

SEQR RESOLUTION
VIKING INDUSTRIES, INC. REFINANCING PROJECT

A regular meeting of the members of Ulster County Industrial Development Agency (the "Issuer") was convened in public session at the Karen Binder Legislative Library, 6th Floor, 244 Fair Street, Kingston, New York on May 15, 2013 at 8:00 o'clock a.m., local time.

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

PRESENT:

| | |
|----------------|--|
| Mike Horodyski | Chairman |
| John Morrow | Secretary |
| Stephen Perfit | Treasurer |
| Paul Colucci | Assistant Chairman/Assistant Secretary |
| Robert Kinnin | Assistant Chairman/Assistant Secretary |
| James Malcolm | Assistant Chairman/Assistant Secretary |

ABSENT:

ISSUER STAFF PRESENT INCLUDED THE FOLLOWING:

| | |
|----------------------------|---|
| March Gallagher | Ulster County Director of Business Services |
| Linda Clark | Office of Business Services |
| A. Joseph Scott, III, Esq. | Issuer and Bond Counsel |

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. _____

RESOLUTION DETERMINING THAT AN ACTION TO UNDERTAKE A CERTAIN REFINANCING PROJECT FOR VIKING INDUSTRIES, INC. IS A "TYPE II ACTION" AND NO FURTHER ACTION IS REQUIRED UNDER SEQRA.

WHEREAS, Ulster County Industrial Development Agency (the "Issuer") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 787 of the 1976 Laws of New York, as amended, constituting Section 923 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial, manufacturing and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Act to issue its revenue bonds to finance the cost of the acquisition, construction, reconstruction and installation of one or more “projects” (as defined in the Act), to acquire, construct, reconstruct and install said projects or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Viking Industries, Inc., a New York corporation (the “Company”), has submitted an application (the “Application”) to the Issuer, a copy of which Application is on file at the office of the Issuer, which Application requested that the Issuer consider undertaking a project (the “Initial Project”) for the benefit of the Company, said Initial Project consisting of the following: (A)(1) the refinancing and/or refunding of the Multi-Mode Variable Rate Industrial Development Revenue Bonds (Viking Industries, Inc. Project - Letter of Credit Secured), Series 1998A in the original aggregate principal amount of \$2,200,000 (the “1998 Bonds”) issued on or about December 9, 1998 by the Issuer, which 1998 Bonds were issued to finance a portion of the following project (the “1998 Project”): (a)(i) the acquisition of a parcel of real estate located at 89 South Ohioville Road in the Town of New Paltz, Ulster County, New York containing approximately 34.6 acres (the “Land”), together with an existing 30,000 square foot building located thereon (the “Existing Facility”); (ii) the construction on the Land of an addition to the Existing Facility to contain approximately 30,000 square feet of space (the “Addition”) (the Existing Facility and the Addition hereinafter collectively referred to as the “Facility”); and (iii) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment being hereinafter collectively referred to as the “1998 Project Facility”), (b) the financing of all or a portion of the costs of the foregoing by the issuance of the 1998 Bonds; and (c) the sale of the 1998 Project Facility by the Issuer to the Company, and (2) the refinancing and/or refunding of the Multi-Mode Industrial Development Revenue Bonds (Viking Industries, Inc. Project - Letter of Credit Secured) Series 2005A in the original aggregate principal amount of \$1,600,000 (the “2005 Bonds”) issued on or about December 9, 2005 by the Issuer, which 2005 Bonds were issued to finance a portion of the following project (the “2005 Project”): (a)(i) the acquisition of an interest in the Land, together with two existing buildings located thereon, one containing 50,000 square feet (the “Large Existing Facility”), the other containing 1,000 square feet (the “Small Existing Facility”, and collectively with the Large Existing Facility, the “Existing Facilities”); (ii) the construction on the Land of a new addition to the Large Existing Facility containing approximately 30,000 square feet of space (collectively hereinafter referred to as the “2005 Addition”) (the Existing Facilities and the 2005 Addition hereinafter collectively referred to as the “2005 Facility”) and (iii) the acquisition and installation therein and thereon of certain machinery and equipment (the “2005 Equipment”) (the Land, the 2005 Facility and the 2005 Equipment being hereinafter collectively referred to as the “2005 Project Facility”), all of the foregoing constituting a facility operated by the Company for the manufacture of corrugated packaging and related products (the 1998 Project Facility and the 2005 Project Facility are sometimes hereinafter collectively referred to as the “Initial Project Facility”); (b) the financing of all or a portion of the costs of the foregoing by the issuance of the 2005 Bonds; and (c) the sale of the 2005 Project Facility by the Issuer to the Company; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Initial Project, together with necessary incidental costs in connection therewith, presently estimated to not exceed \$2,000,000 (the “Obligations”); (C) the payment of a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and (D) the lease (with an obligation to purchase) or sale of the Initial Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, by resolution adopted by the members of the Issuer on April 10, 2013 (the “Public Hearing Resolution”), the Issuer agreed to accept the Application and authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Initial Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Administrative Director of the Issuer (A) caused notice of public hearing of the Issuer (the “Public Hearing”) pursuant to Section 859-a of the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), to hear all persons interested in the Initial Project and the financial assistance being contemplated by the Issuer with respect to the Initial Project, to be mailed on April 17, 2013 to the chief executive officers of the county and of each city, town, village and school district in which the Initial Project is to be located, (B) caused notice of the Public Hearing to be published on April 17, 2013 in The Daily Freeman, a newspaper of general circulation available to the residents of the Town of Ulster, Ulster County, New York, (C) conducted the Public Hearing on May 2, 2013 at 7:00 o’clock, p.m., local time at the Conference Room of the Town of New Paltz Town Hall, 1 Veteran’s Drive, Town of New Paltz, Ulster County, New York, and (D) prepared a report of the Public Hearing (the “Report”) which fairly summarized the views presented at the Public Hearing and distributed same to the members of the Issuer and to the County Executive of Ulster County, New York; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”), and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the “Regulations” and collectively with the SEQR Act, “SEQRA”), the Issuer must satisfy the requirements contained in SEQRA and the Regulations prior to making a final determination whether to undertake the Initial Project; and

