

Date: March 24, 2021

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held electronically via conference call on the 24th day of March, 2021, the following members of the Agency were:

Present: Frederick C. Braun III, Chairman
Felix J. Grucci, Jr., Vice Chair
Martin Callahan, Treasurer
Ann-Marie Scheidt, Secretary
Frank C. Trotta, Asst. Treasurer

Recused:

Excused: Gary Pollakusky, Asst. Secretary

Also Present: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
James M. Tullo, Deputy Director
Jocelyn Linse, Executive Assistant
Terri Alkon, Administrative Assistant
Amy Illardo, Administrative Assistant
Annette Eaderesto, Esq., Counsel to the Agency
William F. Weir, Esq., Transaction Counsel
Howard R. Gross, Esq., Transaction Counsel

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of a leasehold interest in a certain industrial development facility more particularly described below (American Organic Energy, LLC 2021 Facility) and the leasing of the facility to American Organic Energy, LLC.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

Braun
Grucci
Scheidt
Callahan

AMENDED RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY AND D APPROVING THE FORM, SUBSTANCE AND EXECUTION OF 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 358 of the Laws of 1970 of the State of New York, as amended from time to time (collectively, the “**Act**”), the Town of Brookhaven Industrial Development Agency (the “**Agency**”) was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, American Organic Energy, LLC, a New York limited liability company, on behalf of itself and/or the principals of American Organic Energy, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), submitted its Application for Financial Assistance, dated May 7, 2015, as amended to date (collectively, the “**Application**”), requesting the Agency’s assistance to finance certain costs of an industrial development facility consisting of the acquisition of a leasehold interest in an approximately 6.0 acre parcel of land that is encompassed as part of a larger 62.00 acre parcel of land located at 445 Horseblock Road, Yaphank, New York 11980, and the construction and equipping of an approximately 74,500 square foot building to be located thereon including, without limitation, pre-processing equipment, odor control, anaerobic digestion tanks, by-product processing, gas cleaning and compression engines (the “**Facility**”), to be leased by the Agency to the Company and used by the Company in its business as an anaerobic digester to process food waste, oils, greases and grass clippings to be converted to clean energy, clean water and soil products (the “**Project**”); and

WHEREAS, the Agency, by resolution duly adopted on October 16, 2016, as amended on August 16, 2017, as amended on June 19, 2019 (collectively, the “**Inducement Resolution**”), decided to proceed under the provisions of the Act; and

WHEREAS, the Agency, by resolution duly adopted on October 21, 2020 (the “**Authorizing Resolution**”), approved the requested assistance of the Company; and

WHEREAS, in order to provide funding for the Project, American Organic Energy has received funding commitments from New York Green Bank (“**NYGB**”) and Sustainable Development Capital (“**SDC**”), in addition to grants being provided by New York State Energy Research and Development (“**NYSERDA**”) and Empire State Development Corporation (“**ESDC**”); and together with NYGB, SDC and NYSERDA, collectively, the “**Lenders**”); and

WHEREAS, to facilitate the financing, NYGB has required that the Company form a holding company called AOE Holding, LLC, a limited liability company organized and existing under the laws of the State of New York (the “**AOE Holding**”) to be the 100% owner of the Company (the “**Change in Ownership**”); and

WHEREAS, AOE Holding's ownership is owned in equal parts by each of Charles Vigliotti and Arnold Vigliotti, and the Company will own 100% of the Company; and

WHEREAS, subsequent to the Authorizing Resolution, the Company submitted a letter to the Agency, dated March 19, 2021 (the "**March 2021 Request**"), requesting the Agency to consent to the Change in Ownership of the Company; and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of March 1, 2021, or such other date as the Chairman, Vice Chairman or Chief Executive Officer of the Agency and counsel to the Agency shall agree (the "**Company Lease**"), by and between the Company and the Agency; and

WHEREAS, the Agency will acquire title to the Equipment pursuant to a certain Bill of Sale, dated the Closing Date (as defined in the hereinafter defined Lease Agreement) (the "**Bill of Sale**"), from the Company to the Agency; and

WHEREAS, the Agency will sublease and lease the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of March 1, 2021, or such other date as the Chairman, Vice Chairman or Chief Executive Officer of the Agency and counsel to the Agency shall agree (the "**Lease Agreement**"), by and between the Agency and the Company; and

WHEREAS, as security for a loan or loans, the Agency and the Company will execute and deliver to the respective Lenders, a mortgage or mortgages, and such other loan and security documents satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably required by each Lender, to be dated a date to be determined, in connection with the financing, any refinancing or permanent financing of the costs of the acquisition, construction and equipping of the Facility (collectively, the "**Loan Documents**"); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of: (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$86,000,000 but not to exceed \$96,500,000, corresponding to mortgage recording tax exemptions presently estimated to be \$645,000 but not to exceed \$723,750, in connection with the financing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of the acquisition, construction and equipping of the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$5,700,000, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof); and

WHEREAS, in connection with the abatement of real property taxes as set forth in the PILOT Schedule on Exhibit A hereof, the current pro-rata allocation of PILOT payments to each affected tax jurisdiction in accordance with Section 858(15) of the Act and the estimated difference between the real property taxes on the Facility and the PILOT payments

set forth on the PILOT Schedule on Exhibit A hereof are more fully described in the Cost Benefit Analysis (“CBA”) developed by the Agency in accordance with the provisions of Section 859-a(5)(b) of the Act, a copy of which CBA is attached hereto as Exhibit B; and

WHEREAS, the Agency has given due consideration to the Application and to the March 2021 Request and to representations of the Company therein; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Agency to the Company;

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

(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; and

(b) The Facility constitutes a “project”, as such term is defined in the Act; and

(c) The Facility preserves the public purposes of the Act by preserving or increasing the number of permanent private sector jobs in the Town of Brookhaven. The Applicant has represented to the Agency that it currently provides one-hundred (100) full-time employees and expects the number of jobs to increase by eleven (11) full-time employees upon project completion; and

(d) The acquisition, construction and equipping of the Facility and the leasing and subleasing of the Facility to the Company will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Town of Brookhaven, and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(e) The acquisition, construction and equipping of the Facility is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York; and

(f) Based upon representations of the Company and counsel to the Company, the Facility conforms with the local zoning laws and planning regulations of the Town of Brookhaven, Suffolk County, and all regional and local land use plans for the area in which the Facility is located; and

(g) The Facility and the operations conducted therein do not have a significant effect on the environment, as determined in accordance with Article 8 of the Environmental Conservation Law of the State of New York and the regulations promulgated thereunder; and

(h) It is desirable and in the public interest for the Agency to sublease the Land and the Improvements and to lease the Equipment to the Company; and

(i) The Company Lease will be an effective instrument whereby the Agency leases the Land and the Improvements from the Company; and

(j) The Lease Agreement will be an effective instrument whereby the Agency leases and subleases the Facility to the Company, the Agency and the Company set forth the terms and conditions of their agreement regarding payments-in-lieu of taxes, the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility and will describe the circumstances in which the Agreement may recapture some or all of the benefits granted to the Company; and

(k) The Loan Documents to which the Agency is a party will be effective instruments whereby the Agency and the Company agree to secure the Loan made to the Company by the Lender.

