

**RESOLUTION CONFIRMING SEQR DETERMINATION
SPRUCE PROPERTIES LLC PROJECT**

A regular meeting of 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 July 13, 2011 at 5:30 p.m., local time.

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

PRESENT:

Edwin Williams	Vice Chairperson
Stephen Rainaldi	Secretary
Michael Hayes	Member
Richard A. Lomazzo	Member

ABSENT:

Alice Dickinson	Chairperson
F. Edward Devitt	Second Vice Chairperson
Donna Jennings	Treasurer

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Suzanne Hadden	Clerk
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The following resolution was offered by Secretary Rainaldi, seconded by Member Lomazzo, to wit:

Resolution No. VI

**RESOLUTION CONCURRING IN THE DETERMINATION BY THE TOWN OF
MONTGOMERY PLANNING BOARD, AS LEAD AGENCY FOR A CERTAIN
PROPOSED PROJECT FOR SPRUCE PROPERTIES LLC.**

WHEREAS, 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, Spruce Properties LLC, a New York limited liability company (the "Company"), 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 3.80 acre parcel of land located at State Route 208 (Es) (Tax map no.: 30-1-81) in the Town of Montgomery, Orange County, New York (the "Land"), (2) the construction on the Land of an approximately 9,000 square foot building (the "Facility") and (3) the acquisition and installation therein and thereon of machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to constitute a professional office facility to be owned and operated by the Company and leased to various tenants; (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 as may be designated by the Company and agreed upon by 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 Agency has been informed that (1) the Planning Board of the Town of Montgomery (the "Planning Board") was designated to act as "lead agency" with respect to the Project, and (2) the Planning Board issued a Determination of Non Significance on May 23, 2011 (the "Negative Declaration," a copy of which is attached hereto as **Exhibit A**), determining that the acquisition, construction and installation of the Project Facility will not have a "significant effect on the environment"; and

WHEREAS, the Agency is an "involved agency" with respect to the Project and the Agency now desires to concur in the determination by the Planning Board, as "lead agency" with respect to the Project, to acknowledge receipt of a copy of the Negative Declaration and to indicate whether the Agency has any information to suggest that the Planning Board was incorrect in determining that the Project will not have a "significant effect on the environment" pursuant to SEQRA and, therefore, that no environmental impact statement need be prepared with respect to the Project;

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

Section 1. The Agency has received copies of, and has reviewed, the Application and the Negative Declaration (collectively the "Reviewed Documents") and, based upon said Reviewed Documents, the Agency hereby ratifies and concurs in the designation of the Planning Board as "lead agency" with respect to the Project under SEQRA (as such quoted term is defined in SEQRA).

Section 2. The Agency hereby determines that the Agency has no information to suggest that the Planning Board was incorrect in determining that the Project will not have a "significant effect on

the environment” pursuant to the SEQRA and, therefore, that no environmental impact statement need be prepared with respect to the Project (as such quoted phrase is used in SEQRA).

Section 3. The members of the Agency are hereby directed to notify the Planning Board of the concurrence by the Agency that the Planning Board shall be the “lead agency” with respect to the Project, and to further indicate to the Planning Board that the Agency has no information to suggest that the Planning Board was incorrect in its determinations contained in the Negative Declaration.

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:

Alice Dickinson	ABSENT
Edwin Williams	AYE
F. Edward Devitt	ABSENT
Donna Jennings	ABSENT
Stephen Rainaldi	AYE
Michael Hayes	AYE
Richard A. Lomazzo	AYE

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK

COUNTY OF ORANGE

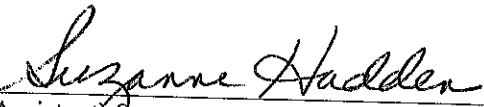
) SS.:
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I, the undersigned (Assistant) Secretary of Town of Montgomery Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the resolution contained therein, held on July 13, 2011, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such resolution set forth 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 respect 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 given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present through 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 13th day of July, 2011.



(Assistant) Secretary

(SEAL)

EXHIBIT A
NEGATIVE DECLARATION

---SEE ATTACHED---

**NEGATIVE DECLARATION
TOWN OF MONTGOMERY PLANNING BOARD
for
SPRUCE PROPERTIES**

Determination: Please take notice that, according to the provisions of NYCRR, Part 617.7, the Town of Montgomery Planning Board, as Lead Agency, having reviewed and considered an environmental assessment form and plans and having developed conditions and requirements for the proposed use, has determined that the actions as cited and described below will not have an adverse impact on the environment and the Planning Board has, therefore, adopted a resolution to this effect.

