

Date: February 13, 2019

At a regularly scheduled meeting of the City of Poughkeepsie Industrial Development Agency (the "Agency") duly convened by the Chair of the Agency and held on Wednesday, February 13, 2019, at 6:30 p.m. at Common Council Chambers, Poughkeepsie City Hall, 62 Civic Center Plaza, 3rd Floor, Poughkeepsie, New York 12601, the following members of the Agency were:

Present: Ms Vetter
Mr Johnson
Mr Smith
Mr Shook

Absent: _____

Also Present: Patrick Malgieri, Harris Beach PLLC

After the meeting had been duly called to order, the Chair announced that among the purposes of the special meeting was to consider and take action on certain matters pertaining to the Opportunity Poughkeepsie I, LLC project located at 33-41 Academy Street, City of Poughkeepsie, New York.

The following resolution was duly moved by Mr Shook, seconded by Mr Johnson, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

Ms Vetter
Mr Johnson
Mr Smith
Mr Shook

PROJECT AUTHORIZING RESOLUTION
(*Opportunity Poughkeepsie I, LLC Project*)

A regularly scheduled meeting of the City of Poughkeepsie Industrial Development Agency was duly convened by the Chair of the Agency on Wednesday, February 13, 2019.

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

Resolution No. ___/2019-___

RESOLUTION OF THE CITY OF POUGHKEEPSIE INDUSTRIAL DEVELOPMENT AGENCY (i) APPOINTING OPPORTUNITY POUGHKEEPSIE I, LLC OR ENTITY FORMED OR TO BE FORMED ON BEHALF OF THE FOREGOING (COLLECTIVELY, THE "COMPANY") AS ITS AGENT TO UNDERTAKE THE PROJECT (AS MORE FULLY DESCRIBED BELOW); (ii) AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGENT AND FINANCIAL ASSISTANCE AND PROJECT AGREEMENT, LEASE AGREEMENT, LEASEBACK AGREEMENT, PILOT AGREEMENT AND PILOT AGREEMENT MORTGAGE, AND RELATED DOCUMENTS WITH THE COMPANY WITH RESPECT TO THE PROJECT; (iii) AUTHORIZING FINANCIAL ASSISTANCE (THE "FINANCIAL ASSISTANCE") TO THE COMPANY IN THE FORM OF (1) A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE PROJECT, (2) AN EXEMPTION FROM MORTGAGE RECORDING TAXES TO THE EXTENT PERMITTED BY APPLICABLE LAW, AND (3) A PARTIAL REAL PROPERTY TAX ABATEMENT STRUCTURED UNDER A PILOT AGREEMENT; AND (iv) AUTHORIZING THE EXECUTION OF A MORTGAGE AND RELATED DOCUMENTS

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 304 of the Laws of 1974 of the State of New York, as the same may be amended from time to time (collectively, the "Act"), the **CITY OF POUGHKEEPSIE INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency"), was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, 35 Academy Realty LLC, on behalf of itself or an entity to be formed (which entity, Opportunity Poughkeepsie I, LLC (the "Company") has been formed), previously submitted an application (the "Application") to the Agency requesting the Agency's assistance with a certain project (the "Project") for the benefit of the Company consisting of: (i) the Agency taking title, possession or control (by deed, lease, license or otherwise) of certain land located at 33-41 Academy Street, City of Poughkeepsie, Dutchess County, New York (collectively, the "Land"), and the existing improvements located thereon consisting principally of a vacant building and existing night club and containing in the aggregate approximately 50,000 square feet (the "Existing Improvements"); (ii) the demolition of the Existing Improvements; (iii) the

construction on the Land of approximately 58,000 square feet of mixed use space consisting of commercial space, including a fresh food market, manufacturing kitchen, food and beverage manufacturing food hall, brewery, co-working space, together with twenty-eight (28) new residential units, all in an inter-generational and non-restrictive concept to provide housing along transit routes and in close proximity to jobs and services (collectively, the "Improvements"), all as more fully detailed in the Company's Application on file with the Agency); and (iv) the acquisition and installation by the Company in and around the Land, the Improvements of items of equipment, machinery and other tangible personal property (the "Equipment"; and, together with the Land and the Improvements, the "Facility"); and

WHEREAS, pursuant to a resolution adopted by the Agency on November 14, 2018 (the "Initial Resolution") the Agency (i) accepted the Application of the Company, (ii) authorized a public hearing with respect to the Project, and (iii) described the forms of Financial Assistance (as heretofore defined) being contemplated for the benefit of the Company by the Agency; and

WHEREAS, pursuant to Section 859-a of the Act, on Wednesday, December 14, 2018, at 6:30 p.m., local time, at Common Council Chambers, Poughkeepsie City Hall, 62 Civic Center Plaza, 3rd Floor, Poughkeepsie, New York 12601, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. (A copy of the minutes of the Notice of Public Hearing published and forwarded to the affected taxing jurisdictions at least ten (10) days prior to said Public Hearing are attached hereto as Exhibit A); and

WHEREAS, pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto at 6 N.Y.C.R.R. Part 617, as amended (collectively referred to as "SEQRA"), the Agency must satisfy the applicable requirements set forth in SEQRA, as necessary, prior to making a final determination whether to undertake the Project; and

WHEREAS, the Company made application to the City of Poughkeepsie Planning Board (the "Planning Board") for site plan approval in connection with the Project; and

WHEREAS, pursuant to SEQRA, the Planning Board declared itself Lead Agency in connection with all processing procedures, determinations and findings, to be made or conducted with respect to the site plan submitted by the Company; and

