

**APPROVING RESOLUTION
41 CROSS STREET HOSPITALITY LLC PROJECT**

A special meeting of Columbia County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 4303 Route 9 in the Town of Greenport, Columbia County, New York on June 28, 2016, at 10:00 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:

James Mackerer	Chairman
Sid Richter	Vice Chairman
Sarah Sterling	Secretary
Robert Galluscio	Treasurer
William Gerlach	Member
Brian Keeler	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

F. Michael Tucker	CEO
Lisa Drahushuk	Administrative Supervisor
Theodore Guterman, II, Esq.	Agency Counsel

The following resolution was offered by Brian Keeler, seconded by William Gerlach, to wit:

Resolution No. 0616__

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR 41 CROSS
STREET HOSPITALITY LLC (THE "COMPANY").**

WHEREAS, Columbia 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 366 of the 1976 Laws of New York, as amended, constituting Section 895-1 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, 41 Cross Street Hospitality LLC, a New York limited liability company to be formed (the “Company”), has submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which 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 an approximately .50 acre parcel of land located at 39-41 & 43-51 Cross Street (tax map no. 109.43-1-62) in the City of Hudson, Columbia County, New York (the “Land”), together with the existing building located thereon containing approximately 40,800 square feet of space (the “Existing Facility”), (2) the renovation, reconstruction and upgrading of the Existing Facility and related improvements located on the Land (the “Improvements”) (the Existing Facility and the Improvements hereinafter collectively referred to as the “Facility”), and (3) the acquisition and installation therein and thereon of certain machinery and equipment (collectively, the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and operated as a boutique hotel facility and any other directly and indirectly related uses; (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 10, 2016 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer 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 10, 2016 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 June 10, 2016 on a public bulletin board located at City Hall in the City of Hudson located at 520 Warren Street in the City of Hudson, Columbia County, New York, at the offices of the Agency located at 4303 Route 9, Town of Greenport, Columbia County, New York and on the Agency’s website, (C) caused notice of the Public Hearing to be published on June 14, 2016 in Hudson Register Star, a newspaper of general circulation available to the residents of the City of Hudson, Columbia County, New York, (D) conducted the Public Hearing on June 24, 2016 at 8:30 a.m., local time at City Hall in the City of Hudson, Columbia 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 June 28, 2016 (the “SEQR Resolution”), the Agency (A) determined to conduct an uncoordinated review of the Project, (B) that the Project is an “Unlisted action” which will not have a significant effect on the

environment and, therefore, that an environmental impact statement is not required to be prepared with respect to the Project, and (C) as a consequence of the foregoing, to prepare a negative declaration 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 Columbia 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 Columbia County, New York by undertaking the Project in Columbia 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 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 agency project agreement (the "Uniform Agency Project Agreement") relating to the granting of the Financial Assistance by the Agency to the Company; (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, one or more mortgages and any other security documents and related documents (collectively, the "Mortgage") from the Agency and the Company to the Company's lenders with respect to the Project (the "Lender"), which Mortgage will grant liens on and security interests in the Project Facility to secure one or more loans from the Lender to the Company with respect to the Project (collectively, the "Loan"); (J) all building loan and other agreements requested by the Lender in connection with the Loan (collectively with the Mortgage, the "Loan Documents"); (K) if the Company intends to request the Agency to appoint

(1) the Company, as agent of the Agency and (2) a contractor or contractors, as agent(s) of the Agency prior to closing on the Project and the Lease Agreement, agency and indemnification agreements, interim Section 875 GML recapture agreements, interim sales tax exemption letters and interim thirty-day sales tax reports (collectively, the "Interim Documents") and (L) various certificates relating to the Project (the "Closing Documents");

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

Section 1. All action taken by the Chief Executive Officer 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 Special Counsel to the Agency with respect to all matters in connection with the Project. Special Counsel for the Agency is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company, counsel to the Agency and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution. Special 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 Columbia County, New York;

(D) It is estimated at the present time that the costs of the planning, development, acquisition, renovation, reconstruction and installation of the Project Facility (collectively, the "Project Costs") will be approximately \$8,438,000;

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

(F) Although the Project Facility may constitute a project where facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities constitute more than one-third of the total cost of the Project, the Project Facility will constitute a "tourism destination project" within the meaning of Section 862(2)(a) of the Act and, 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 Columbia 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 from sales tax, mortgage recording tax and real property tax based on the description of expected public benefits to occur as a result of this Project, as described on Exhibit A attached hereto; and

