

## RESOLUTION

A recessed meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on May 16, 2022, at 10:00 a.m. local time via teleconference as authorized by Chapter 417 of the Laws of 2021, which took effect on September 2, 2021 and was most recently amended on [April 15, 2022].

The meeting was called to order by Chairperson Suzanne Loughlin, and, upon roll being called, the following members of the Agency were:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[     ]	[     ]
Edward T. Sykes	[     ]	[     ]
Carol Roig	[     ]	[     ]
Howard Siegel	[     ]	[     ]
Scott Smith	[     ]	[     ]
Paul Guenther	[     ]	[     ]
Sean Brooks	[     ]	[     ]
Philip Vallone	[     ]	[     ]

The following persons were also present:

Jennifer M. Flad, Executive Director  
John W. Kiefer, Chief Executive Officer  
Julio Garaicoechea, Project Manager  
Walter F. Garigliano, Agency General Counsel

The following resolution was duly offered by \_\_\_\_\_, and seconded by \_\_\_\_\_ to wit:

Resolution No. \_\_-22

***RESOLUTION OF THE AGENCY AUTHORIZING EXECUTION AND DELIVERY OF ONE OR MORE MORTGAGES TO SECURE A LOAN FROM M&T BANK IN THE ORIGINAL PRINCIPAL AMOUNT OF \$3,100,000 RELATING TO THE SVG 26 LLC (“COMPANY”) PROJECT***

***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***, on or about August 12, 2009, the Catskill Distilling Company, Ltd (“CDC”), Redford, LLC (“Redford”) and the Agency entered into a sale/leaseback transaction wherein the Agency acquired a fee interest in certain real property in the Town of Bethel (“Town”), County of Sullivan (“County”), State and identified on the Town tax map as Section 26, Block 1, Lot 6 and

Section 22, Block 1, Lot 62 (“CDC Project Land”) to facilitate the construction and equipping of a distillery, office, barrel storage house and restaurant/saloon (“CDC Project”); and

**WHEREAS**, the Agency took title to Bethel Section 22, Block 1, Lot 62 by Bargain and Sale Deed from Redford to the Agency dated August 12, 2009, which Deed was recorded in the Office of the Clerk of Sullivan County on August 14, 2009 in Deed Liber 3603 at page 365; and

**WHEREAS**, the Agency took title to Bethel Section 26, Block 1, Lot 6 by Bargain and Sale Deed from Redford to the Agency dated August 12, 2009, which Deed was recorded in the Office of the Clerk of Sullivan County on August 14, 2009 in Deed Liber 3603 at page 371; and

**WHEREAS**, on or about May 1, 2018, Redford merged into CDC; and

**WHEREAS**, on November 19, 2019, CDC filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, initiating a bankruptcy proceeding in the United States Bankruptcy Court for the Southern District of New York (“Bankruptcy Proceeding”); and

**WHEREAS**, on July 31, 2020, CDC and the Company entered into an Asset Purchase Agreement pursuant to the terms of which the Land and other assets of CDC were to be acquired by the Company (“APA”); and

**WHEREAS**, on May 3, 2021, the Company 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 (i) the continuation of financial assistance to the Company on the same terms as contemplated by the various agreements in place between the Agency and CDC at the time of commencement of the Bankruptcy Proceeding and (ii) the Agency enter into a lease/leaseback involving the CDC Project Land and three (3) additional parcels of property identified on the Town tax map as Section 22, Block 1, Lot 56, Section 22, Block 1, Lot 59 and Section 22, Block 1, Lot 60 which were required to be mortgaged by Sachem Capital Corp. (“Sachem Capital”), the lender providing financing to the Company to complete the transactions contemplated by the APA (the “Leased Premises”); and

**WHEREAS**, on or about May 24, 2021, the Agency and CDC entered into a Project Termination Agreement pursuant to which the CDC Project transaction documents between the Agency and CDC were terminated; and

**WHEREAS**, the Agency transferred the CDC Project Land to CDC and CDC transferred the Leased Premises to the Company; and

