

**APPROVING RESOLUTION
GREEN EMPIRE FARMS, INC. PROJECT**

A regular meeting of Madison County Industrial Development Agency (the "Agency") was convened in public session in the offices of the Agency located at 3215 Seneca Turnpike in the Village of Canastota, Madison County, New York on August 8, 2018 at 9:00 o'clock a.m., local time.

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

PRESENT:

Richard Bargabos	Chairman
David Rogers	Vice Chairman
Elizabeth Moran	Secretary
Jack Romagnoli	Treasurer
Russell Lura	Member

ABSENT:

John Salka	Member
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AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Kipp Hicks	Executive Director
Amanda Nicholas	Administrative Assistant
George W. Cregg, Jr., Esq.	Agency Counsel
Christopher C. Canada, Esq.	Agency Counsel

The following resolution was offered by David Rogers, seconded by Russell Lura, to wit:

Resolution No. 0818-__

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR GREEN
EMPIRE FARMS, INC.**

WHEREAS, Madison County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 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 305 of the 1975 Laws of New York, as amended, constituting Section 893 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 Agency is authorized and empowered under the Act to acquire, construct and install one or more "projects" (as defined in the Act) or to cause said projects

to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, in March, 2018, Green Empire Farms, Inc., a New York business corporation (the "Company" or the "Project Beneficiary"), submitted an amended application (the "Amended Application") to the Agency, a copy of which Amended Application is on file at the office of the Agency, which Amended Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in all or a portion of the following: (a) an approximately 232.77 acre parcel of land (a portion of the Tax Parcel No. 37.-1-1.11) located at 1876 West Elm Street in the City of Oneida, Madison County, New York, (b) an approximately 0.69 acre parcel of land (Tax Parcel No. 37.-1-1.12) located at 1944 West Elm Street in the City of Oneida, Madison County, New York, (c) an approximately 1.36 acre parcel of land (Tax Parcel No. 37.-1-2) located at 1900 West Elm Street in the City of Oneida, Madison County, New York, (d) an approximately 140.64 acre parcel of land (Tax Parcel No. 37.-1-4.1) located at West Elm Street in the City of Oneida, Madison County, New York, (e) an approximately 24.72 acre parcel of land (Tax Parcel No. 37.9-1-16.1) located on Court Street North in the Village of Wampsville, Madison County, New York, and (f) an approximately 0.55 acre parcel of land (Tax Parcel No. 37.5-1-5) located on Court Street North in the Village of Wampsville, Madison County, New York (all hereinafter being referred to as the "Land"), together with buildings located thereon (collectively, the "Existing Facility"); (2) the possible demolition or renovation of the Existing Facility; (3) the construction on the Land of the following: (a) three (3) approximately 32 acre each greenhouses, (b) one (1) approximately 14 acre greenhouse, (c) an approximately 100,000 square foot grading building, (d) farmworker housing and (e) approximately 16 acres of water retention basins (collectively, the "Facility"); (4) the making of the necessary infrastructure improvements and upgrades to the Land (collectively, the "Improvements"), and (5) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Existing Facility, the Facility, the Equipment and the Improvements being collectively referred to as the "Project Facility"), all of the foregoing to constitute a farm and other directly or indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on June 21, 2018, the Agency ratified the Executive Director's actions pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, the Executive Director of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on June 20, 2018 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Public Hearing to be posted on a bulletin board located at City Hall in the City of Oneida, Madison County, New York on June 21, 2018, as well as on the Agency's website, (C) caused notice of the Public Hearing to be published on June 21, 2018 in the Oneida Daily Dispatch, a newspaper of general circulation available to the residents of the City of Oneida and Village of Wampsville, Madison County, New York, (D) conducted the Public Hearing on July 10, 2018 at 10:00 a.m., local time in the Mayor's Conference Room in the City of Oneida City Hall located at 109 North Main Street in the City of Oneida, Madison County, New York and (E) prepared a report of the Public Hearing (the "Hearing Report") fairly summarizing the views presented at such Public Hearing and caused copies of said Hearing Report to be made available to the members of the Agency; 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 (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on March 29, 2018 (the “Preliminary SEQR Resolution for Amended Application”), the Agency (A) determined (1) to obtain an environmental assessment form relating to the Project from the Company, to review such environmental assessment form with counsel to the Agency, and prepare proceedings to allow the Agency to comply with the requirements of SEQRA that apply to the Project, and (2) that, the Agency wished to investigate the advisability of undertaking a coordinated review with respect to the Project and (B) authorized the Executive Director of the Agency to contact all other “involved agencies” for the purpose of ascertaining whether such “involved agencies” were interested in undertaking a coordinated review of the Project and, if so, designating a “lead agency” with respect to the Project (as such quoted terms are defined in SEQRA) and to report to the Agency at its next meeting on the status of the foregoing; and