Section 2. The Agency has assessed all material information included in connection with the Application, as amended by the March 2021 Request, including but not limited to, the cost-benefit analysis prepared by the Agency and such information has provided the Agency a reasonable basis for its decision to provide the financial assistance described herein to the Company.

Section 3. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) sublease and lease the Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, (vi) execute and deliver the Loan Documents to which the Agency is a party, and (vii) approve the Change in Ownership.

Section 4. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to 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 are hereby approved, ratified and confirmed.

Section 5. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, construction and equipping of the Facility in the form of: (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$86,000,000 but not to exceed \$96,500,000, corresponding to mortgage recording tax exemptions presently estimated to be \$645,000 but not to exceed \$723,750, in connection with the financing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of the acquisition, construction and equipping of the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$5,700,000, in connection with the purchase or lease of equipment, building materials, services or other

personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof). In connection with the abatement of real property taxes as set forth in the PILOT Schedule on Exhibit A hereof, the current pro-rata allocation of PILOT payments to each affected tax jurisdiction in accordance with Section 858(15) of the Act and the estimated difference between the real property taxes on the Facility and the PILOT payments set forth on the PILOT Schedule on Exhibit A hereof are more fully described in the CBA developed by the Agency in accordance with the provisions of Section 859-a(5)(b) of the Act, a copy of which CBA is attached hereto as Exhibit B.

Section 6. Subject to the provisions of this resolution, the Company is herewith and hereby appointed the agent of the Agency to acquire, construct and equip the Facility. The Company is hereby empowered to delegate its status as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to acquire, construct and equip the Facility. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agents of the Agency solely for purposes of making sales or leases of goods, services and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Agency, shall be deemed to be on behalf of the Agency and for the benefit of the Facility. This agency appointment expressly excludes the purchase by the Company of any motor vehicles, including any cars, trucks, vans or buses which are licensed by the Department of Motor Vehicles for use on public highways or streets. The Company shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Agency. The aforesaid appointment of the Company as agent of the Agency to acquire, construct and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, (b) a date which the Agency designates, or (c) the date on which the Company has received exemptions from sales and use taxes in an amount not to exceed \$5,700,000, in connection with the purchase or lease of equipment, building materials, services or other personal property; provided however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time. The aforesaid appointment of the Company is subject to the completion of the transaction and the execution of the documents contemplated by this resolution

Section 7. The Company is hereby notified that it will be required to comply with Section 875 of the Act. The Company shall be required to agree to the terms of Section 875 pursuant to the Lease Agreement. The Company is further notified that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this Authorizing Resolution are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Lease Agreement.

Section 8. The form and substance of the Company Lease, the Lease Agreement and the Loan Documents to which the Agency is a party (each in substantially the forms

presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 9.

(a) The Chairman, Vice Chairman, Chief Executive Officer or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease, the Lease Agreement and the Loan Documents to which the Agency is a party, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Chief Executive Officer or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Chief Executive Officer or any member of the Agency are further hereby 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 10. 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, 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 11. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company. The Company shall agree to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility

Section 12. This resolution amends the Authorizing Resolution of the Agency dated, October 21, 2020.

Section 13. This resolution shall take effect immediately.

EXHIBIT A

Proposed PILOT Benefits

American Organic Energy, LLC 2020 Facility
445 Horseblock Road, Yaphank, New York 11980

District 0200 Section 846.00 Block 03.00 Lot Nos. 004.000 and 003.001

School District: South Country School District

<u>Year</u>	<u>PILOT Amount</u>
1.	\$12,280
2.	\$12,520
3.	\$12,770
4.	\$13,030
5.	\$13,290
6.	\$13,560
7.	\$13,830
8.	\$14,100
9.	\$14,390
10.	\$14,670

PILOT Payments shall be allocated among the Taxing Authorities in proportion to the amount of real property tax and other taxes which would have been received by each Taxing Authority if the Facility was owned by the Company exclusive of the Agency's leasehold interest.

All annual PILOT Payments as described above shall be payable in two equal semi-annual installments on or prior to January 31 and May 31 of each year of the Lease Term or on such other due dates as may be established from time to time during the Lease Term.

EXHIBIT B

Cost Benefit Analysis Report

Date: October 21, 2020

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held electronically via conference call on the 21st day of October, 2020, the following members of the Agency were:

Present: Frederick C. Braun III, Chairman
Felix J. Grucci, Jr., Vice Chair
Martin Callahan, Treasurer
Ann-Marie Scheidt, Secretary
Gary Pollakusky, Asst. Secretary
Frank C. Trotta, Sr., Member

Recused:

Excused: Scott Middleton, Asst. Treasurer

Also Present: Lisa M. G. Mulligan, Chief Executive Officer
Lori LaPonte, Chief Financial Officer
James M. Tullo, Deputy Director
Jocelyn Linse, Executive Assistant
Terri Alkon, Administrative Assistant
Amy Illardo, Administrative Assistant
Annette Eaderesto, Esq., Counsel to the Agency
William F. Weir, Esq., Transaction Counsel
Howard R. Gross, Esq., Transaction Counsel

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of a leasehold interest in a certain industrial development facility more particularly described below (American Organic Energy, LLC 2020 Facility) and the leasing of the facility to American Organic Energy, LLC.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Braun
Grucci
Callahan
Scheidt
Pollakusky
Trotta

Voting Nay

RESOLUTION OF THE TOWN OF BROOKHAVEN
INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE
ACQUISITION, CONSTRUCTION AND EQUIPPING OF A
CERTAIN INDUSTRIAL DEVELOPMENT FACILITY AND D
APPROVING THE FORM, SUBSTANCE AND EXECUTION
OF 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 358 of the Laws of 1970 of the State of New York, as amended from time to time (collectively, the “**Act**”), the Town of Brookhaven Industrial Development Agency (the “**Agency**”) was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, American Organic Energy, LLC, a New York limited liability company, on behalf of itself and/or the principals of American Organic Energy, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has applied to the Agency, to provide its assistance to finance certain costs of an industrial development facility consisting of the acquisition of a leasehold interest in an approximately 6.0 acre parcel of land that is encompassed as part of a larger 62.00 acre parcel of land located at 445 Horseblock Road, Yaphank, New York 11980, and the construction and equipping of an approximately 74,500 square foot building to be located thereon including, without limitation, pre-processing equipment, odor control, anaerobic digestion tanks, by-product processing, gas cleaning and compression engines (the “**Facility**”), to be leased by the Agency to the Company and used by the Company in its business as an anaerobic digester to process food waste, oils, greases and grass clippings to be converted to clean energy, clean water and soil products (the “**Project**”); and