Lead Agency: Town of Montgomery Planning Board

Contact Person: Sue Hadden, Secretary
Town of Montgomery Planning Board
110 Bracken Road
Montgomery New York 12549
(845) 457-2643

Location: East side of NYS Route 208, 1,000 feet north of Goodwill Road, northeast of Heather's Child's Place

Tax Map Parcel: Section 30, Block 1, Lot 81

Town of Montgomery, County of Orange

SEQRA Status: Unlisted, Coordinated, Town of Montgomery is Lead Agency as of 2/24/11

Project Description, Background and Reasons Supporting the Negative Declaration:
The applicant has submitted a Short Form EAF and the Negative Declaration is based upon the attached Part 2 Impact Assessment of the new Short Form. The Part 2 questions are in **bold** print.

1. Does proposed action exceed any Type 1 Threshold in 6 NYCRR Part 617.4?

The action does not exceed any Type 1 thresholds, but SEQRA was coordinated.

2. Will proposed action receive coordinated review as provided for Unlisted Actions in 6 NYC RR Part 617.6?

SEQRA was coordinated and the Planning Board became Lead Agency on February 24, 2011. Approvals are required from the DOT for access, OCPD for 239 l and m review of the site plan and a DEC stormwater SPDES permit is involved. The Health Dept. and IDA were also contacted in the event that their approvals are required.

3. The proposed action may have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?

The Town of Montgomery has not established any CEA's.

4. The proposed action may result in a substantial change in the use or intensity of use of land?

The change impacts much of the property, but there is a substantial federal wetland on site that is crossed by a 2 inch force main for sanitary sewer service. An ACOE Nationwide permit will provide for the crossing. No other disturbances to the site impact wetlands. The area of the site between the wetland and Route 208 will be graded for stormwater detention and drainage facilities, the parking area and office building. No substantial adverse impacts that are not mitigated are anticipated.

5. The proposed action may create a material conflict with adopted land use plan or zoning ordinance?

The proposed action is in accordance with current area zoning and both the town and county comprehensive plans. Based on plan changes no variances are required. A letter of local determination was received from the Orange County Planning Dept. that confirmed conformance with County Plans.

6. The proposed action may result in a substantial adverse change in existing level of traffic or impact alternative means of transportation?

Additional traffic from the future use has been reviewed and no substantial increases in traffic are anticipated. Sight distances have been checked and brush will be cleared and embankments graded where needed and NYSDOT approval has been granted to the access subject to grading. A DOT Permit is required.

7. The proposed action may cause a substantial increase in the use of energy or it fails to incorporate energy conservation or renewable energy opportunities?

No substantial increases of energy are anticipated from the use and energy saving devices will be encouraged.

8. The proposed action may impact the character or quality of existing community character?

The character or quality of the existing community or the immediate area of the town will not be adversely impacted by the proposed use. Landscaping and design criteria requirements have been addressed and are incorporated into the plans. The architectural design meshes nicely with community designer criteria.

9. The proposed action may create an environmental burden on an environment justice community as defined by the Federal EPA?

The general area is industrial and commercial and no residences or environmental justice issues are impacted.

10. The proposed action may impact the character or quality of important historical, archaeological, architectural or aesthetic resources?

As stated earlier, the site has addressed design guidelines and landscape architectural issues and nearby historical sites will not be adversely impacted.

11. The proposed action may result in a substantial adverse change to natural resources (e.g., wetlands, water bodies, flora, fauna)?

The site has very little top soil and vegetation is limited. The wetlands will not be disturbed except for the placement of the sanitary sewer force main. The natural resources, therefore, will have no substantial adverse impacts and none are anticipated.

12. The proposed action may result in a substantial increase in the potential for erosion, flooding or drainage problems?

Flooding and drainage issues are addressed through the SWPPP that has been prepared and reviewed by the Town Planning Board Engineer. The stormwater retention facility will control water quality and quantity and no substantial adverse impacts are anticipated from flooding, erosion or drainage issues.

13. The proposed action may create a substantial hazard to environmental resources or human health?

No substantial hazard to environmental resources or health is anticipated from the proposed office building and parking area.

