

**AGENT RESOLUTION
HUDSON VALLEY KINGSTON DEVELOPMENT LLC PROJECT**

A regular meeting of Ulster County Industrial Development Agency (the “Agency”) was convened in public session at the Karen Binder Library, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, New York on November 8, 2017 at 8:00 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:

John Morrow	Chairman
Randall Leverette	Acting Vice-Chairman and Treasurer
John Livermore	Assistant Secretary
James Malcolm	Assistant Treasurer
Robert Kinnin	Secretary
Michael Bernholz	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Suzanne Holt	Director, Office of Economic Development
Christopher J. Rioux	Chief Financial Officer
Evelyn Heinbach	Office of Economic Development
Bernadette Andreassen	Office of Economic Development
A. Joseph Scott, III, Esq.	Agency Counsel

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

Resolution No. 1117-___

**RESOLUTION APPOINTING HUDSON VALLEY KINGSTON DEVELOPMENT
LLC AS INTERIM AGENT OF ULSTER COUNTY INDUSTRIAL DEVELOPMENT
AGENCY FOR THE PURPOSE OF INITIATING A PROJECT FOR THE BENEFIT
OF HUDSON VALLEY KINGSTON DEVELOPMENT LLC.**

WHEREAS, Ulster County Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of 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 and manufacturing 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, Hudson Valley Kingston Development LLC, a New York limited liability company (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 (a) an interest in a parcel of land located at 301 Wall Street (Tax Map #48.331-1-19) in the City of Kingston, Ulster County, New York (the “Parcel A”), together with the existing building located thereon containing approximately 10,000 square feet of space (the “Building A”), (b) an interest in a parcel of land located at 41 Pearl Street (Tax Map #48.331-6-11) in the City of Kingston, Ulster County, New York (the “Parcel B”), together with the existing building located thereon containing approximately 10,000 square feet of space (the “Building B”), (c) an interest in a parcel of land located at 270 Fair Street (Tax Map #48.331-4-20) in the City of Kingston, Ulster County, New York (the “Parcel C”), together with the existing building located thereon containing approximately 5,000 square feet of space (the “Building C”), and (d) an interest in a parcel of land located at 24 John Street (Tax Map #48.331-4-2) in the City of Kingston, Ulster County, New York (the “Parcel D,” and collectively with Parcels A – C, the “Land”), together with the existing building located thereon containing approximately 4,000 square feet of space (the “Building D,” and collectively with Buildings A-C, the “Facility”), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and operated as a boutique hotel, restaurant and retail facility and other directly and 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 with the Obligations, 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 September 13, 2017 (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 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 this resolution the Agency hereby determines that the Project constitutes a “Type II Action” (as such quoted term is defined under SEQRA), and therefore that no further action with respect to the Project was required under SEQRA; and

WHEREAS, although the lease agreement or installment sale agreement and related documentation (collectively, the “Project Documents”) have not yet been prepared, the Company has indicated to the Agency that the Company desires to commence the Project prior to completion of the Project Documents between the Agency and the Company related to the Project; and

WHEREAS, in order to preserve the sales tax exemption which forms a major portion of the Financial Assistance, the Agency now desires to temporarily formalize its understandings with the Company regarding the undertaking and completion of the Project by the Company as agent of the Agency; and

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

Section 1. In order to preserve the sales tax exemption which forms a major part of the Financial Assistance, **said portion of the Financial Assistance not to exceed \$100,000 prior to the date the Agency takes final action with respect to the Project**, and in order to facilitate the commencement of the Project, the Company is hereby temporarily appointed the true and lawful agent of the Agency (A) to undertake the Project, as the stated agent for the Agency, (B) to make, execute, acknowledge and deliver all contracts, orders, receipts, writings and instruments necessary in connection therewith, and in general to do all things as may be requisite or proper for undertaking the Project with the same powers and the same validity as the Agency could do if acting in its own behalf and (C) to pay all fees, costs and expenses incurred in the undertaking of the Project from its own funds, said temporary appointment to terminate on January 15, 2018.

Section 2. The Agency (A) hereby agrees to the temporary appointment of the Company as an agent to undertake the Project and (B) determines to enter into an interim agency and indemnification agreement (the "Interim Agency and Indemnification Agreement"), an interim Section 875 GML recapture agreement (the "Interim Section 875 GML Recapture Agreement"), a uniform agency project agreement (the "Uniform Agency Project Agreement") and any other documents or certificates required in connection with said appointment (collectively, the "Interim Documents"), the form and substance of which the Chairman, Vice Chairman of the Agency is authorized to negotiate and approve.

Section 3. The Chairman (or Vice Chairman) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Interim 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.

Section 4. 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 Interim 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 Interim Documents binding upon the Agency.

Section 5. (A) The Agency hereby determines that the Project constitutes a "Type II Action" (as such quoted term is defined under SEQRA), as defined in Part 617.5(c)(2) of SEQRA, and therefore that no further action with respect to the Project was required under SEQRA.

(B) The Agency further notes that the City of Kingston has considered and completed its review under SEQRA with respect to two of the parcels comprising a part of the Project, and the Interim Documents providing for the temporary appointment of the Company as an agent to undertake the Project will expressly limit such appointment to those two parcels only.

Section 6. 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:

John Morrow	VOTING	_____
Robert Kinnin	VOTING	_____
Randall Leverette	VOTING	_____
John Livermore	VOTING	_____
James Malcolm	VOTING	_____
Michael Bernholz	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 “Agency”), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on November 8, 2017, 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 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 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 November, 2017.

(Assistant) Secretary

(SEAL)