
Montgomery, New York 12549

Re: Assignment from BLUEWATER I LLC to USEF SAILFISH, LLC

Dear Chairman Crist and Members of the Agency:

Since the Agency's January 6th, 2020 public hearing, Bluewater I LLC and USEF Sailfish, LLC have considered the fiscal concerns expressed by the Town of Montgomery Board and Supervisor, the Valley Central School District Board of Education and Superintendent and members of the public.

The companies intend to be strong partners within the Town of Montgomery. In a continued good faith effort to be receptive to the community's concerns, the companies hereby extend a new offer for a further decrease in the real property tax abatement by another ten percent (10%) each year over the first five years of the contemplated PILOT. This modification would effectively double the PILOT payments from the Project over the first five years, not including the base land tax and the Fire District ad valorem tax to be paid in full.

The annual property tax payment for the project site currently is approximately \$46,000.00. With the proposed modification of the previously approved Financial Assistance, according to our estimates, in year 1, the combined PILOT payment, existing land tax and ad valorem tax would provide approximately \$786,000.00 to the taxing jurisdictions collectively, an annual increase of approximately \$740,000.00 compared to the existing yearly tax payment.

With this modification, according to our estimates, the proposed PILOT would enable the taxing jurisdictions to receive approximately \$2,700,000.00 in PILOT payments over the first 5 years of the PILOT, materially more than the current Town of Montgomery Industrial Development Agency Uniform Tax Exemption Policy calls for, plus approximately \$230,000.00 in base land tax payments and \$990,000.00 in ad valorem tax to the Fire District. Over the first 5 years, these payments total approximately \$3,920,000.00.

Over the 15-year PILOT Agreement, according to our estimates, the taxing jurisdictions would receive approximately \$26,000,000.00 in payments compared to approximately \$690,000.00 in total tax payments over the same 15 years, if the Project does not proceed. How the taxing jurisdictions decide to budget the funds is within their discretion.

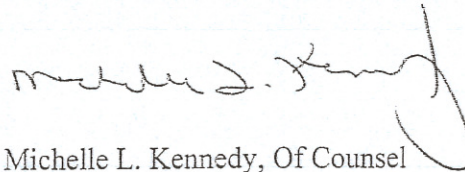
The Financial Assistance presently contemplated by the Agency is less than the limits under the Town of Montgomery Industrial Development Agency's Uniform Tax Exemption Policy Level 3 incentive, for which this project clearly qualifies, and therefore, is more favorable to the taxing jurisdictions. The reduction of another ten percent (10%) in the real property tax abatement doubles the already enhanced, contemplated PILOT payments (excluding the land tax and Fire District ad valorem tax) to the taxing jurisdictions over the first five years of the PILOT.

We respectfully request that the Agency duly convene for a special meeting this week to consider this offer and authorize issuance of notice to the taxing jurisdictions as necessary and practical. We further request that the Agency, at the same meeting this week, schedule a date no later than February 13th, 2020, following the close of the public hearing, to deliberate and issue a decision as to the assignment application. Time is of the essence to the companies in determining whether they are able to proceed with the Project, and the Agency's pending decision whether to approve the assignment to USEF Sailfish, LLC is critical to the companies' determination.

Thank you for your service and good work on behalf of the Town of Montgomery.

Very truly yours,

WHITEMAN OSTERMAN & HANNA LLP



Michelle L. Kennedy, Of Counsel

cc: Robert McLaughlin, Esq., Counsel for the Agency
William Frank, Esq., Counsel for the Town of Montgomery

EXHIBIT C

PROPOSED FORM OF PILOT DEVIATION LETTER

TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY
110 Bracken Road
Montgomery, New York 12549
Tel: 845-649-3930

January 24, 2020

The Honorable Steven M. Neuhaus
County Executive of Orange County
Orange County Government Center
255 Main Street
Goshen, New York 10924

John P. Xanthis, Superintendent of Schools
Valley Central School District
944 State Route 17K
Montgomery, New York 12549

The Honorable Brian Maher, Supervisor
Town of Montgomery
110 Bracken Road
Montgomery, New York 12549

Sarah Messing, Board President
Valley Central School District
944 State Route 17K
Montgomery, New York 12549

RE: Proposed Deviation from Uniform Tax Exemption
policy by the Town of Montgomery Industrial
Development Agency ("Agency") in connection with
its Proposed USEF Sailfish, LLC Project

Honorable Sirs and Madame:

This letter is delivered to you pursuant to Section 874(4)(b) of the General Municipal Law.

In December, 2018, Bluewater I LLC, a Delaware limited liability company (the "Company") or such other person(s) or entities as may be designated by the Company and agreed upon by the Agency (collectively, the "Company"), submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 187 acre parcel of land located at NYS Route 17K and 747, AKA 635 International Drive in the Town of Montgomery, Orange County, New York (tax map numbers 31-1-64; 31-1-65.22; 31-1-70.2 and 31-1-89) (collectively the "Land"), (2) the construction on the Land of an approximately 1,010,880 square foot facility with related site work and exterior improvements (the "Facility"), and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (collectively, the "Equipment"), all of the foregoing to constitute a warehouse/distribution facility (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person(s) or entities as may be designated by the Company and agreed upon by the Agency.

