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RESOLUTION AUTHORIZING MORTGAGE MODIFICATION
KADGE, LLC (ORANGE COUNTY IRONWORKS, LLC) PROJECT

A special 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 Town of Montgomery, Orange County, New York on May 9, 2016 at 5:30 o'clock p.m., local time.

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

PRESENT:

F. Edward Devitt	Chairman
Edwin F. Williams, Jr.	First Vice Chairperson
Stephen Rainaldi	Second Vice Chairperson
Donna Jennings	Treasurer
Michael Hayes	Member

ABSENT:

Richard Lomazzo	Secretary
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AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Suzanne Hadden	Clerk
Christopher Martell, Esq.	Counsel

The following resolution was offered by Member Hayes, seconded by First Vice Chair Williams, to wit:

Resolution No. _____

RESOLUTION AUTHORIZING THE EXECUTION BY TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY OF A CERTAIN MORTGAGE MODIFICATION AND RELATED DOCUMENTS IN CONNECTION WITH THE KADGE, LLC (ORANGE COUNTY IRONWORKS, 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, on September 29, 2009 (the "Closing Date"), the Agency entered into a lease agreement dated as of September 1, 2009 (the "Lease Agreement") by and between the Agency and Kadge, LLC (the "Company") for the purpose of undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest in a certain parcel of land containing approximately 23 acres located on Neelytown Road and Maybrook Road in the Town of Montgomery, Orange County, with a tax identification number of Section 36, Block 1, Part 28.22 (the "Land"), (2) the construction on the Land of an approximately 79,500 square foot building (the "Facility") and (3) the acquisition and installation therein and thereon of certain machinery and equipment (collectively, the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to constitute a steel fabrication facility to include the Company's offices and other directly or indirectly related activities; (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 sales and use taxes, real property transfer taxes, mortgage recording taxes and real estate taxes (collectively, the "Financial Assistance"); and (C) the lease of the Project Facility to the Company pursuant to the terms of the Lease Agreement; and

WHEREAS, on the Closing Date, the Agency (A) acquired an interest the Land pursuant to a license to Agency dated as of September 1, 2009 (the "License to Agency") from the Company to the Agency and a certain lease dated as of September 1, 2009 (the "Underlying Lease") between the Agency and the Company and (B) entered into a payment in lieu of tax agreement dated as of September 1, 2009 (the "Payment in Lieu of Tax Agreement") by and between the Company and the Agency; and

WHEREAS, in order to finance a portion of the costs of the Project, the Company obtained a loan in the principal sum of up to \$500,000 (the "Land Loan") from Riverside Bank (the "Lender"), which Land Loan was secured by (1) a mortgage dated as of September 29, 2009 (the "First Mortgage") from the Agency and the Company to the Lender and (2) an assignment of rents and leases dated as of September 29, 2009 (the "Assignment of Rents") from the Agency and the Company to the Lender; and

WHEREAS, in order to finance the additional portion of the costs of the Project, the Company obtained a second loan in the principal sum of up to \$4,400,000 (the "Building Loan"), which Building Loan was secured by a mortgage dated as of September 29, 2009 (the "Second Mortgage") from the Agency and the Company to the Lender; and

WHEREAS, pursuant to a note and mortgage consolidation, modification and extension agreement dated September 23, 2010 (the "Mortgage Consolidation") by and among the Agency, the Company and the Lender, the First Mortgage and Second Mortgage were consolidated; and

WHEREAS, the Company desires to modify the Mortgage Consolidation (the "Modification") and has requested the Agency to enter into certain modified loan documents, including, but not limited to a note and mortgage modification and extension agreement (collectively, the "Modification Documents") with Salisbury Bank and Trust Company (the "New Lender") in connection with the Mortgage Consolidation; 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 adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations" and collectively with the SEQR Act, "SEQRA"), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to proceed with the Modification; and

WHEREAS, pursuant to SEQRA, the Agency has examined the Modification in order to make a determination as to whether the Modification is subject to SEQRA, and it appears that the Modification constitutes a Type II action under SEQRA;

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

Section 1. Based upon an examination of the Modification, the Agency hereby makes the following determinations:

(A) The Modification constitutes a "Type II action" pursuant to 6 NYCRR 617.5(c)(23), and therefore that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Modification.

(B) There is no mortgage recording tax exemption being provided in connection with the Modification.

Section 2. Subject to (A) approval of the form of the Modification Documents, by Agency counsel and (B) receipt by the Agency of (1) the Agency's administrative fee relating to the Modification, if any, and (2) counsel's fees relating to the Modification, if any, the Agency hereby authorizes the execution by the Agency of the Modification Documents.

Section 3. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chairperson (or Vice Chairperson or Chief Executive Officer) of the Agency is hereby authorized to execute and deliver the Modification Documents to the Company, 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 substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairperson (or Vice Chairperson or Chief Executive Officer) shall approve, the execution thereof by the Chairperson (or Vice Chairperson or Chief Executive Officer) to constitute conclusive evidence of such approval.

Section 4. 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 Modification 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 Modification Documents binding upon the Agency.

Section 5. 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:

F. Edward Devitt	VOTING	<u>Aye</u>
Edwin F. Williams, Jr.	VOTING	<u>Aye</u>
Stephen Rainaldi	VOTING	<u>Aye</u>
Donna Jennings	VOTING	<u>Aye</u>
Richard Lomazzo	VOTING	<u>Absent</u>
Michael Hayes	VOTING	<u>Aye</u>

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 extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on May 9, 2016 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of such proceedings of the Agency and of such Resolution set forth therein 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 9th day of May, 2016.

(SEAL)



Chairman

EXHIBIT A

REQUEST

- SEE ATTACHED -

Zeigler, Nadene

From: Patricia Gunn <peg@cgrlaw.com>
Sent: Monday, March 10, 2014 2:10 PM
To: Zeigler, Nadene
Subject: Town of Montgomery Industrial Development Agency-Kadge LLC-mortgage modification
Attachments: Kadge LLC-03102014020334.pdf; Kadge LLC Modification-03102014020912.pdf

Ms. Zeigler,

With regard to the above referenced matter, Kadge, LLC is doing a mortgage modification with Riverside Bank and we are scheduled to close on Thursday, March 13, 2014 at Riverside Bank in Newburgh, NY. The Note and Mortgage Modification and Extension Agreement requires the signature of the appropriate party at the Agency and I have been directed to send it to you to arrange for the appropriate signature.

Enclosed please find the Note and Mortgage Modification and Extension Agreement. Once executed, please send original signature pages (7 original signature pages) to my attention and since we are trying to close it on Thursday of this week, please send it to me via Federal Express. I am attaching a Federal Express shipment label to use for your convenience.

We will hold the original Agreement in escrow until you receive a fully executed copy of the Agreement together with any fees due to you and to the Agency.

If you have any questions, please contact me.

Thank you.

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Tricia Gunn
Paralegal
Corbally, Gartland & Rappleyea, LLP
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Poughkeepsie, NY 12601
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Fax:845-471-4593

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