(J) It is desirable and in the public interest for the Agency to enter into the Agency Documents, except that for the Interim Documents, the following conditions shall be met prior to the Agency entering into the Interim Documents: (1) the term of the Interim Documents shall not exceed sixty (60) days, unless future extensions are consented to by the Agency in writing, (2) the Company shall have paid the Agency's administrative fee, (3) the Company and any contractors shall have delivered evidence of adequate insurance coverage protecting the Agency and (4) execution by the other parties thereto and delivery of same to the Agency of the Interim Documents.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (A) proceed with the Project; (B) acquire, renovate, reconstruct and install the Project Facility; (C) lease the Project Facility to the Company pursuant to the Lease Agreement; (D) enter into the Payment in Lieu of Tax Agreement; (E) enter into the Uniform Agency Project Agreement, (F) enter into the Section 875 GML Recapture Agreement, (G) enter into the secure the Loan by entering into the Loan Documents; (H) enter into the Interim Documents, and (I) 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, renovate, reconstruct 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, renovation, 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 and/or Special 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:

James Mackerer	VOTING	AYE
Sid Richter	VOTING	AYE
Sarah Sterling	VOTING	AYE
Robert Galluscio	VOTING	AYE
William Gerlach	VOTING	AYE
Brian Keeler	VOTING	AYE

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of Columbia 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 June 28, 2016 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 28th day of June, 2016.



(Assistant) Secretary

(SEAL)

EXHIBIT A

DESCRIPTION OF THE PROJECT EVALUATION AND EXPECTED PUBLIC BENEFITS

41 CROSS STREET HOSPITALITY LLC PROJECT

Pursuant to the Columbia County Industrial Development Agency's (the "Agency") Uniform Criteria for the Evaluation of Projects Policy, the following general uniform criteria were utilized by the "Agency" to evaluate and select the project for which the Agency can provide financial assistance. 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 the Project is expected to provide the following benefits to the Agency and/or to the residents of Columbia County, New York (the "Public Benefits"):

Description of Evaluation Criteria/Benefit		Applicable to Project (indicate Yes or No)		Criteria Assessment/Expected Benefit
1.	Retention of existing jobs	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	The Project is intended to start a new business at a vacant site and to increase business at existing businesses in the area. Accordingly, retention of existing jobs is not a goal of the Project.
2.	Creation of new permanent jobs	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Project applicant intends to hire 11 full time equivalent workers during the first year of operation and 14 in the second year.
3.	Estimated value of tax exemptions	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	The exemptions have been weighed against the cumulative benefits of the Project. NYS Sales and Compensating Use Tax Exemption: \$180,000, and Mortgage Recording Tax Exemption: \$65,000. With respect to real property taxes, there will not be any reduction of existing property taxes payable at the Project site and the proposed PILOT schedule provides for a 10 year phase-in of payments to full normal taxes.

				Further, the payment in lieu of tax structure has been approved by the City of Hudson Industrial Development Agency.
4.	Private sector investment	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Project applicant expects to invest over \$8 million of private investment in the Project.
5.	Likelihood of Project being accomplished in a timely fashion	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	High likelihood that Project will be accomplished in a timely fashion. The Project applicant has secured the local approvals necessary to undertake the Project.
6.	Extent of new revenue provided to local taxing jurisdictions.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Project will result in new revenue to local taxing jurisdictions pursuant to increases in sales tax collections.
7.	Other:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	The Project has the support of the County, the City and the School District.
8.	Local labor construction jobs	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Unclear at this time. Project applicant has been advised of the desire to use local labor.
9.	Regional wealth creation (% of sales/customers outside of the County)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	The business plan of the Project applicant includes increase customers/clients from outside of the area visiting the City and the Project site.
10.	Located in a highly distressed census tract	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Project site is not a highly distressed area.
11.	Alignment with local planning and development efforts	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	The undertaking of the Project will result in additional commercial development in the City, which is consistent with local planning efforts.
12.	Promotes walkable community areas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	The Project is consistent with the efforts of the City to provide and promote walkable development in the City.
13.	Elimination or reduction in	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	The Project site is currently

	blight			vacant and in disrepair.
14.	Proximity/support of regional tourism attractions/facilities	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	The Project is expected to support local tourist destinations and activities.
15.	Local or County official support	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	The Project has both local and County support.
16.	Building or site has historic designation	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	City downtown is "historic" and the Project will result in the reconstruction of buildings that were previously vacant.
17.	Provides brownfield remediation	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Project site is not a brownfield.