WHEREAS, the Agency, by resolution duly adopted on October 16, 2016, as amended on August 16, 2017, as amended on June 19, 2019 (collectively, the “**Inducement Resolution**”), decided to proceed under the provisions of the Act; and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of October 1, 2020, or such other date as the Chairman, Vice Chairman or Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Company Lease**”), by and between the Company and the Agency; and

WHEREAS, the Agency will acquire title to the Equipment pursuant to a certain Bill of Sale, dated the Closing Date (as defined in the hereinafter defined Lease Agreement) (the “**Bill of Sale**”), from the Company to the Agency; and

WHEREAS, the Agency will sublease and lease the Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of October 1, 2020, or such other date as the Chairman, Vice Chairman or Chief Executive Officer of the Agency and counsel to the Agency shall agree (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, as security for a loan or loans, the Agency and the Company will execute and deliver to New York Green Bank and/or Sustainable Development Capital or a lender or lenders to be determined (collectively, the “**Lender**”), a mortgage or mortgages, and such other loan and security documents satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably required by the Lender, to be dated a date to be determined, in connection with the financing, any refinancing or permanent financing of the costs of the acquisition, construction and equipping of the Facility (collectively, the “**Loan Documents**”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of: (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$86,000,000 but not to exceed \$96,500,000, corresponding to mortgage recording tax exemptions presently estimated to be \$645,000 but not to exceed \$723,750, in connection with the financing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of the acquisition, construction and equipping of the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$5,700,000, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof); and

WHEREAS, in connection with the abatement of real property taxes as set forth in the PILOT Schedule on Exhibit A hereof, the current pro-rata allocation of PILOT payments to each affected tax jurisdiction in accordance with Section 858(15) of the Act and the estimated difference between the real property taxes on the Facility and the PILOT payments set forth on the PILOT Schedule on Exhibit A hereof are more fully described in the Cost Benefit Analysis (“**CBA**”) developed by the Agency in accordance with the provisions of Section 859-a(5)(b) of the Act, a copy of which CBA is attached hereto as Exhibit B; and

WHEREAS, the Agency has given due consideration to the application of the Company to the Agency for financial assistance (the “**Application**”), and to representations of the Company therein; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Agency to the Company.

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

(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; and

(b) The Facility constitutes a “project”, as such term is defined in the Act; and

(c) The Facility preserves the public purposes of the Act by preserving or increasing the number of permanent private sector jobs in the Town of Brookhaven. The Applicant has represented to the Agency that it currently provides one-hundred (100) full-time employees and expect the number of jobs to increase upon project completion; and

(d) The acquisition, construction and equipping of the Facility and the leasing and subleasing of the Facility to the Company will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Town of Brookhaven, and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(e) The acquisition, construction and equipping of the Facility is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York; and

(f) Based upon representations of the Company and counsel to the Company, the Facility conforms with the local zoning laws and planning regulations of the Town of Brookhaven, Suffolk County, and all regional and local land use plans for the area in which the Facility is located; and

(g) The Facility and the operations conducted therein do not have a significant effect on the environment, as determined in accordance with Article 8 of the Environmental Conservation Law of the State of New York and the regulations promulgated thereunder; and

(h) It is desirable and in the public interest for the Agency to sublease the Land and the Improvements and to lease the Equipment to the Company; and

(i) The Company Lease will be an effective instrument whereby the Agency leases the Land and the Improvements from the Company; and

(j) The Lease Agreement will be an effective instrument whereby the Agency leases and subleases the Facility to the Company, the Agency and the Company set forth the terms and conditions of their agreement regarding payments-in-lieu of taxes, the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility and will describe the circumstances in which the Agreement may recapture some or all of the benefits granted to the Company.

(k) The Loan Documents to which the Agency is a party will be effective instruments whereby the Agency and the Company agree to secure the Loan made to the Company by the Lender

Section 2. The Agency has assessed all material information included in connection with the Company's application for financial assistance, including but not limited to, the cost-benefit analysis prepared by the Agency and such information has provided the Agency a reasonable basis for its decision to provide the financial assistance described herein to the Company.

Section 3. In consequence of the foregoing, the Agency hereby determines to: (i) lease the Land and the Improvements from the Company pursuant to the Company Lease, (ii) execute, deliver and perform the Company Lease, (iii) sublease and lease the Facility to the Company pursuant to the Lease Agreement, (iv) execute, deliver and perform the Lease Agreement, (v) grant a mortgage on and security interests in and to the Facility pursuant to the Loan Documents, and (vi) execute and deliver the Loan Documents to which the Agency is a party.

Section 4. The Agency is hereby authorized to acquire the real property and personal property described in Exhibit A and Exhibit B, respectively, to 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 are hereby approved, ratified and confirmed.

Section 5. The Agency hereby authorizes and approves the following economic benefits to be granted to the Company in connection with the acquisition, construction and equipping of the Facility in the form of: (i) exemptions from mortgage recording taxes for one or more mortgages securing an amount presently estimated to be \$86,000,000 but not to exceed \$96,500,000, corresponding to mortgage recording tax exemptions presently estimated to be \$645,000 but not to exceed \$723,750, in connection with the financing of the acquisition, construction and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of the acquisition, construction and equipping of the Facility, (ii) exemptions from sales and use taxes in an amount not to exceed \$5,700,000, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, and (iii) abatement of real property taxes (as set forth in the PILOT Schedule attached as Exhibit A hereof). In connection with the abatement of real property taxes as set forth in the PILOT Schedule on Exhibit A hereof, the current pro-rata allocation of PILOT payments to each affected tax jurisdiction in accordance with Section 858(15) of the Act and the estimated difference between the real property taxes on the Facility and the PILOT payments set forth on the PILOT Schedule on Exhibit A hereof are more fully described in the CBA developed by the Agency in accordance with the provisions of Section 859-a(5)(b) of the Act, a copy of which CBA is attached hereto as Exhibit B.

Section 6. The Company is hereby notified that it will be required to comply with Section 875 of the Act. The Company shall be required to agree to the terms of Section 875 pursuant to the Lease Agreement. The Company is further notified that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this Authorizing Resolution are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Lease Agreement.

Section 7. The form and substance of the Company Lease, the Lease Agreement and the Loan Documents to which the Agency is a party (each in substantially the forms presented to or approved by the Agency and which, prior to the execution and delivery thereof, may be redated and renamed) are hereby approved.

Section 8.

(a) The Chairman, Vice Chairman, Chief Executive Officer or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Company Lease, the Lease Agreement and the Loan Documents to which the Agency is a party, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Chief Executive Officer or any member of the Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "**Agency Documents**"). The execution thereof by the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Chief Executive Officer or any member of the Agency are further hereby 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, 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. Any expenses incurred by the Agency with respect to the Facility shall be paid by the Company. The Company shall agree to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility

Section 11. This resolution shall take effect immediately.