Date of Action: May 23, 2011

Date of Mailing: May 25, 2011

Involved Agencies:

Town of Montgomery Planning Board
110 Bracken Road
Montgomery, New York 12549

New York State Department of Environmental Conservation
21 South Putt Corners Road
New Paltz, New York 12561

Orange County Health Department
124 Main Street
Goshen, New York 10924

Orange County IDA
255-275 Main Street
Goshen, New York 10924

New York State Department of Transportation
112 Dickson Street
Newburgh, New York 12550
Att: Siby Mary Zacariah-Carbone

Interested Agencies/Parties:

Orange County Planning Department
124 Main Street
Goshen, New York 10924

Chuck, Thomas, Chairman
Town of Montgomery Historic Preservation Commission
110 Bracken Road
Montgomery, New York 12549

Interested Agencies/Parties (continued):

Patricia Henighan, Chairman
Town of Montgomery Conservation Advisory Council
110 Bracken Road
Montgomery, New York 12549

Suzanne Isaksen, Town Historian
Town of Montgomery
110 Bracken Road
Montgomery, New York 12549

Richard Hoyt, Esquire
PO Box 402
Walden, New York 12586

Larry Marshall, PE
Mercurio-Tarolli-Norton
45 Main Street
Pine Bush, New York 12566

Mike Aiello, PE
Town of Montgomery
110 Bracken Road
Montgomery, New York 12549

**PILOT DEVIATION NOTICE RESOLUTION
SPRUCE PROPERTIES LLC PROJECT**

A regular meeting of 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 July 13, 2011 at 5:30 p.m., local time.

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

PRESENT:

Edwin Williams	Vice Chairperson
Stephen Rainaldi	Secretary
Michael Hayes	Member
Richard A. Lomazzo	Member

ABSENT:

Alice Dickinson	Chairperson
F. Edward Devitt	Second Vice Chairperson
Donna Jennings	Treasurer

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Suzanne Hadden	Clerk
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The following resolution was offered by Member Hayes, seconded by Secretary Rainaldi, to wit:

Resolution No. VII

RESOLUTION AUTHORIZING THE 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 SPRUCE PROPERTIES LLC PROJECT.

WHEREAS, 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, Spruce Properties LLC, a New York limited liability company (the "Company"), 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 3.80 acre parcel of land located at State Route 208 (Es) (Tax map no.: 30-1-81) in the Town of Montgomery, Orange County, New York (the "Land"), (2) the construction on the Land of an approximately 9,000 square foot building (the "Facility") and (3) the acquisition and installation therein and thereon of machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to constitute a professional office facility to be owned and operated by the Company and leased to various tenants; (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 as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, in connection with the Application, the Company has made a request to the Agency (the "Pilot Request") that the Agency enter into a payment in lieu of tax agreement (the "Proposed Pilot Agreement") to be entered into between the Agency and the Company with respect to the Project Facility, which Proposed Pilot Agreement would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy"); and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such Pilot Request for a deviation from the Agency's Policy, the Agency must give the chief executive officers of any 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 Agency's uniform tax exemption policy and the reasons therefore;

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

Section 1. Having considered both the Application and the Pilot Request, the Agency hereby authorizes any member 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 its uniform tax exemption policy with respect to the Project and the reasons for such deviation, 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:

Alice Dickinson	ABSENT
Edwin Williams	AYE
F. Edward Devitt	ABSENT
Donna Jennings	ABSENT
Stephen Rainaldi	AYE
Michael Hayes	AYE
Richard A. Lomazzo	AYE

The foregoing Resolution was thereupon declared duly adopted.

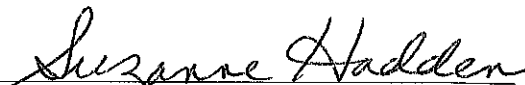
STATE OF NEW YORK)
) SS.:
COUNTY OF ORANGE)

I, the undersigned (Assistant) Secretary of 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 July 13, 2011 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 13th day of July, 2011.


(Assistant) Secretary

(SEAL)

TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY
Town of Montgomery Government Center
110 Bracken Road
Montgomery, New York 12549
TEL: 845-457-2600
FAX: 845-457-1723

July 13, 2011

Re: Town of Montgomery Industrial Development Agency
Proposed Construction of a Spec Building

Benefits

The "straight lease" structure describe above would qualify the Project for sales and use tax, real property tax and mortgage recording tax benefits from the Agency. The sales tax is a tax payable upon any personal property acquired in New York State. The use tax is a tax payable upon any personal property acquired in another state and intended to be used in New York State. Any materials, equipment or other items purchased in connection with the Project would be exempt from the New York State Local Sales and Use Tax. In Orange County, the sales tax rate is 8.125% (with 4% levied by the State of New York and 4.125% levied by Orange County). Assuming approximately \$500,000 of project costs are subject to sales and use tax (building materials and equipment), the Company would realize a savings equal to approximately \$40,625.

