

RESOLUTION

A meeting of County of Sullivan Industrial Development Agency ("Agency") was convened in session at the Sullivan County Government Center, 100 North Street, Monticello, New York on September 13, 2005, at 10:00 a.m. local time.

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

	<u>Present</u>	<u>Absent</u>
Sam Wohl	[√]	[]
Harold Gold	[]	[√]
Raymond Walter	[]	[√]
Edward T. Sykes	[√]	[]
Joyce Salimeno	[√]	[]
Charles Barbuti, Jr.	[√]	[]
Harris Alport	[√]	[]

The following persons were also present:

Allan C. Scott, Agency Chief Executive Officer
Jennifer C.S. Brylinski, Agency Executive Director
Elizabeth A. Hunt, Agency Executive Assistant
Walter F. Garigliano, Esq., Agency Counsel
Susan Whalan, Esq., Agency Counsel

The following resolution was duly offered by Joyce Salimeno, and seconded by Harris Alport, to wit:

Resolution No. 27 - 05

RESOLUTION OF THE AGENCY APPOINTING THE BETHEL PERFORMING ARTS CENTER, LLC ("COMPANY") AS AGENT OF THE AGENCY FOR THE PURPOSE OF CONSTRUCTING, INSTALLING, AND EQUIPPING THE FACILITY (AS HEREINAFTER DEFINED); MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY (AS HEREINAFTER DEFINED); AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGENT AGREEMENT, LEASE TO AGENCY, LEASEBACK TO COMPANY, PAYMENT IN LIEU OF TAX AGREEMENT ("PILOT AGREEMENT") AND ANY AND ALL RELATED DOCUMENTS WITH RESPECT TO THE LEASE/LEASEBACK TRANSACTION BETWEEN THE AGENCY AND THE COMPANY

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York ("State"), as amended, and Chapter 560 of the Laws of 1970 of the State, as amended and codified as Section 960 of the General Municipal Law (collectively, the "Act"), the Agency was created with the authority and power to own, lease and sell property as authorized by the Act; and

WHEREAS, the Company has presented an application ("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 consisting of the (i) construction, installation and equipping of a performing arts center to consist of the following: (a) an outdoor pavilion of approximately 4,800 seats under cover with additional lawn seating capacity for 12,000 or more people; (b) a museum and interpretive center including a museum of music, culture and history, the exhibits and specifics of which are being planned, together with a ticket sales office, a retail shop, a food area and an events lobby; (c) an outdoor amphitheater; (d) concession buildings; (e) restrooms; (f) walking paths; (g) utilities and roadways; (h) water, sewer and storm water systems; (i) garden and other landscaping; (j) ponds and streams; (k) picnic pods; (l) farmers market sheds; (m) an outdoor stage on the original Woodstock field with capacity for as many as 30,000 attendees; and (n) on-site and off-site parking areas (collectively, the "PAC") situate on fifteen (15) parcels of real estate consisting of approximately 649.17± acres to be located along New York State Route 17B in the Town of Bethel, County of Sullivan, State of New York and identified on the Town of Bethel tax map as Section 21, Block 1, Lots 1.1, 1.30, 1.4, 1.25, 1.3, 4.1, 5.1, 8, 10, Section 22, Block 1, Lots 3, 4 and 64, Section 25, Block 1, Lot 20.1 and Section 26, Block 1, Lots 3.1 and 5 ("Land") and related facilities to be leased to the Agency; (ii) acquisition and installation thereon and therein of certain furniture, fixtures, machinery, equipment and tools ("Equipment"); (iii) construction of improvements to the PAC, the Land and the Equipment (collectively, the PAC, the Land and the Equipment are referred to as the "Facility" or the "Project"); and (iv) lease of the Facility back from the Agency to the Company; and

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

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of constructing, installing and equipping the Project; (ii) negotiate and enter into a Lease to Agency pursuant to which the Agency takes a leasehold interest in the Facility ("Lease Agreement"), a Leaseback to Company pursuant to which the Agency leases the Facility back to the Company ("Leaseback Agreement") and PILOT Agreement with the Company pursuant to which the Company opts to make payments to the Town of Bethel, County of Sullivan and the applicable school districts ("Municipalities") despite its tax exempt status as a not-for-profit; (iii) hold a leasehold interest in the Land, the improvements and personal property thereon which constitute the Facility (once the Lease Agreement, Leaseback Agreement and PILOT Agreement have been negotiated); and (iv) provide financial and other assistance to the Company in the form of (a) sales tax exemption for purchases related to the of the Project and (b) a methodology through the PILOT Agreement for payments to the Municipalities despite its tax exempt status as a not-for-profit; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York ("SEQR"), the Agency constitutes a "State Agency"; and

