**PRELIMINARY ACCEPTANCE RESOLUTION**
*(Dockside Village of the 1000 Islands, LLC Project)*

A regular meeting of St. Lawrence County Industrial Development Agency (the "Issuer") was convened on August 9, 2007, at 8:00 a.m., local time, at Best Western University Inn, 90 East Main Street, Canton, New York.

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

| **MEMBER** | **PRESENT** | **ABSENT** |
|---|---|---|
| Lynn Blevins | | X |
| Jon. R. Greenwood | X | |
| Ernest LaBaff | X | |
| Andrew McMahon | X | |
| Frederick S. Morrill | X | |
| Brian W. Staples | X | |
| R. Joseph Weekes, Jr. | X | |

The following persons were ALSO PRESENT: Raymond Fountain, CEO; Kimberly Gilbert, CFO; Natalie Haggart, Administrative Assistant; Richard Williams, Facilities Manager; Walter Basmajian.

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of Dockside Village of the 1000 Islands, LLC.

On motion duly made by Mr. LaBaff and seconded by Mr. Greenwood, the following resolution was placed before the members of the St. Lawrence County Industrial Development Agency:

| Member | Aye | Nay | Abstain | Absent |
|---|---|---|---|---|
| Lynn Blevins | | | | X |
| Jon. R. Greenwood | X | | | |
| Ernest LaBaff | X | | | |
| Andrew McMahon | X | | | |
| Frederick S. Morrill | X | | | |
| Brian W. Staples | X | | | |
| R. Joseph Weekes, Jr. | X | | | |

Resolution No. 07-08-27

**(i) ACCEPTING THE APPLICATION OF DOCKSIDE VILLAGE OF THE 1000 ISLANDS, LLC WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW), (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT, AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY WITH RESPECT 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 358 of the Laws of 1971 of the State of New York, as amended (hereinafter collectively called the "Act"), the ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (hereinafter called the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

**WHEREAS,** DOCKSIDE VILLAGE OF THE 1000 ISLANDS, LLC, for itself or on behalf of an entity to be formed (the "Company"), has requested the Agency's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Agency of fee title to or a leasehold interest in property located at 307 Water Street, Morristown, St. Lawrence County, New York (the "Land") and the existing improvements and buildings located thereon (the "Existing Improvements"), (ii) the renovation, refurbishment and equipping of the Existing Improvements and/or construction and installation of new buildings and equipment for use as a mixed-use, waterfront shopping center, hotel and restaurant (collectively, the "Improvements"), and (iii) the acquisition and installation by the Company in and around the Improvements of certain items of equipment and other tangible personal property (the "Equipment", and collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and

**WHEREAS,** the Company, by correspondence dated August 7, 2007 (the "Correspondence"), along with other supporting documentation, including the Application, has represented to the Agency that the Project is likely to attract a significant number of visitors from outside the economic development region (as established by Section 232 of the New York State Economic Development Law), thereby supporting the conclusion that the Project qualifies for financial assistance under Section 862(2) of the Act; and

**WHEREAS,** pursuant to Article 18-A of the General Municipal Law the Agency desires to adopt a resolution describing the Project and the Financial Assistance (as hereinafter defined) that the Agency is contemplating with respect to the Project; and

**WHEREAS,** it is contemplated that the Agency will hold a public hearing and (i) negotiate an agent agreement (the "Agent Agreement"), pursuant to which the Agency will designate the Company as its agent for the purpose of undertaking the Project (the "Agent Agreement"), (ii) negotiate and enter into a lease agreement (the "Lease Agreement"), leaseback

agreement (the "Leaseback Agreement") and payment-in-lieu-of-tax agreement (the "PILOT Agreement") with the Company, (iii) take title to or a leasehold interest in the Land, Existing Improvements, Improvements and Equipment and personal property constituting the Project (once the Lease Agreement, Leaseback Agreement and PILOT Agreement have been negotiated), and (iv) provide financial assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the Project, (b) a partial real property tax abatement structured through the PILOT Agreement, and (c) a mortgage recording tax exemption for the financing related to the Project (collectively, the "Financial Assistance").

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:**

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application and in the Correspondence, 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 the St. Lawrence County, New York, and otherwise furthering the purposes of the Agency as set forth in the Act; and

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing 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 plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

(F) The Project is likely to attract a significant number of visitors from outside the economic development region (as established by Section 232 of the New York State Economic Development Law), and therefore the Project qualifies for financial assistance pursuant to Section 862(2) of the Act.

Section 2. The Chairman, Vice Chairman, Chief Executive Officer and/or the Deputy Executive Director of the Agency are hereby authorized, on behalf of the Agency, to hold a public hearing in compliance with the Act and negotiate (but not execute or deliver) the terms of (A) an Agent Agreement, pursuant to which the Agency appoints the Company as its agent to

undertake the Project, (B) a Lease Agreement, pursuant to which the Company leases the Project to the Agency, (C) a related Leaseback Agreement, pursuant to which the Agency leases its interest in the Project back to the Company, (D) a PILOT Agreement, pursuant to which the Company agrees to make certain payments in-lieu-of real property taxes, and (E) related documents thereto; *provided* (i) the rental 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 complied with.

Section 3. The Agency is hereby authorized to conduct a public hearing in compliance with the Act.

Section 4. 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 5. These Resolutions shall take effect immediately.

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**SECRETARY'S CERTIFICATION**

STATE OF NEW YORK )
COUNTY OF ST. LAWRENCE )

I, Lynn Blevins, the undersigned, Secretary of the St. Lawrence Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on August 9, 2007, with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Issuer 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 rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this 10th day of August, 2007.

/S/
(Mr.) Lynn Blevins
Secretary

(SEAL)

**Dockside Village**
**of the 1000 Islands, LLC**
c/o Jarrett Newby
790 Dunham Hill Road
Binghamton, New York 13905

Raymond Fountain, Chief Executive Officer 8-07-07
St. Lawrence County Industrial Development Agency
80 State Highway 310, Suite 6
Canton, New York 13617-1496

Re: St. Lawrence County Industrial Development Agency (the "Agency")
Dockside Village of the 1000 Islands, LLC (the "Company")
Mixed Use Project – Morristown, New York

Dear Mr. Fountain:

Pursuant to an Application for Financial Assistance (the "Application") submitted by the Company to the Agency for a certain project (the "Project") consisting of (i) the acquisition by the Agency of fee title to or a leasehold interest in property located at 307 Water Street, Morristown, St. Lawrence County, New York (the "Land") and the existing improvements and buildings located thereon (the "Existing Improvements"), (ii) the renovation, refurbishment and equipping of the Existing Improvements and/or construction and installation of new buildings and equipment for use as a mixed-use, waterfront shopping center, hotel and restaurant (collectively, the "Improvements"), and (iii) the acquisition and installation by the Company in and around the Improvements of certain items of equipment and other tangible personal property (the "Equipment", and collectively with the Land, the Existing Improvements and the Improvements, the "Facility").

In furtherance of the Project, we have conducted certain feasibility and market studies (including, but not limited to, Area Chamber of Commerce, 1000 Island International Tourism Summit, New York Business, Tourism Survey Executive Summary, direct observation, collectively, the "Project Research" . Based on our review of the Project Research and our cumulative development efforts on behalf of the Project, this letter is provided to the Agency to support the finding that the Project will "attract a significant number of visitors from outside the economic development region..." as contemplated by General Municipal Law Section 862(2)(a). Therefore, we respectfully request the Agency qualify the Project and provide financial assistance to the Company, as contemplated within the Application.

Very truly yours
Jarrett Newby 607-349-0281

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