EXHIBIT A

Proposed PILOT Benefits

American Organic Energy, LLC 2020 Facility
445 Horseblock Road, Yaphank, New York 11980

District 0200 Section 846.00 Block 03.00 Lot Nos. 004.000 and 003.001

School District: South Country School District

<u>Year</u>	<u>PILOT Amount</u>
1.	\$12,280
2.	\$12,520
3.	\$12,770
4.	\$13,030
5.	\$13,290
6.	\$13,560
7.	\$13,830
8.	\$14,100
9.	\$14,390
10.	\$14,670

PILOT Payments shall be allocated among the Taxing Authorities in proportion to the amount of real property tax and other taxes which would have been received by each Taxing Authority if the Facility was owned by the Company exclusive of the Agency's leasehold interest.

All annual PILOT Payments as described above shall be payable in two equal semi-annual installments on or prior to January 31 and May 31 of each year of the Lease Term or on such other due dates as may be established from time to time during the Lease Term.

EXHIBIT B

Cost Benefit Analysis Report

Date: August 16, 2017

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held on the 16th day of August, 2017 at 7:45 a.m., at the Town of Brookhaven Department of Economic Development, 1 Independence Hill, 3rd Floor, Farmingville, New York 11738, the following members of the Issuer were:

Present: Frederick C. Braun, III
Martin Callahan
Felix J. Grucci, Jr.
Michael Kelly
Gary Pollakusky
Ann-Marie Scheidt

Recused:

Absent: Scott Middleton

Also Present: Lisa M. G. Mulligan, Chief Executive Officer

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of a leasehold interest in and title to a certain industrial development facility more particularly described below (American Organic Energy, LLC Facility) and the leasing of the facility to American Organic Energy, LLC.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

Braun
Callahan
Grucci
Kelly
Pollakusky
Scheidt

AMENDED AND RESTATED RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD THE ISSUANCE OF TAX-EXEMPT SOLID WASTE DISPOSAL FACILITY BONDS OR TAXABLE SOLID WASTE DISPOSAL FACILITY BONDS OR A COMBINATION THEREOF IN AN AMOUNT SUFFICIENT TO FINANCE CERTAIN COSTS OF THE AMERICAN ORGANIC ENERGY, LLC FACILITY, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY AND REQUESTING THE SUPERVISOR OF THE TOWN OF BROOKHAVEN TO APPROVE THE ISSUANCE OF THE BONDS.

WHEREAS, on October 16, 2016, the Town of Brookhaven Industrial Development Agency (the “**Issuer**”), adopted an Inducement Resolution (the “**Inducement Resolution**”), in connection with an application received from American Organic Energy, LLC, a New York limited liability company, on behalf of itself and/or the principals of American Organic Energy, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), requesting that the Issuer finance the acquisition, renovation and equipping of an industrial development facility through the issuance of its tax-exempt solid waste disposal facility bonds (the “**Tax-Exempt Bonds**”) pursuant to Section 142(a)(6) of the Internal Revenue Code of 1986, as amended (the “**Code**”) or its taxable solid waste disposal facility bonds (the “**Taxable Bonds**”) and together with the Tax-Exempt Bonds, collectively, the “**Bonds**”) or a combination thereof, which facility shall consist of the acquisition of a leasehold interest in an approximately 6.0 acre parcel of land that is encompassed as part of a larger 62.00 acre parcel of land located at 445 Horseblock Road, Yaphank, New York 11980, and the construction and equipping of an approximately 74,500 square foot building to be located thereon including, without limitation, pre-processing equipment, odor control, anaerobic digestion tanks, by-product processing, gas cleaning and compression engines, to be leased by the Issuer to the Company and used by the Company in its business as an anaerobic digester to process food waste, oils, greases and grass clippings to be converted to clean energy, clean water and soil products (the “**Facility**”); and

WHEREAS, subsequent to the adoption of the Inducement Resolution the Company amended its application dated, May 5, 2015 (the “**Application**”), requesting that the proposed estimated bond amount be increased to an amount presently expected to be \$55,000,000 but not to exceed \$60,000,000; and

WHEREAS, the Issuer desires to amend and restate the Inducement Resolution to provide its consent to the increase of financial assistance requested by the Company; and

WHEREAS, the Facility will be leased (with the obligation to purchase) or sold to the Company, or such other person as may be designated by the Company and agreed upon by the Issuer, pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 358 of the Laws of 1970 of the State of New York, as the same may be amended from time to time (collectively, the “**Act**”); and

WHEREAS, the Act authorizes and empowers the Issuer to issue its bonds to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, in addition to the issuance of the Bonds, the Issuer contemplates that it will provide financial assistance to the Company in connection with the Facility, to be more particularly described in a Bond Resolution to be adopted by the Issuer prior to the issuance of the Bonds; and

WHEREAS, pursuant to Section 147(f) of the Code, interest on the Tax-Exempt Bonds will not be excluded from gross income for federal income tax purposes unless the issuance of the Tax-Exempt Bonds is approved by the “applicable elected representative” of the Town of Brookhaven, Suffolk County (the “**Town**”) after a public hearing has been held on the Facility and the issuance of the Tax-Exempt Bonds; and

WHEREAS, prior to the issuance of the Bonds and the granting of any tax benefits, public notice of the hearing will be given as required by the Code and the Act, a copy of which (together with proof of publication) is annexed hereto as Exhibit A, and such notice complies with all requirements of the Code; and

WHEREAS, a public hearing will be held to hear all persons interested in the issuance of the Bonds, and the granting of any tax benefits and the location and nature of the Facility, and any other financial assistance contemplated, the minutes of which will be annexed as Exhibit B.

WHEREAS, the Issuer has given due consideration to the application and to the representations by the Company that the issuance of the Bonds, is an inducement to the Company to construct and equip the Facility in the Town of Brookhaven or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, the Company reasonably expects that it will pay or incur certain capital expenditures in connection with the Facility prior to the issuance of the Bonds; and

WHEREAS, the Company may use funds from sources other than Bond Proceeds which are or will be available on a short-term basis to pay for preliminary expenditures and the acquisition, construction and equipping of the Facility; and

WHEREAS, the Company reasonably expect that it will reimburse themselves for the use of such funds with proceeds of indebtedness to be issued by the Issuer to finance the costs of the Facility; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “**SEQR Act**” or “**SEQR**”), the Issuer constitutes a “State Agency” and is therefore and “Involved Agency” for the Facility; and

WHEREAS, to aid the Issuer in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Issuer an Environmental Assessment Form and related documents (the “**Questionnaire**”) with respect to the Facility, a copy of which is on file at the office of the Issuer; and