WHEREAS, to aid the Agency in determining whether the Project may have significant adverse effects on the environment, the Company has presented to the Agency the Findings Statement adopted by the Town of Bethel Town Board and Town of Bethel Planning

Board on November 12, 2002 and the supporting materials thereto with respect to the Project for its review; and

WHEREAS, the Agency has determined that the Facility is a Type I Action under SEQR; and

WHEREAS, the Agency has given due consideration to the Application of the Company and to representations by the Company that the proposed financial assistance is an inducement to the Company to undertake the Project; and

WHEREAS, the Agency has considered the following matters as more fully set forth in its Uniform Tax Exemption Policies:

- (A) Permanent private sector job creation and retention;
- (B) Estimated value of the tax exemption;
- (C) Whether the affected taxing jurisdictions shall be reimbursed by the Company if the Facility does not fulfill the purposes for which the exemption was granted;
- (D) Impact of Project on existing and proposed business or economic development projects;
- (E) The amount of private sector investment generated or likely to be generated by the Project;
- (F) Demonstrated public support for the Project;
- (G) Likelihood of accomplishing the Project in a timely fashion;
- (H) Environmental impact;
- (I) Extent to which the Project will require additional services including, but not limited to educational, police, transportation, EMS and fire;
- (J) Extent to which the Project will provide additional revenues; and
- (K) Extent to which the Project will serve the public purposes of the Act by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in the State

;and

WHEREAS, the Agency desires to encourage the Company to advance the job opportunities, health, general prosperity and economic welfare of the people of Sullivan County, New York by providing the contemplated financial assistance and undertaking the Project; and

WHEREAS, the Chief Executive Officer has negotiated the Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents with the Company; and

WHEREAS, the Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents have been prepared by Agency counsel; and

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

Section 1. The Company has presented to the Agency, among other things:

- (A) An Application in form acceptable to the Agency;
- (B) A Cost/Benefit Analysis relating to the proposed financial assistance; and
- (C) The Findings Statement adopted the Town of Bethel Town Board and Town of Bethel Planning Board on November 12, 2002 and the supporting materials thereto.

Section 2. Based upon (i) the representations made by the Company to the Agency, and (ii) a review of the Findings Statement adopted the Town of Bethel Town Board and Town of Bethel Planning Board on November 12, 2002 and the supporting materials thereto, the Agency hereby determines that:

- (A) The Project consists of the construction, installation and equipping of the Facility; and
- (B) The Facility is a Type I Action under the SEQR. Based upon the review by the Agency of the (i) representations made by the Company to the Agency in connection with the Project; and (ii) Findings Statement adopted the Town of Bethel Town Board and Town of Bethel Planning Board on November 12, 2002 and the supporting materials thereto, the Agency hereby finds that (i) the Project will result in no major impacts and therefore, is one which may not cause significant damage to the environment; (ii) the Project will not have a "significant effect on the environment" as such quoted term is defined in Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State; and (iii) no "environmental impact statement" as such quoted term is defined in SEQR need be prepared for this action. This determination constitutes a negative declaration for purposes of SEQR. The Agency's findings are incorporated in the Findings Statement adopted by the Agency on September 13, 2005.

A copy of the Findings Statement adopted by the Town of Bethel Town Board and Town of Bethel Planning Board and all supporting materials thereto together with the Findings Statement adopted by the Agency on September 13, 2005 and this resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours, and notices of this negative declaration shall be filed in such offices, posted in such places, and published in such publications as shall be necessary to conform with the requirements of SEQR.

Section 3. The Agency has determined that the proposed financial assistance does not exceed the sum of \$100,000.00 and therefore the proposed action is not subject to a public hearing.

Section 4. Based upon representations made by the Company to the Agency, the Agency

hereby makes, finds and determines as follows:

- (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) It is desirable and in the public interest for the Agency to (i) take a leasehold interest in the Facility pursuant to the Lease Agreement; (ii) appoint the Company as its agent for the purpose of constructing, installing and equipping the Project, and (iii) lease the Facility back to the Company pursuant to the Leaseback Agreement and subject to the PILOT Agreement;
- (C) The Agency has the authority to take the actions contemplated therein under the Act;
- (D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Sullivan County and otherwise furthering the purposes of the Agency as set forth in the Act;

Section 5.