WHEREAS, the Initial Project appears to constitute a “Type II Action” (as said quoted term is defined in the Regulations), and therefore no environmental impact statement or any other determination or procedure under the Regulations is necessary;

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

Section 1. Based upon an examination of the Initial Project, the Issuer makes the following findings with respect to the Initial Project:

(A) The Initial Project consists of the following: ((A)(1) the refinancing and/or refunding of the Multi-Mode Variable Rate Industrial Development Revenue Bonds (Viking Industries, Inc. Project - Letter of Credit Secured), Series 1998A in the original aggregate principal amount of \$2,200,000 (the “1998 Bonds”) issued on or about December 9, 1998 by the Issuer, which 1998 Bonds were issued to finance a portion of the following project (the “1998 Project”): (a)(i) the acquisition of a parcel of real estate located at 89 South Ohioville Road in the Town of New Paltz, Ulster County, New York containing approximately 34.6 acres (the “Land”), together with an existing 30,000 square foot building located thereon (the “Existing Facility”); (ii) the construction on the Land of an addition to the Existing Facility to contain approximately 30,000 square feet of space (the “Addition”) (the Existing Facility and the Addition hereinafter collectively referred to as the “Facility”); and (iii) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment being hereinafter collectively referred to as the “1998 Project Facility”), (b) the financing of all or a portion of the costs of the foregoing by the issuance of the 1998 Bonds; and (c) the sale of the 1998 Project Facility by the Issuer to the Company, and (2) the refinancing and/or refunding of the Multi-Mode Industrial Development Revenue Bonds (Viking Industries, Inc. Project - Letter of Credit Secured) Series 2005A in the original aggregate principal amount of \$1,600,000 (the “2005 Bonds”) issued on or about December 9, 2005 by the Issuer, which 2005 Bonds were issued to finance a portion of the following project (the “2005 Project”): (a)(i) the acquisition of an interest in the Land, together with two existing buildings located thereon, one containing 50,000 square feet (the “Large Existing Facility”), the other containing 1,000 square feet (the “Small Existing Facility”, and collectively with the Large Existing Facility, the “Existing Facilities”); (ii) the construction on the Land of a new addition to the Large

Existing Facility containing approximately 30,000 square feet of space (collectively hereinafter referred to as the “2005 Addition”) (the Existing Facilities and the 2005 Addition hereinafter collectively referred to as the “2005 Facility”) and (iii) the acquisition and installation therein and thereon of certain machinery and equipment (the “2005 Equipment”) (the Land, the 2005 Facility and the 2005 Equipment being hereinafter collectively referred to as the “2005 Project Facility”), all of the foregoing constituting a facility operated by the Company for the manufacture of corrugated packaging and related products (the 1998 Project Facility and the 2005 Project Facility are sometimes hereinafter collectively referred to as the “Initial Project Facility”); (b) the financing of all or a portion of the costs of the foregoing by the issuance of the 2005 Bonds; and (c) the sale of the 2005 Project Facility by the Issuer to the Company; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Initial Project, together with necessary incidental costs in connection therewith, presently estimated to not exceed \$2,000,000 (the “Obligations”); (C) the payment of a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; and (D) the lease (with an obligation to purchase) or sale of the Initial Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Issuer.

(B) The Initial Project consists of the refinancing of existing debt.

Section 2. Based upon the foregoing, the Issuer makes the following findings and determinations with respect to the Initial Project:

(A) Pursuant to Section 617.5(c)(23) of the Regulations, the Initial Project is a “Type II action” (as said quoted term is defined in the Regulations); and

(B) Therefore, the Issuer hereby determines that no environmental impact statement or any other determination or procedure is required under the Regulations.

Section 3. The Chairperson, Vice Chairperson and/or the Administrative Director of the Issuer is hereby directed to file a copy of this Resolution with respect to the Initial Project in the office of the Issuer.

Section 4. This Resolution shall take effect immediately.

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

| | | |
|----------------|--------|-------|
| Mike Horodyski | VOTING | _____ |
| John Morrow | VOTING | _____ |
| Stephen Perfit | VOTING | _____ |
| Paul Colucci | VOTING | _____ |
| Robert Kinnin | VOTING | _____ |
| James Malcolm | VOTING | _____ |

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of Ulster County Industrial Development Agency (the “Issuer”), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Issuer, including the resolution contained therein, held on May 15, 2013, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Issuer and of such resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Issuer had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Issuer present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this 15th day of May, 2013.

(Assistant) Secretary

(SEAL)