The mortgage recording tax is a tax payable upon the recording of a mortgage (which is a step required to protect the lender and enable enforcement of a mortgage). Any mortgage granted by the Agency in connection with the Project would be exempt from the New York State mortgage recording tax. In Orange County, the mortgage recording tax rate is 1.05% of the face amount of the mortgage to be recorded. If the Company plans to obtain \$500,000 of mortgage financing for the Project, the savings resulting from the Agency's exemption from mortgage recording taxes would equal \$5,250.

The real property tax is a tax payable upon the ownership of any property treated as real property under the New York Real Property Tax Law (generally, land, buildings, other improvements to land, and large items of equipment not intended to be removed from a building). Any property owned or leased by the Agency can be exempted from real property taxation. As part of the Project, the Agency will enter into a payment in lieu of tax ("PILOT Agreement") with the Company.

The real property tax abatements provided in connection with PILOT Agreements that are entered into by the Agency are governed by the terms of the Agency's uniform tax exemption policy (the "Tax Policy"). Under the Tax Policy, a project similar to the Project that the Company is undertaking would be entitled to a ten year PILOT Agreement. During the term of the PILOT Agreement, the Company would pay 100% of the real property taxes attributable to the value of the project site prior to the Company's

pay 100% of the real property taxes attributable to the value of the project site prior to the Company's completion of the Project, but would receive an abatement from real property taxes that are attributable to the value of the Project in accordance with the following table:

Tax Year	Percentage of Exemption
1	50%
2	45%
3	40%
4	35%
5	30%
6	25%
7	20%
8	15%
9	10%
10	5%
11 and thereafter	0%

However, as an alternative to the PILOT Agreement described in the table above, the Company has asked the Agency to consider entering into a payment in lieu of tax agreement that deviates from the Tax Policy (the "Proposed PILOT Agreement"). Under the Proposed PILOT Agreement, the Company would pay 100% of the real property taxes attributable to the value of the project site prior to the Company's completion of the Project, but would receive an abatement from real property taxes that are attributable to the value of the Project in accordance with the following table:

Tax Year	Occupancy Percentage	Abatement
*1-3	less than 50%	100%
4	N/A	100%
5	N/A	90%
6	N/A	80%
7	N/A	70%
8	N/A	60%
9	N/A	50%
10	N/A	40%
11	N/A	30%
12	N/A	20%
13	N/A	10%
Thereafter	N/A	0%

*If the percentage of occupancy of the spec building is greater than 50% at anytime during the first three years after completion of the spec building, the ten-year abatement schedule (i.e., years 4-13 of the table above) will begin in the next tax year.

**APPROVING RESOLUTION
SPRUCE PROPERTIES LLC PROJECT**

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Stephen Rainaldi	Secretary
Michael Hayes	Member
Richard A. Lomazzo	Member

ABSENT:

Alice Dickinson	Chairperson
F. Edward Devitt	Second Vice Chairperson
Donna Jennings	Treasurer

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Suzanne Hadden	Clerk
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The following resolution was offered by Secretary Rainaldi, seconded by Member Hayes, to wit:

Resolution No. VIII

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR SPRUCE
PROPERTIES LLC.**

WHEREAS, 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, Spruce Properties LLC, a New York limited liability company (the "Company"), 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 3.80 acre parcel of land located at State Route 208 (Es) (Tax map no.: 30-1-81) in the Town of Montgomery, Orange County, New York (the "Land"), (2) the construction on the Land of an approximately 9,000 square foot building (the "Facility") and (3) the acquisition and installation therein and thereon of machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to constitute a professional office facility to be owned and operated by the Company and leased to various tenants; (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 as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to the authorization contained in a resolution adopted by the members of the Agency on November 1, 2010 (the "Public Hearing Resolution"), 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 on December 16, 2010 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on December 22, 2010 at the Town Hall of the Town of Montgomery, New York, (C) caused notice of the Public Hearing to be published on December 22, 2010 in the Wallkill Valley Times, a newspaper of general circulation available to the residents of the Town of Montgomery, New York, (D) conducted the Public Hearing on January 10, 2011 at 6:00 o'clock, p.m., local time at the Town of Montgomery Town Hall, 110 Bracken Road in the Town of Montgomery, Orange County, New York, and (E) prepared a report of the Public Hearing (the "Public Hearing Report") fairly summarizing the views presented at such Public Hearing and caused copies of said Public 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, being 6NYCRR Part 617, as amended (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on July 13, 2011 (the "SEQR Resolution"), the Agency (A) ratified the determination by the Planning Board of the Town of Montgomery (the "Planning Board") to act as "lead agency" with respect to the Project, (B) acknowledged receipt of a copy of a negative declaration issued by the Planning Board on May 23, 2011 (the "Negative Declaration"), and (C) indicated that the Agency had no information to suggest that the Planning Board was incorrect in authorizing the issuance of the Negative Declaration; and

