

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency ("Agency") was convened in public session on June 10, 2019, at 11:00 a.m., local time, at the Sullivan County Government Center, 100 North Street, Monticello, New York 12701.

The meeting was called to order by Chairman Ira Steingart, and, upon roll being called, the following members of the Agency were:

| | <u>PRESENT</u> | <u>ABSENT</u> |
|------------------|----------------|---------------|
| Ira Steingart | [√] | [] |
| Suzanne Loughlin | [√] | [] |
| Sean Rieber | [] | [√] |
| Edward T. Sykes | [√] | [] |
| Howard Siegel | [√] | [] |
| Scott Smith | [] | [√] |
| Paul Guenther | [] | [√] |
| Joseph Perrello | [√] | [] |
| Carol Roig | [√] | [] |

The following persons were also present:

Jennifer M. Flad, Executive Director
Edward T. Sykes, Chief Executive Officer
Julio Garaicoechea, Project Manager
Walter F. Garigliano, Agency General Counsel

The following resolution was duly offered by Howard Siegel, and seconded by Suzanne Loughlin, to wit:

Resolution No. 33 - 19

RESOLUTION OF THE AGENCY (I) CONSENTING TO THE TRANSFER OF TITLE TO THE LAND (AS HEREIN DEFINED) FROM THE AGENCY TO 457 EQUITIES MONTICELLO CORP. ("457 CORP."); (II) TO ENTER INTO A LEASE/LEASEBACK TRANSACTION WITH 457 CORP.; (III) GRANTING A SALES TAX ABATEMENT ON THE IMPROVEMENTS (AS HEREIN DEFINED); AND (IV) AUTHORIZING THE CHAIRMAN AND/OR CHIEF EXECUTIVE OFFICER TO SIGN ANY AND ALL RELATED DOCUMENTS TO EFFECTUATE THE FOREGOING

WHEREAS, the Agency was created by Chapter 560 of the Laws of 1970 of the State of New York, as amended, pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York (collectively, the "Act") as a body corporate and politic and as a public benefit corporation of the State of New York; and

WHEREAS, on or about October 1, 2004, 457 LLC presented an application to the Agency, a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project to consist of the (i) construction, reconstruction, renovation, installation and equipping of a building to consist of approximately 23,000 square feet (“Building”) situate on one (1) parcel of real estate consisting of <1.00 acre to be located at 457 Broadway in the Village of Monticello, Town of Thompson, County of Sullivan, State of New York and identified on the Town of Thompson tax map as Section 115, Block 6, Lot 2 (“Land”) and related facilities to be owned by the Agency; (ii) acquisition and installation thereon and therein of certain furniture, fixtures, machinery, equipment and tools (“Equipment”); (iii) construction of improvements to the Building, the Land and the Equipment (collectively, the Building, the Land and the Equipment are referred to as the “457 Broadway Project”); and (iv) lease of the Facility from the Agency to 457 LLC; and

WHEREAS, 457 LLC executed and delivered for the benefit of Astoria Federal Savings and Loan Association a mortgage in the original principal amount of \$950,000, which mortgage was dated, May 2, 2005 and recorded in the Office of the Clerk of Sullivan County on June 2, 2005 in Liber 2973 of Land Records at Page 247 (“Astoria Mortgage”); and

WHEREAS, on or about September 1, 2005, 457 LLC and the Agency closed a Sale/Leaseback Transaction to facilitate the construction, reconstruction, renovation, installation and equipping of the 457 Broadway Project; and

WHEREAS, on or about August 21, 2008, the Agency joined in a Modification and Extension Agreement and Collateral Assignment of Leases and Rents to modify and extend the Astoria Mortgage; and

WHEREAS, pursuant to its Commitment Letter, dated November 24, 2015, Wayne Bank offered to make a Commercial Loan to 457 LLC in the original principal amount of SEVEN HUNDRED SEVENTY-FIVE THOUSAND AND 00/100 (\$775,000.00) DOLLARS (“Loan”); and

WHEREAS, the Lease Agreement, made as of September 1, 2005, by and between the Agency and 457 LLC provides for the written consent of the Agency prior to the transfer of all or substantially all of the assets of 457 LLC, which consent has been requested by 457 LLC; and

WHEREAS, in connection with the closing of the Loan, 457 LLC transferred all or substantially all of 457 LLC’s assets (including the 457 Broadway Project) to 457 Corp.; and

WHEREAS, the sole member of 457 LLC is the sole shareholder of 457 Corp.; and

WHEREAS, on or about April 18, 2016 the Agency and 457 Corp. executed a Mortgage and Security Agreement in the amount of SEVEN HUNDRED SEVENTY-FIVE THOUSAND AND 00/100 (\$775,000.00) DOLLARS in favor of the Wayne Bank and abated the mortgage tax thereon; and

WHEREAS, 457 Corp. desires to apply for a New York Main Street Broadway Grant from the Sullivan County Division Planning Community Development and Real Property in an amount not to exceed FIFTY THOUSAND AND 00/100 (\$50,000.00) DOLLARS (“Grant”) to upgrade 457 Corp.’s main street appearance including but not limited to:

1. fix or replace front center siding;
2. create a second floor center window;
3. replace front entrance doors;
4. redesign front entrance;
5. repair and repaint balance of front;
6. remove interior front partitions to open store front;
7. insulate and raise interior second floor;
8. plywood and reside open areas on second floor;
9. remove awnings and replace with new director sign;