At its regular meeting held on November 12, 2019, the Agency authorized an Approving Resolution for the Project and the Financial Assistance set forth therein, which provided, among other things, that the Agency had given due consideration to the Application, the public comments received at the Public Hearing and thereafter, and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project would be an inducement to the Company to undertake the Project in the Town of Montgomery, Orange County, New York, and (B) the completion of the Project would not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and would not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York. The Agency also determined to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of the Town of Montgomery, New York by undertaking the Project in the Town of Montgomery, Orange County, New York and to comply with the Agency's policies, including, without limitation, its Local Labor Policy.

On December 2, 2019, the Agency received an assignment application (the "Assignment Application") from USEF Sailfish, LLC, as Assignee, seeking to assign the Application and any Financial Assistance authorized for the Project and the Company. The likelihood for this assignment was disclosed by the Company in the Application. In connection with the Application, the Company and the Assignee made a request to the Agency (the "Pilot Request") to enter into a payment in lieu of tax agreement (the "Proposed Pilot Agreement") which terms would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy"). (Capitalized terms not otherwise defined herein are defined in the Policy which can be viewed at www.montgomeryida.com.)

On December 3, 2019, Agency authorized its Chair to issue a Notice of Deviation to the Affected Tax Jurisdictions. A copy of that letter addressed to each of you is included with this letter as Exhibit A. As you know, the Agency did not receive an objection to the proposed deviation from the Policy, although objections to the Project were generally raised. Thereafter, the Agency, after proper notice required by the General Municipal Law, held a Public Hearing on January 6, 2020 at Town Hall, 110 Bracken Road, Orange County, Town of Montgomery, New York, to consider the public comments on the Assignment Application and the request to assign the Financial Assistance approved at the Agency meeting held on November 12, 2019. The Public Hearing was held on January 6, 2020 and has been held open and will continue on February 11, 2020.

On January 21, 2020, the Agency received a letter from the Assignee on behalf of itself and the Project, advising the Agency of a proposed further deviation to the Proposed Pilot Agreement. A copy of this letter is included as Exhibit B. Pursuant to the General Municipal Law, Section 874(4), prior to taking final action on such Proposed Pilot Request for a deviation from the Policy, the Agency must give to each of you, as an affected tax jurisdiction, prior written notice of the proposed deviation from the Policy and the reasons therefore. This letter is intended to fulfill such requirement.

The Proposed Pilot Agreement would not provide any abatements for any special assessments levied on the Project Facility. The Proposed Pilot Agreement would be for a term of up to 15 years, with the Assignee making the payments in each year as a Pilot Payment to each Affected Tax Jurisdiction as follows:

[DRAFT - TO BE FINALIZED]

<u>Tax Year</u>	<u>Percentage of Exemption</u>
1 to 5	80%
6	50%
7	45%
8	40%
9	35%
10	30%
11	25%
12	20%
13	15%
14	10%
15	5%
16 and thereafter	0%

The purpose of this letter is to inform you of such Pilot Request and that the Agency is considering whether to grant the Pilot Request and to approve a Proposed Pilot Agreement conforming to the terms of the Pilot Request. The Agency expects to consider whether to approve the terms of the Proposed Pilot Agreement at a special meeting scheduled for February __, 2020 at __:0 p.m., local time at the meeting room of Town Hall located at 110 Bracken Road in the Town of Montgomery, Orange County, New York (the "Meeting"). This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York and the Policy, which requires notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Policy).

The Agency considered the following factors in considering the proposed deviation:

1. The nature of the Project: Warehouse.
2. The present use of the property: Vacant land.
3. The economic condition of the area at the time of the request of the Company and the economic multiplying effect that the Project will have on the area: At the time of the filing of the Application, the economic condition of the area in which the Project Facility is to be located is generally average. The Project is expected to create approximately 800 new jobs within three years of Project commencement.

4. The extent to which the Project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary range of such jobs: In the Application, the Company and the Assignee expect to potentially create 800 new jobs. The Company also expects that the Project will create approximately 300 construction jobs. Under the Agency's Local Labor Policy, the majority of the constructions jobs will be filled by local labor.

5. The estimated value of new tax exemptions to be provided: Real property tax exemption benefit of approximately \$18,300,000; sales tax exemption benefit of approximately \$3,200,000; and mortgage recording tax exemption benefit of approximately \$600,000.

6. The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions: The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions is positive, as development of the Project Facility is expected to result in local construction jobs, the creation of permanent jobs, payments to taxing jurisdictions and multiplier impacts in the regional economy.

7. The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity: The impact of the Project is a positive one on the community, as it creates additional development in the area. The Project will serve to attract additional development projects. The local restaurants and businesses will likewise benefit from the undertaking of the Project.

8. The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement: \$75,000,000.

9. The effect of the Proposed Pilot Agreement on the environment: The Agency made a determination pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations (the "Regulations") regarding the potential environmental impact of the Project at its November 12, 2019 regular meeting. In connection with the assignment of the Application to the Assignee, the Agency expects to make a determination of that assignment at a special meeting to be scheduled for February __, 2020.

10. Project Timing: Anticipated to be completed within three years of commencement.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Policy. In accordance with Section 874(4)(c) of the General Municipal Law, prior to taking final action at the Meeting, the Agency will review and respond to any written comments received from any affected tax jurisdiction with respect to the proposed deviation. The Agency will also allow any representative of any affected tax jurisdiction present at the Meeting to address the Agency regarding the proposed deviation.

If you have any questions or comments regarding the foregoing, please do not hesitate to contact me at the above telephone number.

Sincerely,

Jeffrey D. Crist, Chair
Town of Montgomery
Industrial Development Agency