WHEREAS, the Questionnaire has been reviewed by the Issuer; and

WHEREAS, the Issuer constitutes an “Involved Agency” (as defined in SEQR); and

WHEREAS, the construction and operation of the Facility is an “Action” under SEQR; and

WHEREAS, the Brookhaven Town Board (the “**Town Board**”), as an Involved Agency under SEQR, declared its intent to act as Lead Agency for purposes of review of the Facility under SEQR, and coordinated review with Involved and Interested Agencies; and

WHEREAS, no Involved Agency objected to the Town Board, acting as Lead Agency for purposes of review of the Facility under SEQR, and therefore, the Town Board, was the Lead Agency; and

WHEREAS, on October 1, 2015, the Lead Agency, following a coordinated review, determined that the Facility to be a Type I Action as identified under SEQR; and

WHEREAS, the Town Board has completed Parts 2 and 3 of the full Environmental Assessment Form, reviewed the criteria for making a determination of significance comparing these criteria to identified impacts and has made a determination that the proposed Facility will not result in significant adverse impacts to the environment for the Action; and

WHEREAS, the Company has agreed to indemnify the Issuer against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Issuer to the Company;

NOW, THEREFORE, BE IT RESOLVED by the Town of Brookhaven Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. Based upon the Questionnaire completed by the Company and reviewed by the Issuer and other representations and information furnished by the Company, the Lead Agency, following coordinated review, determined that, based upon its review of the EAF, the appropriate criteria for determination of significance, and such other and further information which the Lead Agency felt necessary to review, the Facility will not result in significant adverse impacts to the environment and, therefore an environmental impact statement will not be prepared. That determination constitutes a negative declaration for purposes of SEQR, which is binding on the Issuer.

Section2. Nothing herein shall be construed as committing the Issuer to approve the financing of the acquisition, construction and equipping of the Facility, through the issuance of the Bonds, until such time as all of the requirements of

SEQR have been satisfied. Rather, the actions undertaken pursuant to this resolution shall be limited to the publication of the public notice, the holding of the public hearing and contemporaneous environmental, engineering, economic, feasibility and other studies and preliminary planning necessary to formalize the Action as that term is defined under SEQR. No final action may be taken before the Issuer has complied with the requirements of SEQR.

Section 3.

(a) The acquisition, construction and equipping of the Facility and the financing thereof by the Issuer, through the issuance of the pursuant to the Act, and the provision of other financial assistance in connection therewith pursuant to the Act, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act, and the same is, therefore, approved; and

(b) It is desirable and in the public interest for the Issuer to issue the Bonds for the purpose of financing the costs of the acquisition, renovation and equipping of the Facility, together with necessary incidental expenses in connection therewith, as reflected in the Company's application to the Issuer, as amended from time to time prior to the issuance of the Bonds (or, the alternative, prior to the closing of the straight lease transaction). The currently estimated aggregate principal amount of the Bonds to be issued is approximately \$55,000,000, but not to exceed \$60,000,000.

Section 4.

Subject to approval of the issuance of the Tax-Exempt Bonds by Edward P. Romaine, Supervisor, Town of Brookhaven, Suffolk County, and the compliance with any other applicable provisions of the Code, the Issuer shall (i) issue the Tax-Exempt Bonds in an amount and with maturities, an interest rate, redemption terms and other terms and provisions to be determined by a further resolution of the Issuer, (ii) acquire, construct and equip the Facility, (iii) lease (with an obligation to purchase) the Facility to the Company pursuant to an agreement by and between the Issuer and the Company whereby the Company will be obligated, among other things, to make payments to or for the account of the Issuer in amounts and at times so that such payments will be adequate to pay the principal of, premium, if any, and interest on the Bonds, and (iv) secure the Bonds in such manner as the Issuer, the Company and the purchaser(s) of the Bonds mutually deem appropriate. If the proceeds of the sale of the Bonds are insufficient to finance completion of the acquisition, construction and equipping of the Facility, the Issuer will, subject to the terms and conditions to be agreed upon by the Issuer and the Company, and upon the request of the Company, take such actions and execute such documents as may be necessary to effect the issuance from time to time of additional bonds, whether on a parity with the Bonds or otherwise, for the purpose of paying the costs of completing the Facility.

Section 6.

The Company is hereby authorized to undertake the financing of the Facility with the Bonds.

Section 7. To the extent the Company has paid or incurred or will pay or incur preliminary expenditures or hard costs in connection with the Facility with current funds, it reasonably expects to reimburse itself with proceeds from the Bonds.

Section 8. To the extent the Company has paid or incurred or will pay or incur preliminary expenditures or hard costs in connection with the Facility with current funds, it reasonably expects to reimburse itself with proceeds from the Bonds. This resolution is intended to be a declaration of official intent under Treasury Regulation Section 1.150-2.

Section 9. The law firm of Nixon Peabody LLP is hereby appointed Bond Counsel to the Issuer in connection with the issuance of the Bonds.

Section 10. Counsel to the Issuer and Bond Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Issuer, all documents necessary to effect the authorization, issuance and sale of the Bonds.

Section 11. The Chief Executive Officer of the Issuer is hereby authorized and directed (i) to distribute copies of this resolution to the Company and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 12. The adoption of a final authorizing resolution for the Facility and the issuance of the Bonds and the granting of the benefits described herein, are subject to the Company obtaining, prior to the date of the public hearing, all necessary state, county, town and other governmental approvals and permits, including all required site plan and zoning approvals or variances, necessary to acquire, construct, equip and operate the Facility.

Section 13. The Chairman of the Issuer is hereby authorized and directed (i) to distribute copies of this resolution to the Company, (ii) to request Edward P. Romaine, Supervisor, Town of Brookhaven, Suffolk County to approve the issuance of the Tax-Exempt Bonds, (iii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 14. This resolution amended and restates the resolution adopted October 19, 2016.

Section 15. This resolution shall take effect immediately.

ADOPTED: August 16, 2017

ACCEPTED: _____

AMERICAN ORGANIC ENERGY, LLC

By: _____

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

I, the undersigned Chairman of the Town of Brookhaven Industrial Development Agency, DO HEREBY CERTIFY THAT:

I have compared the annexed extract of the minutes of the meeting of the Town of Brookhaven Industrial Development Agency (the “**Agency**”), including the resolutions contained therein, held on the 16th day of August, 2017, 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 resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

The Application is in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY that (i) all members of the Issuer had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 16th day of August, 2017.

Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “**Code**”) and Title 1 of Article 18-A of the New York State General Municipal Law (the “**Act**”) will be held by the Town of Brookhaven Industrial Development Agency (the “**Issuer**”) on the ___ day of _____, 2017, at ____ __.m., local time, at the [_____] in connection with the following matters:

The Issuer proposes to issue its tax-exempt solid waste disposal facility bonds in an amount not to exceed \$[_____] (the “**Tax-Exempt Bonds**”), pursuant to Section 142(a)(6) of the Internal Revenue Code of 1986, as amended (the “**Code**”) or its taxable solid waste disposal facility bonds in an amount not to exceed \$[_____] (the “**Taxable Bonds**”) and together with the Tax-Exempt Bonds, collectively, the “**Bonds**”), or a combination thereof, in an estimated aggregate principal amount of \$55,000,000 but not to exceed \$60,000,000 to finance the acquisition of a leasehold interest in an approximately 6.0 acre parcel of land that is encompassed as part of a larger 62.00 acre parcel of land located at 445 Horseblock Road, Yaphank, New York 11980, and the construction and equipping of an approximately 74,500 square foot building to be located thereon including, without limitation, pre-processing equipment, odor control, anaerobic digestion tanks, by-product processing, gas cleaning and compression engines (the “**Facility**”), all to be used by American Organic Energy, LLC, a New York limited liability company, on behalf of itself and/or the principals of American Organic Energy, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), to be leased by the Issuer to the Company and used by the Company in its business as an anaerobic digester to process food waste, oils, greases and grass clippings to be converted to clean energy, clean water and soil products. The Facility will be initially owned, operated and/or managed by the Company.

The Issuer will acquire a leasehold interest in the Facility and will sublease the Facility to the Company. At the end of the lease term, the Company will purchase the Facility from the Issuer. In addition to the issuance of the Bonds, the Issuer also contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes and abatement of real property taxes, consistent with the policies of the Issuer.

A representative of the Issuer will, at the above-stated time and place, hear and accept written comments from all persons with views in favor of or opposed to either the issuance of the Bonds, the granting of other financial assistance to the Company contemplated by the Issuer or the location or nature of the Facility. At the hearing, all persons will have the opportunity to review the application for financial assistance filed by the Company with the Issuer, and an analysis of the costs and benefits of the proposed Facility.

Minutes of the hearing will be made available to Edward P. Romaine, Supervisor, Town of Brookhaven. Approval of the issuance of the Tax-Exempt Bonds, by the Town of Brookhaven, through Edward P. Romaine, Supervisor, Town of Brookhaven, is necessary in order for the interest on the Tax-Exempt Bonds to be excluded from gross income for federal income tax purposes.

Dated: _____, 2017

**TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY**

By: Lisa MG Mulligan

Title: Chief Executive Officer

EXHIBIT B

FORM OF MINUTES OF PUBLIC HEARING HELD ON
_____, 2017

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
SOLID WASTE DISPOSAL FACILITY BONDS
(AMERICA ORGANIC ENERGY, LLC FACILITY)

1. _____, _____ of the Town of Brookhaven Industrial Development Agency (the “**Issuer**”), called the hearing to order.

2. _____, then appointed _____ the hearing officer of the Issuer, to record the minutes of the hearing.

3. The hearing officer then described the proposed transfer of the real estate, the other financial assistance proposed by the Issuer and the location and nature of the Facility as follows:

The Issuer proposes to issue its tax-exempt solid waste disposal facility bonds in an amount not to exceed \$[_____] (the “**Tax-Exempt Bonds**”), pursuant to Section 142(a)(6) of the Internal Revenue Code of 1986, as amended (the “**Code**”) or its taxable solid waste disposal facility bonds in an amount not to exceed \$[_____] (the “**Taxable Bonds**”) and together with the Tax-Exempt Bonds, collectively, the “**Bonds**”), or a combination thereof, in an estimated aggregate principal amount of \$55,000,000 but not to exceed \$60,000,000 to finance the acquisition of a leasehold interest in an approximately 6.0 acre parcel of land that is encompassed as part of a larger 62.00 acre parcel of land located at 445 Horseblock Road, Yaphank, New York 11980, and the construction and equipping of an approximately 74,500 square foot building to be located thereon including, without limitation, pre-processing equipment, odor control, anaerobic digestion tanks, by-product processing, gas cleaning and compression engines (the “**Facility**”), all to be used by American Organic Energy, LLC, a New York limited liability company, on behalf of itself and/or the principals of American Organic Energy, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), to be leased by the Issuer to the Company and used by the Company in its business as an anaerobic digester to process food waste, oils, greases and grass clippings to be converted to clean energy, clean water and soil products. The Facility will be initially owned, operated and/or managed by the Company.

The Issuer will acquire a leasehold interest in the Facility and will sublease the Facility to the Company. At the end of the lease term, the Company will purchase the Facility from the Issuer. In addition to the issuance of the Bonds, the Issuer also contemplates that it will provide financial assistance to the Company in the form of

exemptions from sales and use taxes and abatement of real property taxes, consistent with the policies of the Issuer.

4. The hearing officer then opened the hearing for comments from the floor for or against the proposed transfer of real estate, the other financial assistance proposed by the Issuer and the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

5. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at _____.

Secretary

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

I, the undersigned Secretary of the Town of Brookhaven Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the Town of Brookhaven Industrial Development Agency (the "Issuer") on _____, 2017, at _____ a.m. local time, at the Town of Brookhaven Department of Economic Development, 1 Independence Hill, 2nd Floor, Farmingville, New York 11738, with the original thereof on file in the office of the Issuer, and that the same is a true and correct copy of the minutes in connection with such matter.

IN WITNESS WHEREOF, I have hereunto set my hand as of _____, 2017.

Secretary

Date: June 19, 2019

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held on the 19th day of June, 2019 at the Town of Brookhaven Work Session Room, 1 Independence Hill, 3rd Floor, Farmingville, New York 11738, the following members of the Agency were:

Present: Frederick C. Braun, III
Martin Callahan
Felix J. Grucci, Jr.
Gary Pollakusky
Ann-Marie Scheidt
Frank C. Trotta

Recused:

Absent: Scott Middleton

Also Present: Lisa M. G. Mulligan, Chief Executive Officer

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of a leasehold interest in and title to a certain industrial development facility more particularly described below (American Organic Energy, LLC Facility) and the leasing of the facility to American Organic Energy, LLC.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

Braun
Callahan
Grucci
Pollakusky
Scheidt
Trotta

and, therefore, the resolution was declared duly adopted.

