

**INITIAL PROJECT RESOLUTION**  
*(Inns of Aurora, LLC – Shakelton House Project)*

A regular meeting of Cayuga County Industrial Development Agency was convened on Tuesday, February 20, 2018 at 4:00 p.m.

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

Resolution No. 02/2018 - \_\_

RESOLUTION OF THE CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF INNS OF AURORA, LLC (THE “COMPANY”) WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW); (ii) AUTHORIZING THE SCHEDULING AND CONDUCT OF A PUBLIC HEARING WITH RESPECT TO THE PROJECT; (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY; (iv) RATIFYING FINDINGS PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT (“SEQRA”); AND (v) AUTHORIZING THE NEGOTIATION OF CERTAIN AGREEMENTS RELATING TO THE PROJECT

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 688 of the Laws of 1970 of the State of New York, (hereinafter collectively called the “Act”), the **CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the “Agency”) was created with the authority and power to promote, develop, encourage and assist in acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research, and recreational facilities as authorized by the Act, and in connection therewith to issue its revenue bonds, enter into straight lease transactions and provide other forms of financial assistance; and

WHEREAS, **INNS OF AURORA, LLC** for itself or on behalf of an entity to be formed (herein, the “Company”), has submitted an application (the “Application”) to the Agency requesting that the Agency consider undertaking a Project (the “Project”) consisting of (A) the acquisition by the Agency from the Company of a leasehold interest in an approximately 1.4 acre parcel of land located at 418 Main Street within the Village of Aurora, New York (the “Land”, being more particularly described as TMID No. 181.12-1-13) and the existing improvements located thereon, including an approximately 5,500 square foot vacant commercial building , along with related site improvements (collectively, the “Existing Improvements”) (B) the planning, design, construction, reconstruction, rehabilitation and upgrade of the Existing Improvements as a modern lodging facility, including of twelve (12) guest rooms, an innkeeper room, common rooms, building addition, ADA upgrades, and various outdoor improvements, parking and site improvements (collectively, the “Improvements”); (C) the acquisition and installation in and around the Existing Improvements and Improvements of certain machinery, equipment and other items of tangible personal property (the “Equipment”, and collectively with the Land, the Existing Improvements and Improvements, the “Facility”); and (D) through a

straight lease transaction (within the meaning of subdivision (15) of Section 854 of the Act), pursuant to which the Agency will acquire a leasehold interest in the Facility and sublease such interest in the Facility back to the Company (the “Straight Lease Transaction”); and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the financial assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, pursuant to and in accordance with Section 859-a of the Act, the Agency desires to schedule and conduct a public hearing relating to the Project and the proposed financial assistance contemplated by the Agency (collectively, the “Financial Assistance”), such Financial Assistance to include (i) sales and use tax exemptions for purchases and rentals related to the construction and equipping of the Facility and (ii) a partial real property tax abatement provided through a Payment in Lieu of Tax Agreement (“PILOT Agreement”); and

WHEREAS, the Village of Aurora Planning Board, as lead agency, conducted a review of the Project pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and its implementing regulations at 6 NYCRR Part 617 (collectively referred to as “SEQRA”), which resulted in the issuance of a negative declaration by the Village of Aurora Planning Board dated November 29, 2017 (the “Negative Declaration”), a copy of which is attached hereto as Exhibit A; and

WHEREAS, the Agency desires to (i) accept the Application, (ii) authorize the scheduling and conduct of a public hearing pursuant to and in accordance with the Act (the “Public Hearing”), (iii) authorize the negotiation of an Agent Agreement, Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents to allow the Company to undertake the project as agent of the Agency following the Public Hearing and pursuant to future authorization by the Agency; and (iv) ratify the SEQRA Findings of the Village of Aurora Planning Board with respect to the Project.

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

Section 1. The Company has presented the Application and related information in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency, the Agency hereby finds and determines that:

(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; and

(B) The Agency has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Cayuga County, New York, and otherwise furthering the purposes of the Agency as set forth in the Act;

(D) The Project will not result in the removal of a facility or plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's Application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other facility or plant to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries;

(E) Based upon the Agency's review of the Application submitted by the Company, along with supporting materials, the Project will include facilities or property that are primarily used in making retail sales, as defined within Section 862(2) of the Act, to customers who personally visit the Facility. Notwithstanding the foregoing, and based upon the Application and supporting materials prepared and presented by the Company to the Agency, the Project constitutes a "tourism destination" inasmuch as the Project and Facility will likely attract a significant number of visitors from outside the economic development region (as established by Section 230 of the Economic Development Law) in which the Project is located; and

(F) Based upon a review of the Application and the Negative Declaration submitted to the Agency by the Company, the Agency hereby consents to and affirms the status of Village of Aurora Planning Board as Lead Agency, within the meaning of, and for all purposes of complying with SEQRA; determines that the proceedings undertaken by the Village of Aurora Planning Board under SEQRA with respect to the undertaking of the Project by the Company satisfies the requirements of SEQRA; ratifies such proceedings by the Village of Aurora Planning Board; and determines that all of the provisions of SEQRA that are required to be complied with as a condition precedent to the prospective approval of the Financial Assistance contemplated by the Agency with respect to the Project and the participation by the Agency in undertaking the Project have been satisfied.

Section 2. The Chairman (or Vice Chairman) and/or Executive Director of the Agency are hereby authorized, on behalf of the Agency, to schedule, notice and conduct the Public Hearing in compliance with the Act.

Section 3. The Agency hereby authorizes the Chairman (or Vice Chairman) and/or Executive Director of the Agency to negotiate the terms of, but not execute, an Agent Agreement, Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents for authorization by the Agency following the Public Hearing.

Section 4. Harris Beach PLLC, as Transaction Counsel for the Agency, is hereby authorized to work with Agency General Counsel and counsel to the Company and others to

prepare for the Public Hearing and prospective authorizations by the Agency in furtherance of the Project.

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 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 6. These Resolutions shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to vote on roll call, which resulted as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
Paul Lattimore	[ X ]	[ ]	[ ]	[ ]
Grant Kyle	[ ]	[ ]	[X ]	[ ]
John Latanyshyn	[ ]	[ ]	[X ]	[ ]
Raymond Lockwood	[X ]	[ ]	[ ]	[ ]
Herb Marshall	[X ]	[ ]	[ ]	[ ]
Gina Speno	[ ]	[ ]	[X ]	[ ]
Andrew Rindfleisch	[X ]	[ ]	[ ]	[ ]

The Resolution was thereupon declared duly adopted.

**SECRETARY'S CERTIFICATION**

STATE OF NEW YORK     )  
COUNTY OF CAYUGA    ) SS:

I, the undersigned Acting Secretary of the Cayuga County Industrial Development Agency, DO HEREBY CERTIFY:

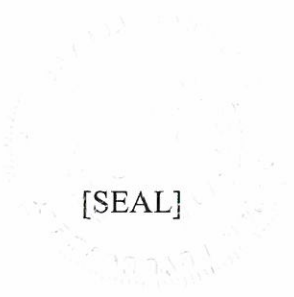
That I have compared the annexed extract of minutes of the meeting of the Cayuga County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on February 20, 2018, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

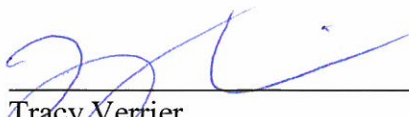
I FURTHER CERTIFY, that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

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 resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 4<sup>th</sup> day of April, 2018.



  
\_\_\_\_\_  
Tracy Verrier  
Interim Secretary

**Exhibit A**  
**SEQRA Materials**