Subject to the Company executing an Agent Agreement in form and substance approved by the Chief Executive Officer, the Agency hereby authorizes the Company to proceed with the construction, installation and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency to construct, install and equip the Facility on behalf of the Agency; with the authority to delegate its status as agent of the Agency to the Company's agents, subagents, contractors, subcontractors, suppliers, vendors and other such parties as the Company may choose. The appointment described above includes the following activities as they relate to the construction, installation and equipping of the Facility, whether or not the materials, services or supplies described below are incorporated into or become an integral part of the Facility; (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the construction, installation and equipping of the Facility; (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description in connection with the construction, installation and equipping of the Facility; and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs with respect thereto), installed or placed in, upon or under the Facility, including all repairs and replacements of such property. This agency appointment includes the power to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agents for the Agency, and in general to do all things which may be requisite or proper for completing the Facility, all with the same powers and with the same validity as the Agency could do if acting on its own behalf. The aforesaid appointment of the Company as agent of the Agency to construct, install and equip the Facility shall expire on December 31, 2005 if the Lease Agreement, Leaseback Agreement and PILOT Agreement have not been executed and delivered.

- Section 6. The Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents which were negotiated by the Chief Executive Officer, are hereby approved as to form and substance on condition that: (i) the payments under the Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy or the procedures for deviation have been compiled with.
- Section 7. The Chairman, Vice Chairman or Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents in the form presented at this meeting all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman or Chief Executive Officer of the Agency shall approve, the execution thereof by the Chairman, Vice Chairman or Chief Executive Officer of the Agency to constitute conclusive evidence of such approval.
- Section 8. The Chairman, Vice Chairman or Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or prepared on advise of counsel to the Agency ("Financing Documents"); and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Financing Documents and to attest the same, provided that in all events recourse against the Agency is limited to the Agency's interest in the Project.
- Section 9. The officers, employees and agents of the Agency are hereby authorized and directed 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 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 this resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.
- Section 10. It is hereby found and determined that all formal actions of the Agency concerning and relating to the adoption of this resolution were adopted in an open meeting of the Agency; and that all deliberations of the Agency and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.
- Section 11. The Chief Executive Officer, Executive Director or Counsel to the Agency is

hereby authorized and directed (i) to distribute copies of this resolution 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 12. This resolution shall take effect immediately.

THE MEMBERS VOTED ON THE FOREGOING RESOLUTION AS FOLLOWS:

Sam Wohl	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Harold Gold	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Raymond Walter	<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
Joyce Salimeno	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Charles Barbuti, Jr.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Harris Alport	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

and therefore, the resolution was declared duly adopted.

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

I, the undersigned (Assistant) Secretary of the Agency DO HEREBY CERTIFY THAT:

1. I have compared the foregoing copy of a resolution of the 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.
2. Such resolution was passed at a meeting of the Agency duly convened in public session on the 13th day of September, 2005 at 10:00 a.m. at the Sullivan County Government Center, 100 North Street, Monticello, New York, at which the following members were present:

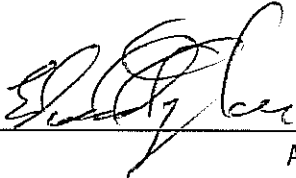
	<u>Present</u>	<u>Absent</u>
Sam Wohl	[<input checked="" type="checkbox"/>]	[]
Harold Gold	[]	[<input checked="" type="checkbox"/>]
Raymond Walter	[]	[<input checked="" type="checkbox"/>]
Edward T. Sykes	[<input checked="" type="checkbox"/>]	[]
Joyce Salimeno	[<input checked="" type="checkbox"/>]	[]
Charles Barbuti, Jr.	[<input checked="" type="checkbox"/>]	[]
Harris Alport	[<input checked="" type="checkbox"/>]	[]

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

Sam Wohl	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Harold Gold	[] Yes	[] No	[<input checked="" type="checkbox"/>] Absent	[] Abstain
Raymond Walter	[] Yes	[] No	[<input checked="" type="checkbox"/>] Absent	[] Abstain
Edward T. Sykes	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Joyce Salimeno	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Charles Barbuti, Jr.	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Harris Alport	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain

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 13th day of September, 2005.



Assistant Secretary