(items 1 through 9 collectively referred to as "Improvements"); and

WHEREAS, the total financial assistance being contemplated by the Agency is less than \$100,000; and

WHEREAS, in consideration of being awarded a Grant, 457 Corp. must hold title to the Land; and

WHEREAS, by letter, dated May 28, 2019, 457 Corp. requests that the Agency (i) give title to the Land to 457 Corp.; (ii) enter into a lease/leaseback transaction with 457 Corp.; and (iii) provide financial assistance in the form of a sales tax abatement on the Improvements; and

WHEREAS, the Agency contemplates to (i) transfer title to the Land to 457 Corp.; (ii) enter into a lease/leaseback transaction with 457 Corp.; (iii) grant a sales tax abatement on the Improvements; and (iv) authorize the Chairman and/or Chief Executive Officer to sign any and all related documents to effectuate the foregoing.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. The Agency hereby is authorized to transfer title to the Land to 457 Corp.

Section 2. The Agency hereby consents to entering into a lease/leaseback transaction with 457 Corp. and granting a sales tax abatement on the Improvements if the following conditions are met:

- A) 457 Corp. is awarded the Grant; and
- B) the cost of the preparation of the necessary documents and instruments to transfer title to the Land to 457 Corp. including but not limited to recordation fees be paid by the Company.

Section 3. Based upon the representation and warranties made by the Company in its letter request for financial assistance, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount up to \$120,500, which result in New York State and local sales and use tax

exemption benefits ("sales and use tax exemption benefits") not to exceed \$9,640. The Agency agrees to consider any requests by the Company for increase to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

Section 4. The Chairman and/or Chief Executive Officer of the Agency, either acting individually, are each hereby authorized, on behalf of the Agency, to execute and deliver a Quitclaim Deed, Lease to Agency, Leaseback to Company and any and all related documents; all in form approved by Counsel to the Agency and with such changes, variations, omissions and insertions as the Chairman or Chief Executive Officer, of the Agency shall approve, the execution thereof by the Chairman or Chief Executive Officer of the Agency to constitute conclusive evidence of such approval.

Section 5. 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 and to execute and deliver all such certificates, instruments, documents, and 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 on behalf of the Agency desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all the terms, covenants and provisions of the documents for and on behalf of the Agency.

Section 6. These resolutions shall take effect immediately.

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

| | | | | |
|------------------|---|-----------------------------|--|----------------------------------|
| Ira Steingart | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Suzanne Loughlin | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Sean Rieber | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Edward T. Sykes | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Howard Siegel | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Scott Smith | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Paul Guenther | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Joseph Perrello | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |
| Carol Roig | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> Absent | <input type="checkbox"/> Abstain |

The resolutions were thereupon duly adopted.

STATE OF NEW YORK :
:SS.:
COUNTY OF SULLIVAN :

I, the undersigned (Assistant) Secretary of the County of Sullivan Industrial Development Agency DO HEREBY CERTIFY THAT:

- I have compared the foregoing copy of a resolution of the County of Sullivan Industrial Development Agency ("Agency") with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.
- Such resolution was passed at a meeting of the Agency duly convened in public session on the 10th day of June, 2019 at 11:00 a.m. at the Sullivan County Government Center, 100 North Street, Village of Monticello, New York at which the following members were present:

| | <u>PRESENT</u> | <u>ABSENT</u> |
|------------------|---|---|
| Ira Steingart | [<input checked="" type="checkbox"/>] | [] |
| Suzanne Loughlin | [<input checked="" type="checkbox"/>] | [] |
| Sean Rieber | [] | [<input checked="" type="checkbox"/>] |
| Edward T. Sykes | [<input checked="" type="checkbox"/>] | [] |
| Howard Siegel | [<input checked="" type="checkbox"/>] | [] |
| Scott Smith | [] | [<input checked="" type="checkbox"/>] |
| Paul Guenther | [] | [<input checked="" type="checkbox"/>] |
| Joseph Perrello | [<input checked="" type="checkbox"/>] | [] |
| Carol Roig | [<input checked="" type="checkbox"/>] | [] |


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

| | | | | |
|------------------|---|----------|--|---------------|
| Ira Steingart | [<input checked="" type="checkbox"/>] Yes | [] No | [] Absent | [] Abstain |
| Suzanne Loughlin | [<input checked="" type="checkbox"/>] Yes | [] No | [] Absent | [] Abstain |
| Sean Rieber | [] Yes | [] No | [<input checked="" type="checkbox"/>] Absent | [] Abstain |
| Edward T. Sykes | [<input checked="" type="checkbox"/>] Yes | [] No | [] Absent | [] Abstain |
| Howard Siegel | [<input checked="" type="checkbox"/>] Yes | [] No | [] Absent | [] Abstain |
| Scott Smith | [] Yes | [] No | [<input checked="" type="checkbox"/>] Absent | [] Abstain |
| Paul Guenther | [] Yes | [] No | [<input checked="" type="checkbox"/>] Absent | [] Abstain |
| Joseph Perrello | [<input checked="" type="checkbox"/>] Yes | [] No | [] Absent | [] Abstain |
| Carol Roig | [<input checked="" type="checkbox"/>] Yes | [] No | [] Absent | [] Abstain |

and therefore, the resolution was declared duly adopted.

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 and seal on the 10th day of June, 2019.


Assistant Secretary