WHEREAS, the Planning Board determined that this action constitutes a Type II Action under 6 NYCRR Part 617 of the SEQRA regulations, which will not have a significant effect on the environment and therefore does not require the preparation of an Environmental Impact Statement; and

WHEREAS, the Agent and Financial Assistance and Project Agreement, Lease Agreement, Leaseback Agreement, Payment in-lieu-of Tax Agreement (the "PILOT" Agreement), PILOT Agreement Mortgage, each to be dated as of such date acceptable to the Chair or the Vice Chair of the Agency) and related documents (collectively, the "Agency

Documents") shall be negotiated and the Agency desires to authorize the undertaking of the Project; and

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

Section 1. The Planning Board conducted a review of the Project pursuant to SEQRA. The Planning Board determined that the Project constituted a Type II Action pursuant to SEQRA. The Agency hereby further determines that the Project constitutes a Type II Action pursuant to SEQRA and thus ratifies the determination of the Planning Board pursuant to 6 N.Y.C.R.R. § 617.7.

Section 2. Based upon representations and warranties made by the Company in the Application, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project, that would otherwise be subject to New York State and local sales and use tax in an amount up to **\$2,695,744.00**, which result in New York State and local sales and use tax exemption benefits ("Sales and Use Tax Exemption Benefits") not to exceed **\$219,209.00**. 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 3. Pursuant to Section 875(3) of the New York General Municipal Law, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any Sales and Use Tax Exemption Benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the Sales and Use Tax Exemption Benefits; (ii) the Sales and Use Tax Exemption Benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the Sales and Use Tax Exemption Benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the Sales and Use Tax Exemption Benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

As a condition precedent to receiving Sales and Use Tax Exemption Benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, shall (i) cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

Section 4. Based upon representations and warranties made by the Company in the Application, the Agency hereby authorizes the grant of Financial Assistance in the form of

exemptions from mortgage recording taxes to the extent permitted by applicable law in connection with the acquisition, financing, construction financing and/or permanent financing, or any subsequent refinancing, of the costs of the acquisition, renovation, construction, reconstruction, refurbishing and equipping of the Facility.

Section 5. Subject to the Company executing the Agency Documents and the delivery to the Agency of a binder, certificate or other evidence of a liability insurance policy for the Facility satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the undertaking of the Project and hereby appoints the Company as the true and lawful agent of the Agency, pursuant to the provisions of the Agency Documents: (i) to construct, reconstruct, renovate, refurbish and equip the Facility; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the Company's status as agent of the Agency and related sales tax exemption letter shall expire on May 1, 2020 (unless extended for good cause by the Chair, Executive Director or other authorized representative of the Agency).

Section 6. (a) The Chair, the Vice Chair or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents (consistent with the schedule of PILOT payments and corresponding real property tax abatements presented to and hereby approved by the Agency and attached to and made a part of these Resolutions as Exhibit B), in the forms acceptable to the Chair, the Vice Chair or the Executive Director of the Agency. The execution of the Agency Documents by the Agency shall constitute conclusive evidence of such approval.

(b) The Chair, the Vice Chair or the Executive Director is further hereby authorized, on behalf of the Agency, to designate any additional authorized representatives of the Agency.

Section 7. The Chair, the Vice Chair and the Executive Director of the Agency are hereby further authorized, on behalf of the Agency, to execute, deliver and record any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project and/or finance or re-finance acquisition and Project costs, equipment and other personal property and related transactional costs (the "Lender Documents"; and, together with the Agency Documents, the "Project Documents") and, where appropriate, the Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Project Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair or the Executive Director of the Agency shall approve, the execution thereof by the Chair or the Executive Director of the Agency to constitute conclusive evidence of such approval; provided, in all events, recourse against the Agency is limited to the Agency's interest in the Facility.

Section 8. 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 9. Due to the complex nature of this transaction, the Agency hereby authorizes its Chair, the Vice Chair or the Executive Director to approve, execute and deliver such further agreements, documents and certificates as the Agency may be advised by counsel to the Agency to be necessary or desirable to effectuate the foregoing, such approval to be conclusively evidenced by the execution of any such agreements, documents or certificates by the Chair or the Executive Director of the Agency.

Section 10. These Resolutions shall take effect immediately.

[The Balance of This Page Intentionally Left Blank]

STATE OF NEW YORK)
) ss:
COUNTY OF DUTCHESS)

I, the undersigned, Secretary of the City of Poughkeepsie Industrial Development Agency, DO HEREBY CERTIFY:

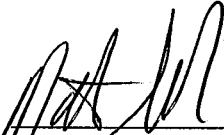
That I have compared the annexed extract of minutes of the meeting of the City of Poughkeepsie Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on February 13, 2019, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was in all respects duly held.

I FURTHER CERTIFY, that 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 resolutions are in full force and effect and have not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 13th day of February, 2019.



Secretary

EXHIBIT A

Notice Documents with respect to Public Hearing held on December 14, 2018

Attached hereto

EXHIBIT B

PILOT Schedule

**City of Poughkeepsie, NY
Industrial Development Agency
Tax Exemption Pilot Schedule**

Owner/Applicant: Opportunity Poughkeepsie I LLC

Project: Hive Development Project

Location: Corner of Academy and Church Streets

Date: January 31, 2019

Year	Annual Percentage Tax Exemption	Percent Tax Exemption Cumulative to Date
1	75%	75%
2	75%	75%
3	75%	75%
4	75%	75%
5	75%	75%
6	75%	75%
7	75%	75%
8	50%	72%
9	40%	68%
10	30%	64%
11	20%	59%
12	10%	55%