

**Inducement Resolution
Cree, Inc./EDGE Facility**

RESOLUTION OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD APPOINTING ECONOMIC DEVELOPMENT GROWTH ENTERPRISES CORPOARTION, THE PRINCIPALS OF ECONOMIC DEVELOPMENT GROWTH ENTERPRISES CORPORATION, CREE, INC., THE PRINCIPALS OF CREE, INC., AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT OF THE AGENCY IN CONNECTION WITH A LEASE-LEASEBACK TRANSACTION, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT.

WHEREAS, Economic Development Growth Enterprises Corporation, on behalf of itself and its principals (collectively, "EDGE"), and Cree, Inc., on behalf of itself and its principals (collectively, the "Company"), or an entity to be formed on behalf of any of the foregoing has applied to the Agency to enter into a transaction in which the Agency will assist in the (i) acquisition of an interest in a 55.25± acre parcel of land situate at Edic Road in the Town of Marcy, Oneida County, New York (the "Land"), (ii) construction on the Land of four buildings with 450,000± square feet of floor area consisting of (a) a three-story administrative building measuring 75,000± square feet; (b) a three-story, 300,000± square foot ballroom style wafer fabrication building with total cleanroom space measuring 100,000 - 135,000 square feet; (c) a HPM Warehouse, (d) a single-story Central Utilities Building measuring 70,000± square feet, and (e) all utilities and infrastructure to support the same (collectively, the "Improvements"); and (iii) acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all for the purpose of providing a state of the art wafer fabrication plant to support the substantial growth of the Company in its target markets (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the construction, renovation and equipping of the Improvements is referred to as the "Project"); and

WHEREAS, The People of the State of New York, acting by and through the State University of New York (the "State") owns in fee a 53.76± acre portion of the Land (the "State Land") and leases the StateLand to Fort Schuyler Management Corporation

("FSMC") pursuant to aa Amended and Restated Ground Lease dated as of May 1, 2010, as may have been or may be amended from time to time (the "SUNY/FSMC Ground Lease"); and

WHEREAS, FSMC will ground sublease the State Land to EDGE pursuant to a Second Ground Sublease, as may be amended from time to time (the "FSMC/EDGE Ground Sublease"); and

WHEREAS, EDGE owns in fee a 1.49± acre portion of the Land (the "EDGE Land"); and

WHEREAS, EDGE will lease and/or sub-sublease the Facility to the Company pursuant to a Ground Sublease, as may be amended from time to time (the "EDGE/Company Ground Sublease"); and

WHEREAS, the Company will construct, equip and own the Improvements which comprise a part of the Facility, and

WHEREAS, the Company will sublease the Facility to the Agency, pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 372 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "Act") and the Agency will lease the Facility back to the Company pursuant to a Leaseback Agreement (the "Leaseback Agreement"); 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, the Agency contemplates that it will provide financial assistance (i) to and/or for the benefit of EDGE in the form of exemptions from mortgage recording taxes and (ii) to the Company in the form of exemptions from sales and use taxes on materials and/or the Company Equipment used or incorporated in the Facility and payment of real property taxes consistent with the Agreement Approving PILOT Terms and Allocating PILOT Payments dated as of October 1, 2013 by and among the Agency, the County of Oneida, Whitesboro Central School District, the Town of Marcy, Maynard Fire District, Dunham Public Library and EDGE(the "PILOT Allocation Agreement"), conditioned upon the Company maintaining certain employment levels at the Facility, which financial assistance represents a deviation from the Agency's Uniform Tax Exemption Policy, 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, the value of the proposed financial assistance is described below:

Sales and use tax exemption estimated at \$22,000,000.00 but not to exceed \$36,093,750.00; and

Mortgage recording tax exemptions estimated at \$115,000.00 but not to exceed \$126,500.000.

In accordance with the PILOT Allocation Agreement and based upon existing projections, the Company shall pay approximately \$69,947,356.00 in real property taxes over 49 year (which figure may be updated from time to time); and

WHEREAS, the Company represented that it will create the following full time equivalent (“FTE”) positions at the Facility, as a result of undertaking the Facility (the “Employment Obligation”):

Year 1	37
Year 2	270
Year 3	321
Year 4	350
Year 5	414
Year 6	488
Year 7	564
Year 8	614
Year 9	614
Year 10	614

The Financial Assistance is conditioned upon the Company achieving the Employment Obligation for a period of ten (10) years during the term of the Leaseback Agreement, consistent with the Agency’s Recapture Policy, and failure to do so may result in the termination or recapture of Financial Assistance; and

WHEREAS, prior to the closing of a lease-leaseback transaction, and the granting of any tax benefits, 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 a lease-leaseback transaction, and the granting of any tax benefits, 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 EDGE and the Company and to representations by EDGE and the Company that the proposed lease-leaseback transaction, is either an inducement to the Company to maintain and expand the Facility in the County or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, the Agency desires to comply with the requirements of Article 8 of the Environmental Conservation Law, the State Environmental Quality Review Act, and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the "SEQR Act" or "SEQRA"), and the Agency constitutes a "State Agency"; and

WHEREAS, the Agency is issuing its Statement of Findings and adopting a SEQR resolution on even date hereof.

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

Section 1. (a) The acquisition, construction and equipping of the Facility and the Agency's financial assistance therefor, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the County 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.

(b) It is desirable and in the public interest for the Agency to enter into a lease-leaseback transaction, for the purpose of providing financial assistance for the acquisition, construction and equipping of the Facility, as reflected in EDGE's and the Company's application to the Agency and as amended from time to time prior to the closing of the lease-leaseback transaction.

Section 2. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and among the Agency, EDGE and the Company setting forth the undertakings of the Agency, EDGE and the Company with respect to the closing of the lease-leaseback transaction, and the development of the Facility (the "Agreement") are hereby approved. The Chairman of

the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, with such changes in terms and form as the Chairman shall approve. The execution thereof by the Chairman shall constitute conclusive evidence of such approval.

Section 3. Subject to the conditions set forth in Section 5.02 of the Agreement, the Agency shall assist EDGE and the Company in its acquisition, construction and equipping of the Facility and will provide Financial Assistance with respect thereto.

Section 4. The Company is herewith and hereby appointed the agent of Agency to equip the Facility. The Company is hereby empowered to delegate its status as agent of the Agency to agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to equip the Facility. The terms and conditions for the appointment of the Company as agent of the Agency for the purposes described in this resolution are set forth in the form of the attached letter addressed to the Company, marked as **Exhibit D** to this resolution. The form of such letter is incorporated herein by reference and is approved and adopted by the Agency, and the Chairman or Executive Director of the Agency or any other duly authorized official of the Agency are authorized to execute and deliver such letter to the Company. 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. 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.

Section 5. The Agency's closing fee for the lease-leaseback transaction shall be \$352,000.00.

Section 6. The law firm of Bond, Schoeneck & King, PLLC is appointed Transaction Counsel in connection with the lease-leaseback transaction.


Section 7. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Agency, all documents necessary to effect the lease-leaseback transaction.

Section 8. The Chairman of the Agency is hereby authorized and directed (i) to distribute copies of this resolution to EDGE and 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 9. This resolution shall take effect immediately.

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 this 22nd day of May 2020.



Shawna Papale, Secretary