

Nassau Steel Preliminary Inducement Resolution

A regular meeting of the Nassau County Industrial Development Agency (the "Agency") was convened in public session at the Theodore Roosevelt Executive & Legislative Building, Ceremonial Chambers, 1550 Franklin Avenue, Mineola, Nassau County, New York on September 5, 2018 at 6:00 p.m., local time.

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

PRESENT:

Richard Kessel	Chairman
Lewis M. Warren	Vice Chairman
Anthony Simon	2nd Vice Chairman
Timothy Williams	Secretary
Amy Flores	Treasurer
Chris Fusco	Asst. Secretary
John Coumatos	Asst. Treasurer

NOT PRESENT:

THE FOLLOWING ADDITIONAL PERSONS WERE PRESENT:

Joseph J. Kearney	Executive Director
Colleen Pereira	Administrative Director
Paul O'Brien, Esq.	Bond/Transaction Counsel

The attached resolution no. 2018-56 was offered by A. Simon, seconded by L. Warren:

RESOLUTION TAKING PRELIMINARY ACTION TOWARD THE
ACQUISITION AND STRAIGHT LEASING OF A CERTAIN PROJECT FOR NASSAU
STEEL, LLC (THE "APPLICANT") AND AUTHORIZING THE
EXECUTION AND DELIVERY OF A PRELIMINARY AGREEMENT WITH THE
APPLICANT WITH RESPECT TO SUCH TRANSACTION

WHEREAS, the Nassau County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title I 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 674 of the 1975 Laws of New York, as amended, constituting Section 922 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, industrial and commercial 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, NASSAU STEEL, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware and qualified to do business as a foreign limited liability company in the State of New York (the "Applicant"), submitted an application for financial assistance (the "Application") to the Agency requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A)(1) the acquisition of an interest or interests in an approximately 85.50 acre parcel of land located at 999 South Oyster Bay Road, Bethpage, Town of Oyster Bay, County of Nassau, New York (Section: 46; Block: G; Lot: 98) (collectively, the "Existing Land"), (2) the repair and restoration of the base building systems and infrastructure of the existing approximately 1,200,000 square foot building complex on the Land (collectively, the "Original Building"), which is limited to repairs of roofing, flooring, electrical and plumbing components and asbestos compliance work, together with related infrastructure improvements to the Existing Land, all to bring the Original Building into compliance with building code regulations; and (3) consistent with item (2) above, the acquisition and installation therein and thereon of certain fixtures, machinery and equipment related to the repair and restoration of the Original Building and related improvements to the Existing Land (the "2011 Equipment" and together with the Existing Land and the Original Building, collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing, including exemptions or partial exemptions from real property taxes, sales and use taxes and mortgage recording taxes; and (C) the lease (with an obligation to purchase), license or sale of the Project Facility to the Applicant or such other entity as may be designated by the

Applicant and agreed upon by the Agency; and

WHEREAS, on or about October 21, 2011, the Applicant entered into a "straight lease" transaction with the Agency under the Act pursuant to, inter alia, a certain Sublease Agreement, dated as of October 1, 2011, between the Agency and the Applicant (as amended, modified, supplemented and restated, the "Lease Agreement"); and

WHEREAS, pursuant to a certain Payment in Lieu of Taxes Agreement, dated as of October 1, 2011 (as amended, modified, supplemented and restated, collectively, the "Existing PILOT Agreement"), between the Applicant and the Agency, the Applicant agreed to make certain payments in lieu of real property taxes with respect to the Existing Land and the improvements thereon, and such obligation is secured by a certain Mortgage and Security Agreement, dated as of October 1, 2011 (as amended, modified, supplemented and restated, the "PILOT Mortgage"), made by the Applicant and the Agency, as mortgagors, in favor of the County of Nassau, as mortgagee (in such capacity, the "PILOT Mortgagee"), pursuant to which the Agency and the Applicant granted a first mortgage on the Existing Land and the improvements thereon to the PILOT Mortgagee; and

WHEREAS, pursuant to an application for additional financial assistance dated July 20, 2018 (as amended, the "2018 Application"), the Applicant has requested that the Agency consider undertaking an additional project (the "Proposed Project") consisting of the following: (A)(1) the acquisition of an interest in a parcel of land known as Section: 46; Block: G; Lot: 99 on the Tax Map of Nassau County, New York (the "New Land" and together with the Existing Land, collectively, the "Land"), (2) the construction of an approximately 244,483 square foot building (the "New Building" on the Land, and (3) the acquisition of certain furniture, fixtures, machinery and equipment necessary for the completion thereof (the "2018 Equipment" and together with the New Land and the New Building, collectively, the "2018 Project Facility"), (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the General Municipal Law) with respect to the foregoing in the form of potential exemptions or partial exemptions from real property taxes, mortgage recording taxes and sales and use taxes (collectively, the "Additional Financial Assistance"); and (C) the lease (with an obligation to purchase), license or sale of the 2018 Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency; and