WHEREAS, in connection with the delivery of an environmental assessment form relating to the Project from the Company (the “EAF”), the Company notified the Agency that the actual acreage of the Project will consist of approximately 321 acres;

WHEREAS, on April 19, 2018, the City of Oneida Planning Commission Zoning Board of Appeals (the “Commission”) classified the Project as a “Type I Action” (as defined under SEQRA) and declared its intention to undertake a coordinated environmental review of the Project as lead agency under SEQRA; and

WHEREAS, the Agency was identified by the Commission as an “involved agency” (as defined under SEQRA) for the purpose of the Commission’s environmental review, and the Agency consented to the Commission’s designation as lead agency by a letter dated June 20, 2018; and

WHEREAS, on June 21, 2018, the Commission (A) determined that that the Project is a “Type I action” that would not have a significant environmental impact and, therefore, that an “environmental impact statement” is not required to be prepared with respect to the Project and (B) issued a negative declaration with respect thereto (the “Negative Declaration”), thereby completing its review of the Project under SEQRA;

WHEREAS, further pursuant to SEQRA, by resolution adopted by the members of the Agency on August 8, 2018 (the “Final SEQR Resolution”), the Agency (A) acknowledged receipt of the Application, the EAF and the Negative Declaration; and (B) having previously consented to the Commission’s designation as lead agency for the Project, acknowledged being bound by the determination set forth in the Negative Declaration pursuant to Section 617.6(b)(3)(iii) of the Regulations; and

WHEREAS, the Agency’s Uniform Tax Exemption Policy (the “Policy”) provides a standardized method for the determination of payments in lieu of taxes for a facility similar to the Project Facility. In connection with the Application, the Company made a request to the Agency (the “Pilot Request”) that the Agency deviate from the Policy with respect to Project Facility. Pursuant to the resolution adopted by the members of the Agency on June 21, 2018 (the “Pilot Deviation Notice Resolution”), the members of the Agency authorized the Executive Director of the Agency to send a notice to the chief executive officers of the “Affected Tax Jurisdictions” (as defined in the Act) pursuant to Section 874(4) of the Act, informing said individuals that the Agency had received the Pilot Request and that the members of the Agency would consider said request at a meeting of the members of the Agency scheduled to be held on August 8, 2018. The Executive Director of the Agency caused a letter dated July 3, 2018 (the “Pilot Deviation Notice Letter”) to be mailed to the chief executive officers of the Affected Tax Jurisdictions, informing said

individuals that the Agency would, at its meeting on August 8, 2018, consider a proposed deviation from the Policy with respect to the payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility and the reasons for said proposed deviation; and

WHEREAS, by resolution adopted by the members of the Agency on August 8, 2018 (the “Pilot Deviation Approval Resolution”), the members of the Agency determined to deviate from the Agency’s uniform tax exemption policy with respect to the Project; and

WHEREAS, the Agency has given due consideration to the Application, and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in Madison County, New York and (B) the completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of Madison County, New York by undertaking the Project in Madison County, New York; and

