

FINAL RESOLUTION
(LEGGIADRO INTERNATIONAL, INC. Project)

A regular meeting of City of Yonkers Industrial Development Agency was convened on at 9:00 a.m. on Thursday, September 24, 2015

The following resolution was duly offered and seconded, to wit:

Resolution No. 09/2015 - 35

RESOLUTION OF THE CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY (i) ACKNOWLEDGING THE PUBLIC HEARING HELD WITH RESPECT TO THE LEGGIADRO INTERNATIONAL, INC. PROJECT (AS MORE FULLY DESCRIBED BELOW) AND (ii) AUTHORIZING THE EXECUTION AND DELIVERY OF THE AGENT AGREEMENT, MORTGAGE AND RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 83 of the Laws of 1982 of the State of New York, as amended (hereinafter collectively called the "Act"), the **CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **LEGGIADRO INTERNATIONAL, INC.**, a corporation having offices at 8 West 36th Street, 9th floor, New York, New York 10018, for itself or on behalf of an entity to be formed (the "Company") has submitted an application to the Agency requesting the Agency's assistance with a certain project (the "Project") consisting of, in the aggregate: (i) the acquisition of fee title to or other interest in a parcel or parcels of land located at 65 Main Street and any existing improvements thereon (the "Land"); (ii) the acquisition, construction, renovation, reconstruction on the Land of a luxury clothing factory, cutting room, warehouse, design and administrative offices, and outlet retail store, as well as on-site improvements and upgrades, including but not limited to electrical, plumbing, heating, central HVAC improvements, together with other, related improvements (the "Improvements"); and (iii) the acquisition and installation in and around the Improvements of certain items of equipment and other tangible personal property (the "Equipment", and collectively with the Land and the Improvements, the "Facility"); and

WHEREAS, on February 24, 2015, the Agency adopted a resolution (the "Inducement Resolution") (1) accepting the Application of the Company with respect to the Project in a form acceptable to the Agency, (2) authorizing the Agency to hold the Public Hearing (as defined below), and (3) describing the Financial Assistance the Agency is contemplating providing to the Company with respect to the Project; and

WHEREAS, pursuant to General Municipal Law Section 859-a, on Monday, March 23, 2015 at 5:30 p.m. at Yonkers City Hall, 40 South Broadway, Yonkers, New York, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as defined in the Inducement Resolution) being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. A copy of the Notice of Public Hearing published and forwarded to the affected taxing jurisdictions prior to said Public Hearing are attached hereto as Exhibit A; and

WHEREAS, in connection with the Project, the Agency contemplates that it will enter into an agent agreement (the "Agent Agreement") pursuant to which the Agency designates the Company as its agent for the purpose of acquiring, constructing and equipping the Project; and

WHEREAS, pursuant to the New York State Environmental Quality Review Act ("SEQRA") the Company submitted a Short Environmental Assessment Form ("EAF") to the Agency on or about September 22, 2015; and

WHEREAS, this Board, by motion dated September 24, 2015, declared itself to be the Lead Agency under SEQRA having determined that there are no other involved or interested agencies for this Project; and

WHEREAS, this project is an Type II Action for the purposes of SEQRA pursuant to 6 NYCRR 617.5(c)(1) and (2) as it involves replacement, rehabilitation or reconstruction of a structure or facility, in kind, on the same site, including upgrading buildings to meet building or fire codes, whereby such actions do need exceed any of the thresholds in section 6 NYCRR 617.4, and is, therefore, not subject to review pursuant to SEQRA; and

WHEREAS, the Agent Agreement and Mortgage and related are being negotiated and will be presented to President/CEO for execution upon approval of this resolution.

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

Section 1. The public hearing held by the Agency on March 23, 2015, concerning the Project and the Financial Assistance was duly held in accordance with the Act, including but not limited to the giving of at least ten (10) days published notice of the Public Hearing (such notice also provided to the Chief Executive Officer of each affected tax jurisdiction), affording interested parties a reasonable opportunity, both orally and in writing, to present their views with respect to the Project.