WHEREAS, the Additional Financial Assistance would represent a deviation from the Agency's uniform tax exemption policy with respect to the making of payments in lieu of real property taxes; and

WHEREAS, the Agency has given due consideration to the 2018 Application and to the representations made by the Applicant therein, in certain supplemental documents and at this meeting, including, without limitation, representations of the Applicant that: (A) the granting by the Agency of the Additional Financial Assistance with respect to the 2018 Project Facility will be an inducement to the Applicant to undertake the Proposed Project in Nassau County, New York; (B) the completion of the Proposed Project and the leasing and operation of the 2018 Project Facility will not result in the removal of a facility or plant of the Applicant or any tenant of the 2018 Project Facility from one area of the State of New York (the "State") to another area

of the State or in the abandonment of one or more plants or facilities of the Applicant or any tenant of the 2018 Project Facility located in the State but outside Nassau County, New York; (C) the Proposed Project will serve the public purposes of the Act by preserving permanent, private sector jobs and increasing the overall number of permanent, private sector jobs in the State; and (D) the granting of the Additional Financial Assistance by the Agency will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Nassau County, New York, and improve their standard of living, and prevent unemployment and economic deterioration, and thereby serve the public purposes of the Act; and

WHEREAS, a portion of the Additional Financial Assistance consisting of an exemption from real property taxes, if granted, may represent a deviation from the Agency's uniform tax exemption policy with respect to the making of payments in lieu of real property taxes; and

WHEREAS, any approval of the Proposed Project is contingent upon, among other things, a final determination by the members of the Agency to proceed with the Proposed Project following determinations by the Agency that: (A) the public hearing and notice requirements and other procedural requirements contained in the Act relating to the Proposed Project and the Additional Financial Assistance have been satisfied; and (B) the undertaking of the Proposed Project by the Agency and the granting of the Additional Financial Assistance are and will be in compliance with all other applicable requirements of the Act, Article 8 of the Environmental Conservation Law (the "SEQR Act") and the regulations adopted pursuant thereto (the "Regulations" and together with the SEQR Act, collectively, "SEQRA"), and all other statutes, codes, laws, rules and regulations of any governmental authority having jurisdiction over the Proposed Project or the 2018 Project Facility (collectively, the "Applicable Laws"); and

WHEREAS, the Agency desires to encourage the Applicant to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of Nassau County, New York, and to prevent unemployment and economic deterioration, by undertaking the Proposed Project in Nassau County, New York; and

WHEREAS, a preliminary agreement (the "Preliminary Agreement") relative to the proposed undertaking of the Proposed Project by the Agency has been or will be delivered to the Applicant for execution;

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

Section 1. The Agency hereby authorizes the Executive Director of the Agency (and hereby ratifies any actions taken to date by the Executive Director): (A) to establish a time, date and place for a public hearing (the "Public Hearing") of the Agency to hear all persons interested in the location and nature of the Proposed Project and the Additional Financial Assistance being contemplated by the Agency with respect to the Proposed Project, said Public Hearing to be held in the city, town or village within which the 2018 Project Facility is or will be located; (B) to cause notice of said Public Hearing to be given to the public by publishing a notice of said Public Hearing in a newspaper of general circulation available to residents of the governmental units where the 2018 Project Facility is or is to be located, such notice to comply with the requirements of and to be published in accordance with the requirements of the Act; (C) to cause

notice of said Public Hearing, pursuant to the Act, to be given to the chief executive officer of the County of Nassau, New York, and of each city, town, village, school district and other affected tax jurisdiction in which the 2018 Project Facility is or is to be located; (D) to establish a time, date and place for a meeting of the Agency (the "IDA Meeting") to consider whether to approve a proposed deviation from the Agency's uniform tax exemption policy in accordance with the Act if the Executive Director determines that the portion of the Additional Financial Assistance consisting of an exemption from real property taxes constitutes a deviation from such policy; (E) to cause notice of any such proposed deviation from the Agency's uniform tax exemption policy and of the IDA Meeting to be given to the chief executive officer of each affected tax jurisdiction in accordance with the Act; (F) to conduct the Public Hearing or to authorize a hearing officer to conduct the Public Hearing; (G) to cause a report of the Public Hearing fairly summarizing the views presented at said Public Hearing to be promptly prepared and cause copies of said report to be made available to the members of the Agency; (H) to hold the IDA Meeting and to review any correspondence received from the affected tax jurisdictions regarding the proposed deviation from the Agency's uniform tax exemption policy, if applicable; and (I) to otherwise comply with all other procedural and other requirements imposed on the Agency pursuant to Applicable Laws with respect to the Proposed Project and/or the Additional Financial Assistance.