WHEREAS, the Agency has 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 will be an inducement to the Company to undertake the Project in the Town of Montgomery, New York; and (B) the completion of the Project will not result in the removal of a plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State of New York

to another area of the State of New York or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State of New York; and

WHEREAS, the Agency desires 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, New York; and

WHEREAS, in order to consummate the Project and grant the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents (hereinafter collectively referred to as the "Agency Documents"): (A) a certain lease to agency (the "Lease to Agency" or the "Underlying Lease") by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will lease to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the "Leased Premises"); (B) a certain license agreement (the "License to Agency" or the "License Agreement") by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency (1) a license to enter upon the balance of the Land (the "Licensed Premises") for the purpose of undertaking and completing the Project and (2) in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement (as hereinafter defined); (C) a lease agreement (and a memorandum thereof) (the "Lease Agreement") by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and, as rental thereunder, to pay the Agency's administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project; and (D) various certificates relating to the Project (the "Closing Documents");

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

Section 1. All action taken by the Agency with respect to the Public Hearing with respect to the Project is hereby ratified and confirmed.

Section 2. The law firm of Hodgson Russ LLP is hereby appointed Agency Counsel with respect to all matters in connection with the Project. Agency Counsel is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company, and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution.

Section 3. The Agency hereby finds and determines that:

(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) The Project constitutes a "project," as such term is defined in the Act;

(C) The Project site is located entirely within the boundaries of the Town of Montgomery, New York;

(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction, and installation of the Project Facility (collectively, the "Project Costs") will be approximately \$2,000,000;

(E) The completion of the Project will not result in the removal of a plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State of New York to another area of the State of New York or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State of New York;

(F) The granting of the Financial Assistance by the Agency with respect to the Project will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of Town of Montgomery, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act;

(G) The Agency has reviewed the Public Hearing Report and has fully considered all comments contained therein; and

(H) It is desirable and in the public interest for the Agency to enter into the Agency Documents.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (A) proceed with the Project; (B) acquire the Project Facility; (C) lease the Project Facility to the Company pursuant to the Lease Agreement; and (D) grant the Financial Assistance with respect to the Project.

Section 5. The Agency is hereby authorized (A) to acquire a leasehold interest in the Premises pursuant to the Underlying Lease and (B) to acquire title to the Equipment pursuant to a bill of sale (the "Bill of Sale to Agency") from the Company to the Agency, and (C) to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisitions are hereby approved, ratified and confirmed.

Section 6. The Agency is hereby authorized to acquire, construct and install the Project Facility as described in the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition, construction and installation are hereby ratified, confirmed and approved.

Section 7. The form and substance of the Agency Documents are hereby approved. The Chairman (or Vice Chairman) of the Agency, with the assistance of Agency Counsel, is authorized to negotiate and approve the form and substance of all of the Agency Documents.

Section 8. (A) The Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in the forms thereof as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

(B) The Chairman (or Vice Chairman) of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

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 or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates,

instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 10. 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:

Alice Dickinson	ABSENT
Edwin Williams	AYE
F. Edward Devitt	ABSENT
Donna Jennings	ABSENT
Stephen Rainaldi	AYE
Michael Hayes	AYE
Richard A. Lomazzo	AYE

The foregoing Resolution was thereupon declared duly adopted.

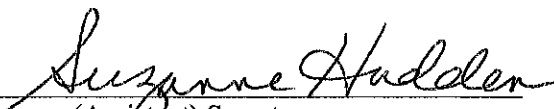
STATE OF NEW YORK)
) SS.:
COUNTY OF ORANGE)

I, the undersigned (Assistant) Secretary of 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 July 13, 2011 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 13th day of July, 2011.



(Assistant) Secretary

(SEAL)