WHEREAS, in order to consummate the Project and the granting of the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents (hereinafter collectively referred to as the “Agency Documents”): (A) a certain lease to agency (the “Lease to Agency” or the “Underlying Lease”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will lease to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the “Leased Premises”); (B) a certain license agreement (the “License to Agency” or the “License Agreement”) by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency (1) a license to enter upon the balance of the Land (the “Licensed Premises”) for the purpose of undertaking and completing the Project and (2) in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement (as hereinafter defined); (C) a lease agreement (and a memorandum thereof) (the “Lease Agreement”) by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and, as rental thereunder, to pay the Agency’s administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project; (D) a payment in lieu of tax agreement (the “Payment in Lieu of Tax Agreement”) by and between the Agency and the Company, pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project Facility; (E) a uniform project benefits agreement (the “Uniform Project Benefits Agreement”) by and between the Agency and the Company regarding the granting of the financial assistance and the potential recapture of such assistance; (F) a certain recapture agreement (the “Section 875 GML Recapture Agreement”) by and between the Company and the Agency, required by the Act, regarding the recovery or recapture of certain sales and use taxes; (G) a sales tax exemption letter (the “Sales Tax Exemption Letter”) to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance; (H) a New York State Department of Taxation and Finance form entitled “IDA Appointment of Project Operator or Agency for Sales Tax Purposes” (the form required to be filed pursuant to Section 874(9) of the Act) (the “Thirty-Day Sales Tax Report”) and any additional report to the Commissioner of the State Department of Taxation and Finance concerning the amount of sales tax exemption benefit for the Project (the “Additional Thirty-Day Project Report”); (I) if the Company intends to finance the Project with borrowed money, a mortgage and any other security documents and related documents (collectively, the “Mortgage”) from the Agency and the Company to the Company’s lender with

respect to the Project (“the “Lender”), which Mortgage will grant a lien on and security interest in the Project Facility to secure a loan from the Lender to the Company with respect to the Project (the “Loan”); and (J) various certificates relating to the Project (the “Closing Documents”);

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

Section 1. All action taken by the Executive Director of the Agency with respect to the Public Hearing with respect to the Project is hereby ratified and confirmed.

Section 2. The law firm of Hodgson Russ LLP is hereby appointed Agency Counsel to the Agency with respect to all matters in connection with the Project. Agency Counsel is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution. Agency Counsel has prepared and submitted an initial draft of the Agency Documents to staff of the Agency.

Section 3. The Agency hereby finds and determines that:

(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;

(B) The Project constitutes a “project,” as such term is defined in the Act;

(C) The Project site is located entirely within the boundaries of Madison County, New York;

(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction, reconstruction and installation of the Project Facility (collectively, the “Project Costs”) will be approximately \$119,725,000;

(E) The completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York;

(F) (1) The Project Facility does not constitute a project where facilities or property that are primarily used in making retail sales of goods and/or services to customers who personally visit such facilities constitute more than one-third of the total cost of the Project, and accordingly the Project is not prohibited by the provisions of Section 862(2)(a) of the Act, and (2) accordingly the Agency is authorized to provide financial assistance in respect of the Project pursuant to Section 862(2)(a) of the Act;

(G) The granting of the Financial Assistance by the Agency with respect to the Project will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of Madison County, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act;

(H) The Agency has reviewed the Hearing Report and has fully considered all comments contained therein;

(I) The Project should receive the Financial Assistance in the form of exemptions based on the description of expected public benefits to occur as a result of this Project, as described on Exhibit A attached hereto and failure by the Company to meet the expected public benefits will result in a recapture event, as described on Exhibit B attached hereto; and

(J) It is desirable and in the public interest for the Agency to enter into the Agency Documents.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (A) accept the License Agreement; (B) lease the Project Facility to the Company pursuant to the Lease Agreement; (C) acquire, construct and install the Project Facility, or cause the Project Facility to be acquired, installed and constructed; (D) enter into the Payment in Lieu of Tax Agreement; (E) enter into the Uniform Project Benefits Agreement; (F) enter into the Section 875 GML Recapture Agreement; (G) secure the Loan by entering into the Mortgage; and (H) grant the Financial Assistance with respect to the Project.

Section 5. The Agency is hereby authorized (A) to acquire a license in the Licensed Premises pursuant to the License Agreement, (B) to acquire a leasehold interest in the Leased Premises pursuant to the Underlying Lease, (C) to acquire title to the Equipment pursuant to a bill of sale (the "Bill of Sale to Agency") from the Company to the Agency, and (D) to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisitions are hereby approved, ratified and confirmed.