SECOND AMENDED AND RESTATED RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING AMERICAN ORGANIC ENERGY, LLC, A NEW YORK LIMITED LIABILITY COMPANY, ON BEHALF OF ITSELF AND/OR THE PRINCIPALS OF AMERICAN ORGANIC ENERGY, LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING, AS AGENT OF THE AGENCY FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING THE FACILITY AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY

WHEREAS, on October 16, 2016, the Town of Brookhaven Industrial Development Agency (the “**Agency**”), adopted an Inducement Resolution (the “**Original Inducement Resolution**”), in connection with an application received from American Organic Energy, LLC, a New York limited liability company, on behalf of itself and/or the principals of American Organic Energy, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), requesting that the Agency finance the acquisition, renovation and equipping of an industrial development facility through the issuance of its tax-exempt solid waste disposal facility bonds (the “**Tax-Exempt Bonds**”) pursuant to Section 142(a)(6) of the Internal Revenue Code of 1986, as amended (the “**Code**”) or its taxable solid waste disposal facility bonds (the “**Taxable Bonds**”) and together with the Tax-Exempt Bonds, collectively, the “**Bonds**”) or a combination thereof, which facility shall consist of the acquisition of a leasehold interest in an approximately 6.0 acre parcel of land that is encompassed as part of a larger 62.00 acre parcel of land located at 445 Horseblock Road, Yaphank, New York 11980, and the construction and equipping of an approximately 74,500 square foot building to be located thereon including, without limitation, pre-processing equipment, odor control, anaerobic digestion tanks, by-product processing, gas cleaning and compression engines, to be leased by the Agency to the Company and used by the Company in its business as an anaerobic digester to process food waste, oils, greases and grass clippings to be converted to clean energy, clean water and soil products (the “**Facility**”); and

WHEREAS, subsequent to the adoption of the Inducement Resolution the Company amended its application (the “**Application**”), requesting that the proposed estimated bond amount be increased to an amount presently expected to be \$55,000,000 but not to exceed \$60,000,000; and

WHEREAS, on August 16, 2017, the Agency amended and restated the Original Inducement Resolution (the “**Amended and Restated Inducement Resolution**”), to provide its consent to the increase of financial assistance requested by the Company; and

WHEREAS, the Company has now requested the Agency to provide its assistance to finance certain costs of an industrial development facility consisting of acquisition of a leasehold interest in an approximately 6.0 acre parcel of land that is encompassed as part of a larger 62.00 acre parcel of land located at 445 Horseblock Road, Yaphank, New York 11980, and the construction and equipping of an approximately 74,500 square foot building to be

located thereon including, without limitation, pre-processing equipment, odor control, anaerobic digestion tanks, by-product processing, gas cleaning and compression engines (the “**Facility**”), to be leased by the Agency to the Company and used by the Company in its business as an anaerobic digester to process food waste, oils, greases and grass clippings to be converted to clean energy, clean water and soil products (the “**Project**”); and

WHEREAS, the Agency will acquire a leasehold interest in the Facility and will sublease the Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency, all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 358 of the Laws of 1970 of the State of New York, as the same may be amended from time to time (collectively, the “**Act**”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in connection with the acquisition, construction and equipping of the Facility, consistent with the policies of the Agency, in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing of the acquisition, construction and equipping of the Facility, exemptions from sales and use taxes and abatement of real property taxes, consistent with the policies of the Agency, all to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein; and

WHEREAS, as of the date of this resolution, no determination for financial assistance has been made; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, prior to the date of the Hearing (defined below), the Agency will have made a determination for financial assistance; and

WHEREAS, prior to the Final Authorizing Resolution described herein, a public hearing (the “**Hearing**”) will be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency or the location or nature of the Facility can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of the transaction described herein, and such notice (together with proof of publication) will be substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as Exhibit B; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed financial assistance is either an inducement to the Company to maintain the Facility in the Town of Brookhaven or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “SEQR Act” or “SEQR”), the Agency constitutes a “State Agency” and is therefore and “Involved Agency” for the Facility; and

WHEREAS, to aid the Agency in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form and related documents (the “Questionnaire”) with respect to the Facility, a copy of which is on file at the office of the Agency; and

WHEREAS, the Questionnaire has been reviewed by the Agency; and

WHEREAS, the Agency constitutes an “Involved Agency” (as defined in SEQR); and

WHEREAS, the construction and operation of the Facility is an “Action” under SEQR; and

WHEREAS, the Brookhaven Town Board (the “Town Board”), as an Involved Agency under SEQR, declared its intent to act as Lead Agency for purposes of review of the Facility under SEQR, and coordinated review with Involved and Interested Agencies; and

WHEREAS, no Involved Agency objected to the Town Board, acting as Lead Agency for purposes of review of the Facility under SEQR, and therefore, the Town Board, was the Lead Agency; and

WHEREAS, on October 1, 2015, the Lead Agency, following a coordinated review, determined that the Facility to be a Type I Action as identified under SEQR; and

WHEREAS, the Town Board has completed Parts 2 and 3 of the full Environmental Assessment Form, reviewed the criteria for making a determination of significance comparing these criteria to identified impacts and has made a determination that the proposed Facility will not result in significant adverse impacts to the environment for the Action; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transaction contemplated by the leasing of the Facility by the Agency to the Company;

NOW, THEREFORE, BE IT RESOLVED by the Town of Brookhaven Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. Based upon the Questionnaire completed by the Company and reviewed by the Agency and other representations and information furnished by the Company, the Lead Agency, following coordinated review, determined that, based upon its review of the EAF, the appropriate criteria for determination of significance, and such other and further information which the Lead Agency felt necessary to review, the Facility will not result in significant adverse impacts to the environment and, therefore an environmental impact

statement will not be prepared. That determination constitutes a negative declaration for purposes of SEQR, which is binding on the Agency.

Section 2. The acquisition, construction and equipping of the Facility and the financing thereof by the Agency pursuant to the Act, and the provision of other financial assistance in connection therewith pursuant to the Act, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town of Brookhaven and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act, and the same is, therefore, approved.

Section 3. Subject to the provisions of this resolution, the Agency shall (i) acquire the Facility; and (ii) lease and sublease the Facility to the Company.

Section 4. The Company shall agree to comply with Section 875 of the Act. The Company shall further agree that any real estate tax abatements provided pursuant to the Act are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Lease and Project Agreement, dated a date to be determined (the “**Lease Agreement**”), by and between the Company and the Agency.

Section 5. Counsel to the Agency is authorized and directed to work with Transaction Counsel (Nixon Peabody LLP) to prepare, for submission to the Agency, all documents necessary to affect the transfer of the real estate described in the foregoing resolution.

Section 6. The Chairman, the Chief Executive Officer and all members of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 7. Any expenses incurred by the Agency with respect to the Facility, including the expenses of Transaction Counsel, shall be paid by the Company. The Company shall agree to pay such expenses and further agree to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 8. This resolution amended and restates the resolution adopted August 16, 2017.

Section 9. This resolution shall take effect immediately.

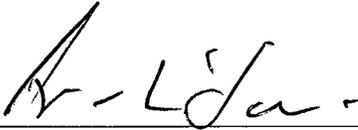
STATE OF NEW YORK)
 : SS.:
COUNTY OF SUFFOLK)

I, the undersigned Secretary of the Town of Brookhaven Industrial Development Agency, DO HEREBY CERTIFY THAT:

I have compared the foregoing copy of a resolution of the Town of Brookhaven Industrial Development Agency (the “**Agency**”) with the original thereof on file in the office of the Agency, and the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 19th day of June, 2019.