**WHEREAS**, in order to induce the Company to purchase and operate the CDC Project, on or about May 24, 2021, the Agency entered into a lease/leaseback transaction involving a lease of the Leased Premises from the Company to the Agency and a leaseback of the Leased Premises from the Agency to the Company; and

**WHEREAS**, the “Consideration” for the purchase of the CDC assets in the Bankruptcy Proceeding included 1) cash consideration of \$3,088,316.79; 2) conversion of non-insider debt to membership interest in the Company totaling 11.37% of total membership interest; and 3)

conversion of insider debt to membership interest in the Company totaling 12.55% of total membership interest; and

**WHEREAS**, a loan from Sachem Capital together with other equity and debt financing raised by the Company funded the cash consideration portion of the purchase price, which is being refinanced by a \$3,100,000 loan (“Loan”) from M&T Bank; and

**WHEREAS**, M&T Bank will make the Loan pursuant to the U.S. Small Business Administration (“SBA”) 7(a) Program; and

**WHEREAS**, the Loan is conditioned upon, among other collateral, a first mortgage lien on the Leased Premises; and

**WHEREAS**, the Agency desires to authorize execution of one or more mortgages in favor of M&T Bank as security for the Loan.

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

Section 1. The Chairperson or Executive Director of the Agency, each acting individually, are hereby authorized, on behalf of the Agency, to execute and deliver one or more mortgages in favor of M&T Bank in an original principal amount not to exceed \$3,100,000.

Section 2. 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 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 resolutions 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 3. These Resolutions 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:

Suzanne Loughlin	[ ] Yes	[ ] No	[ ] Absent	[ ] Abstain
Edward T. Sykes	[ ] Yes	[ ] No	[ ] Absent	[ ] Abstain
Carol Roig	[ ] Yes	[ ] No	[ ] Absent	[ ] Abstain
Howard Siegel	[ ] Yes	[ ] No	[ ] Absent	[ ] Abstain
Scott Smith	[ ] Yes	[ ] No	[ ] Absent	[ ] Abstain
Paul Guenther	[ ] Yes	[ ] No	[ ] Absent	[ ] Abstain
Sean Brooks	[ ] Yes	[ ] No	[ ] Absent	[ ] Abstain
Philip Vallone	[ ] Yes	[ ] No	[ ] Absent	[ ] Abstain

and therefore, the resolution was declared duly adopted.

STATE OF NEW YORK :  
:SS  
COUNTY OF SULLIVAN :

I, the undersigned 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 via video conference call on May 16, 2022 at 10:00 a.m. at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[    ]	[    ]
Edward T. Sykes	[    ]	[    ]
Carol Roig	[    ]	[    ]
Howard Siegel	[    ]	[    ]
Scott Smith	[    ]	[    ]
Paul Guenther	[    ]	[    ]
Sean Brooks	[    ]	[    ]
Philip Vallone	[    ]	[    ]

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

Suzanne Loughlin	[    ] Yes	[    ] No	[    ] Absent	[    ] Abstain
Edward T. Sykes	[    ] Yes	[    ] No	[    ] Absent	[    ] Abstain
Carol Roig	[    ] Yes	[    ] No	[    ] Absent	[    ] Abstain
Howard Siegel	[    ] Yes	[    ] No	[    ] Absent	[    ] Abstain
Scott Smith	[    ] Yes	[    ] No	[    ] Absent	[    ] Abstain
Paul Guenther	[    ] Yes	[    ] No	[    ] Absent	[    ] Abstain
Sean Brooks	[    ] Yes	[    ] No	[    ] Absent	[    ] Abstain
Philip Vallone	[    ] 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 103(a) and (c) and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public via videoconferencing and public notice of the time and place of said meeting was duly given in accordance with such Sections 103(a) and (c) and 104, (iii) the meeting in all respects was duly held via videoconference as authorized by Chapter 417 of the Laws of 2021, and (iv) there was a quorum present throughout.

*IN WITNESS WHEREOF*, I have hereunto set my hand and seal on the 16<sup>th</sup> day of May, 2022.

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Carol Roig, Secretary