Section 6. The Agency is hereby authorized to acquire, construct and install the Project Facility as described in 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, construction and installation are hereby ratified, confirmed and approved.

Section 7. The Chairman (or Vice Chairman) of the Agency, with the assistance of Agency Counsel, is authorized to negotiate and approve the form and substance of the Agency Documents.

Section 8. (A) The Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in the forms thereof as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

(B) The Chairman (or Vice Chairman) of the Agency is hereby further 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, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 10. 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:

Richard Bargabos	VOTING	<u>YES</u>
David Rogers	VOTING	<u>YES</u>
Elizabeth Moran	VOTING	<u>YES</u>
Jack Romagnoli	VOTING	<u>YES</u>
Russell Lura	VOTING	<u>YES</u>
John Salka	VOTING	<u>ABSENT</u>

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (~~Assistant~~) Secretary of Madison County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on August 8, 2018 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained 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 Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 8th day of August, 2018.



(~~Assistant~~) Secretary

(SEAL)

EXHIBIT A

DESCRIPTION OF THE EXPECTED PUBLIC BENEFITS

In the discussions had between the Project Beneficiary and the Agency with respect to the Project Beneficiary's request for Financial Assistance from the Agency with respect to the Project, the Project Beneficiary has represented to the Agency that Phases A and B of the Project (as described in the Amended Application) are expected to provide the following benefits to the Agency and/or to the residents of Madison County, New York (the "Public Benefits"):

Description of Benefit		Applicable to Project (indicate Yes or NO)		Expected Benefit
1.	Creation of new permanent jobs	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	118 full time equivalent new jobs at the Project Facility within three (3) years of the date hereof.
2.	Creation of construction employment for local labor (i.e., labor resident in the area comprised of _____)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Average of 75 full-time equivalent construction jobs at the Project Facility for local labor during an estimated construction period of nine (9) months, commencing within nine (9) months of the date hereof.
3.	Private sector investment	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	\$71,875,000 at the Project Facility within three (3) years of the date hereof.

EXHIBIT B

DESCRIPTION OF THE RECAPTURE EVENTS FOR PHASES A AND B OF THE PROJECT

In connection with the Project and the granting of the Financial Assistance, the Agency and the Project Beneficiary agree that the following shall constitute recapture events with respect to Phases A and B to the Project (as described in the Amended Application) and the granting of the Financial Assistance for Phases A and B:

1.	Failure of the Project Beneficiary to document to the satisfaction of the Agency the commencement of the acquisition, construction, reconstruction, renovation, and/or installation of Phase A within 9 months of the date hereof.
2.	Failure of the Project Beneficiary to document to the satisfaction of the Agency the completion of the acquisition, construction, reconstruction, renovation, and/or installation of Phase A within 2 years of the date hereof.
3.	Failure by the Project Beneficiary to document to the satisfaction of the Agency the creation of at least 80% of the average full time equivalent local labor construction jobs for Phases A and B listed on <u>Exhibit A</u> attached hereto during the construction period described on <u>Exhibit A</u> attached hereto.
4.	Failure by the Project Beneficiary to document to the satisfaction of the Agency the creation of at least 80% of the full time equivalent new jobs during Phases A and B combined listed on <u>Exhibit A</u> attached hereto within 3 years of the date hereof.
5.	Failure by the Project Beneficiary to document to the satisfaction of the Agency that at least 80% of the private sector investment for Phases A and B as described on <u>Exhibit A</u> attached hereto occurred with respect to the Project Facility within 3 years of the date hereof.
6.	Failure by the Project Beneficiary to document to the satisfaction of the Agency that the Project provided the other Public Benefits described on <u>Exhibit A</u> attached hereto within the time frames assigned to such benefits.
7.	Liquidation of substantially all of the Project Beneficiary's operating assets at the Project Facility and/or cessation of substantially all of the Project Beneficiary's operations at the Project Facility.
8.	Relocation of all or substantially all of Project Beneficiary's operations at the Project Facility to another site, or the sale, lease or other disposition of all or substantially all of the Project Facility.
9.	Failure by the Project Beneficiary to comply with the annual reporting requirements or to provide the Agency with requested information.
10.	Sublease or assignment of all or part of the Project Facility in violation of any Project Facility Agreement.
11.	A change in the use of the Project Facility, other than as described on <u>Exhibit A</u> attached hereto and other directly and indirectly related uses, in violation of any Project Facility Agreement.