Section 2. The Applicant is hereby authorized to conduct such environmental, engineering, economic, feasibility and other studies and preliminary planning and budgetary processes necessary or convenient to enable the Agency to make its determination whether to proceed with the Proposed Project and to grant the Additional Financial Assistance; provided, however, that such authorization shall not entitle or permit the Applicant to commence the acquisition, construction, installation or equipping of the 2018 Project Facility on behalf of the Agency unless and until the Agency shall determine that all requirements of Applicable Laws have been fulfilled. The officers, agents and employees of the Agency are hereby directed to proceed to do such things or perform such acts as may allow the Agency to proceed to its final consideration of the Proposed Project. This Resolution constitutes an authorization to conduct concurrent environmental, engineering, economic, feasibility and other studies and preliminary planning with respect to the Proposed Project within the meaning of Section 617.3(c)(2) of the Regulations and a determination of compliance with technical requirements within the meaning of Section 617.3(c)(2) of the Regulations and does not constitute, and shall not be deemed to constitute, either an approval by the Agency of the Project for the purposes of the Act or SEQRA or a commitment by the Agency to approve the Proposed Project or to grant the Additional Financial Assistance.

Section 3. Any expenses incurred by the Agency with respect to the Proposed Project and/or the financing thereof shall be paid by the Applicant as set forth in the Preliminary Agreement.

Section 4. The findings of the Agency set forth herein are expressly conditioned upon full compliance of the Applicant, the Proposed Project and the 2018 Project Facility with all Applicable Laws, and the Applicant shall be required to provide evidence of same satisfactory to the Agency prior to the granting of any Financial Assistance.

Section 5. If, following full compliance with all Applicable Laws, the Agency adopts a future resolution (the "Future Resolution") determining to proceed with the Proposed Project and to grant the Additional Financial Assistance, or any portion thereof, with respect to the 2018 Project Facility and the Applicant complies with all conditions set forth in the Preliminary Agreement and the Future Resolution, then the Agency will (A) acquire an interest in the 2018 Project Facility pursuant to a deed, lease agreement, assignment of lease, license, bill of sale and/or other documentation to be negotiated between the Agency and the Applicant, including, without limitation, amendments to the Lease Agreement and the Existing PILOT Agreement (the "Acquisition Agreement"); (B) construct, install and equip the New Building and acquire and install the 2018 Equipment; (C) lease (with the obligation to purchase), license or sell the 2018 Project Facility to the Applicant pursuant to a lease agreement or an amended lease agreement (the "Project Agreement") to be negotiated between the Agency and the Applicant; and (D) provide the Additional Financial Assistance with respect to the Proposed Project, all as contemplated by the Preliminary Agreement and the Future Resolution.

Section 6. The form, terms and substance of the Preliminary Agreement (in substantially the form utilized by the Agency with respect to prior transactions) are in all respects ratified, confirmed and approved, and all actions taken by the Chairman, Vice Chairman, Executive Director or Administrative Director of the Agency in connection therewith, including, without limitation, the execution and delivery of said Preliminary Agreement in the name and on behalf of the Agency, are hereby ratified, confirmed and approved.

Section 7. The officers, agents and employees of the Agency are hereby authorized, empowered and directed, acting individually or jointly, to proceed with the undertakings provided for herein on the part of the Agency, and are further authorized to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the terms and provisions of the Preliminary Agreement.

Section 8. The Chairman, Vice Chairman, Executive Director and Administrative Director of the Agency are each hereby authorized and directed to distribute copies of this Resolution to the Applicant and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

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

Richard Kessel	VOTING	Aye
Lewis M. Warren	VOTING	Aye
Anthony Simon	VOTING	Aye
Timothy Williams	VOTING	Aye
Chris Fusco	VOTING	Aye
Amy Flores	VOTING	Aye
John Coumatos	VOTING	Aye

The foregoing Resolution was thereupon declared duly adopted.

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

We, the undersigned [~~Vice~~] Chairman and [~~Assistant~~] Secretary of the Nassau County Industrial Development Agency (the "Agency"), do hereby certify that we have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on September 5, 2018 with the original thereof on file in our office, and that the same is a true and correct copy of said original 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.

WE 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.

WE 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, we have hereunto set our respective hands and affixed the seal of the Agency this 5th day of September, 2018.



[~~Assistant~~] Secretary



[~~Vice~~] Chairman

(SEAL)