Section 2. The public hearing held by the Agency on March 23, 2015, concerning the Project and the Financial Assistance was duly held in accordance with the Act. Based upon the representations and warranties made by the Company in the Application, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services

relating to the Project, that would otherwise be subject to New York State and local sales and use tax in an amount up to \$450,000.00, which result in New York State and local sales and use tax exemption benefits (“sales and use tax exemption benefits”) not to exceed \$39,398.00. The Agency agrees to consider any requests by the Company for increase to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with the appropriate documentation detailing the additional purchases of property or services. Pursuant to § 875(3) of the New York General Municipal Law, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any sales and use tax exemption benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other part authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the sales and use tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project. As a condition precedent of receiving sales and use tax exemption benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, shall (i) cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

Section 3. Subject to the Company executing the Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; *provided, however*, the Agent Agreement shall expire on **May 31, 2016** (*unless extended for good cause by the President or Chairman (or Vice Chairman) of the Agency*).

Section 4. The President or Chairman (or Vice Chairman) of the Agency are hereby authorized, on behalf of the Agency, to negotiate and enter into (A) the Agent Agreement, (B), the Lease Agreement, pursuant to which the Company leases the Project to the Agency, (C) the related Leaseback Agreement, pursuant to which the Agency leases its interest in the Project

back to the Company, (D) the Tax Agreement, (E) the Tax Agreement Mortgage, and any other related documents reasonably contemplated by these resolutions; *provided that*, (i) the rental payments under the Leaseback Agreement include all payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the Tax Agreement are consistent with the Agency's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 5. The President or Chairman (or Vice Chairman) of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver, if necessary, any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement and Tax Agreement, collectively, the "Agency Documents"); and where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the President or Chairman (or Vice Chairman) of the Agency shall approve, the execution thereof by the President or Chairman (or Vice Chairman) of the Agency to constitute conclusive evidence of such approval; *provided that*, in all events, recourse against the Agency is limited to the Agency's interest in Project.

Section 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 7. This Project has been determined not to have a significant impact on the environment and is not subject to further review under SEQRA.

Section 9. This Resolution shall take effect immediately upon adoption.

Resolution No.: 09/2015 – 35
Final Resolution: Leggiadro International Inc.
September 24, 2015

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

	<i>Yea</i>	<i>Nay</i>	<i>Abstain</i>	<i>Absent</i>
Mike Spano	[]	[]	[]	[*]
Martin Ball, Sr.	[✓]	[]	[]	[]
Susan Gerry	[✓]	[]	[]	[]
Melissa Nacerino	[✓]	[]	[]	[]
Cecile D. Singer	[✓]	[]	[]	[]
Robert Maccariello	[]	[]	[]	[*]
Peter Kischak	[✓]	[]	[]	[]

The Resolutions were thereupon duly adopted.

SECRETARY'S CERTIFICATION

STATE OF NEW YORK)
COUNTY OF WESTCHESTER) ss.:

I, the undersigned, Secretary of the City of Yonkers Industrial Development Agency DO HEREBY CERTIFY:

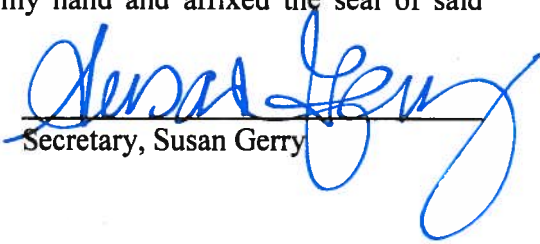
That I have compared the annexed extract of minutes of the meeting of the City of Yonkers Industrial Development Agency (the "Agency"), including the resolution contained therein, held on March 23, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

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

I FURTHER CERTIFY, that 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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 29 day of September, 2015.


Secretary, Susan Gerry

[SEAL]