EXHIBIT C

DESCRIPTION OF THE RECAPTURE EVENTS FOR PHASE C OF THE PROJECT

In connection with the Project and the granting of the Financial Assistance, the Agency and the Project Beneficiary agree that the following shall constitute recapture events with respect to Phase C of the Project (as described in the Amended Application), but only to the extent that the Project Beneficiary undertakes Phase C and receives Financial Assistance for Phase C:

1.	Failure by the Project Beneficiary to document to the satisfaction of the Agency the creation of at least 80% of the average full time equivalent local labor construction jobs for Phase C listed on <u>Exhibit A</u> attached hereto during the construction period described on <u>Exhibit A</u> attached hereto.
2.	Failure by the Project Beneficiary to document to the satisfaction of the Agency the creation of at least 80% of the full time equivalent new jobs for Phase C of the Project as set forth in the application for financial assistance within 3 years of commencing construction of Phase C.
3.	Failure by the Project Beneficiary to document to the satisfaction of the Agency that at least 80% of the private sector investment for Phase C as described in the application for financial assistance has occurred within 2 years of commencing construction of Phase C.
4.	Liquidation of substantially all of the Project Beneficiary's operating assets at the Project Facility and/or cessation of substantially all of the Project Beneficiary's operations at the Project Facility after Phase C is placed in service.
5.	Relocation of all or substantially all of Project Beneficiary's operations at the Project Facility to another site, or the sale, lease or other disposition of all or substantially all of the Project Facility after Phase C is placed in service.
6.	Failure by the Project Beneficiary to comply with the annual reporting requirements or to provide the Agency with requested information.
7.	Sublease or assignment of all or part of the Project Facility in violation of any Project Facility Agreement.
8.	A change in the use of the Project Facility, other than as described on <u>Exhibit A</u> attached hereto and other directly and indirectly related uses, in violation of any Project Facility Agreement.

EXHIBIT D

DESCRIPTION OF THE RECAPTURE EVENTS FOR PHASE D OF THE PROJECT

In connection with the Project and the granting of the Financial Assistance, the Agency and the Project Beneficiary agree that the following shall constitute recapture events with respect to Phase D of the Project (as described in the Amended Application), but only to the extent that the Project Beneficiary undertakes Phase D and receives Financial Assistance for Phase D:

1.	Failure by the Project Beneficiary to document to the satisfaction of the Agency the creation of at least 80% of the average full time equivalent local labor construction jobs at the Project Facility listed on <u>Exhibit A</u> attached hereto during the construction period described on <u>Exhibit A</u> attached hereto.
2.	Failure by the Project Beneficiary to document to the satisfaction of the Agency the creation of at least 80% of the full time equivalent new jobs for Phase D as set forth in the application for financial assistance within 3 years of commencing construction of Phase D.
3.	Failure by the Project Beneficiary to document to the satisfaction of the Agency that at least 80% of the private sector investment for Phase D as described in the application for financial assistance has occurred within 2 years of commencing construction of Phase D.
4.	Liquidation of substantially all of the Project Beneficiary's operating assets at the Project Facility and/or cessation of substantially all of the Project Beneficiary's operations at the Project Facility after Phase D is placed in service.
5.	Relocation of all or substantially all of Project Beneficiary's operations at the Project Facility to another site, or the sale, lease or other disposition of all or substantially all of the Project Facility after Phase D is placed in service.
6.	Failure by the Project Beneficiary to comply with the annual reporting requirements or to provide the Agency with requested information.
7.	Sublease or assignment of all or part of the Project Facility in violation of any Project Facility Agreement.
8.	A change in the use of the Project Facility, other than as described on Exhibit A and other directly and indirectly related uses, in violation of any Project Facility Agreement.