Secretary

EXHIBIT A

NOTICE OF SUPPLEMENTAL PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a supplemental public hearing pursuant to Article 18-A of the New York State General Municipal Law will be held by the Town of Brookhaven Industrial Development Agency (the “**Agency**”) on the 19th day of June, 2019, at 10:30 a.m. local time, at the Town of Brookhaven Division of Economic Development, 2nd Floor, One Independence Hill, Farmingville, New York 11738, in connection with the following matters, New York:

American Organic Energy, LLC, a New York limited liability company, on behalf of itself and/or the principals of American Organic Energy, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has requested the Agency’s assistance in connection with the acquisition of a leasehold interest in an approximately 6.0 acre parcel of land that is encompassed as part of a larger 62.00 acre parcel of land located at 445 Horseblock Road, Yaphank, New York 11980 (the “**Land**”), and the construction and equipping of an approximately 74,500 square foot building to be located thereon including, without limitation, pre-processing equipment, odor control, anaerobic digestion tanks, by-product processing, gas cleaning and compression engines (the “**Improvements**” and “**Equipment**”; and, together with the Land, the “**Facility**”), for lease by the Agency to the Company and used by the Company in its business as an anaerobic digester to process food waste, oils, greases and grass clippings to be converted to clean energy, clean water and soil products. The Facility will be initially owned, operated and/or managed by the Company.

The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing or permanent financing of the Facility, exemptions from sales and use taxes in connection with the construction and equipping of the Facility, and abatement of real property taxes, all consistent with the policies of the Agency.

A representative of the Agency will, at the above-stated time and place, hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. At the hearing, all persons will have the opportunity to review the application for financial assistance filed by the Company with the Agency and an analysis of the costs and benefits of the proposed Facility.

The Agency previously conducted a public hearing with respect to the Facility on October 25, 2017.

Dated: June 9, 2019

**TOWN OF BROOKHAVEN INDUSTRIAL
DEVELOPMENT AGENCY**

By: Lisa MG Mulligan
Title: Chief Executive Office

EXHIBIT B

FORM OF MINUTES OF PUBLIC HEARING HELD ON
June 19, 2019

TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
(AMERICA ORGANIC ENERGY, LLC FACILITY)

1. Lisa M. G. Mulligan, Chief Executive Officer of the Town of Brookhaven Industrial Development Agency (the “**Agency**”), called the hearing to order.

2. Ms. Mulligan, then appointed herself the hearing officer of the Agency, to record the minutes of the hearing.

3. The hearing officer then described the proposed transfer of the real estate, the other financial assistance proposed by the Agency and the location and nature of the Facility as follows:

American Organic Energy, LLC, a New York limited liability company, on behalf of itself and/or the principals of American Organic Energy, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the “**Company**”), has requested the Agency’s assistance in connection with the acquisition of a leasehold interest in an approximately 6.0 acre parcel of land that is encompassed as part of a larger 62.00 acre parcel of land located at 445 Horseblock Road, Yaphank, New York 11980 (the “**Land**”), and the construction and equipping of an approximately 74,500 square foot building to be located thereon including, without limitation, pre-processing equipment, odor control, anaerobic digestion tanks, by-product processing, gas cleaning and compression engines (the “**Improvements**” and “**Equipment**”; and, together with the Land, the “**Facility**”), for lease by the Agency to the Company and used by the Company in its business as an anaerobic digester to process food waste, oils, greases and grass clippings to be converted to clean energy, clean water and soil products. The Facility will be initially owned, operated and/or managed by the Company.

The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the financing or any subsequent refinancing or permanent financing of the Facility, exemptions from sales and use taxes in connection with the construction and equipping of the Facility, and abatement of real property taxes, all consistent with the policies of the Agency.

4. The hearing officer then opened the hearing for comments from the floor for or against the proposed transfer of real estate, the other financial assistance proposed by the

Agency and the location and nature of the Facility. The following is a listing of the persons heard and a summary of their views:

Diane Costello - no comment

Jennifer Vorbach – My concern is that a large bond project – up to 125 million – brings relatively little benefit to the community, and will decrease quality of life here.

Darcy Stevens – see attached

5. The hearing officer then asked if there were any further comments, and, there being none, the hearing was closed at 11:00 a.m.

The first thing I want to say is that when there is going to be a "public hearing" members of the public should not have to take a course in governmental finance in order to understand what is going on. But I did my best without such a course and this is what my understanding is:

Some finance group related to Brookhaven town will take out bonds of up to 100 million dollars at the risk to Brookhaven taxpayers to allow Mr Vigliotti of American Organic Energy to borrow from us money to build a very very large anaerobic digester. His plan is for this digester to accept 220,000 ~~000~~ ^{per year} TONS of food waste, fats - oils - and grease- and yard waste from all of LI and NYC and turn it into energy and fertilizer. The reason it is so expensive is that it is a very high tech "state of the art" operation. I understand that it is thought to be an environmentally sound operation which will benefit NYC, Nassau, and parts of Suffolk Counties and the planet if it works well. It will also benefit Mr Vigliotti and American Organic Energy. But I don't understand why Brookhaven town taxpayers should assume all the risk and why those of us who live in its wake - incidentally those who also live in the wake of the landfill- should also assume all the environmental risk of this gigantic operation. Apparently without much planning, it is to be put in a residential area. Successful digesters I read about are not in residential areas and are not nearly so large as this one. It also appears to me that there is a plan to offer AOE property tax relief, also at the expense of taxpayers.

What protections are there should AOE default on its loans? What protections are there should "state of the art" really mean "untested," or should AOE not maintain the hi tech building adequately? What will happen when glitches occur with the scrubbers and biofilters and trucks full of food waste and attendant smell, vermin, bacteria, and fungi are lined up and can't deposit their loads 220,000 tons of waste per year works out to 1,760,000 pounds of waste arriving every work day the digester is "down".

Perhaps, as I read this announcement again, there is a leasing agreement here and perhaps there is a plan for Brookhaven town to eventually take over the operation. But that is not clear to me, a member of the general public and a very concerned citizen who lives in the area and who has been "dumped" upon already for the last 30 years. I would like to know the real plan in plain English, and I would like my neighbors to know about it too, so we can have real input.

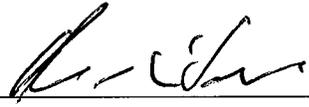
Daray Stevens
11 Woodland Park Rd
Bellport

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

I, the undersigned Secretary of the Town of Brookhaven Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the Town of Brookhaven Industrial Development Agency (the "Agency") on June 19, 2019, at 10:30 a.m. local time, at the Town of Brookhaven Department of Economic Development, 1 Independence Hill, 2nd Floor, Farmingville, New York 11738, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the minutes in connection with such matter.

IN WITNESS WHEREOF, I have hereunto set my hand as of June 19, 2019.



Secretary