

**RESOLUTION AMENDING AGENT RESOLUTION
SENECA MARKET I LLC PROJECT**

A regular meeting of Schuyler County Industrial Development Agency (the "Agency") was convened in public session in the offices of Schuyler County Partnership for Economic Development ("SCOPED") located at 2 N. Franklin Street, Suite 330, in the Village of Watkins Glen, Schuyler County, New York on January 10, 2007 at 5:00 o'clock p.m., local time.

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

PRESENT:

- | | |
|-----------------|-------------------------|
| Kevin Murphy | Chairman |
| Carl L. Taber | Vice Chairman/Treasurer |
| Jerold Marvel | Secretary |
| Jerry Gapp | Member |
| Dennis Fagan | Member |
| Richard Owllett | Member |

ABSENT:

- | | |
|--------------|--------|
| Carl Blowers | Member |
|--------------|--------|

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

- | | |
|----------------------|------------------------------------|
| Danielle Hautamien | Ex-Officio |
| J. Kelsey Jones | Chief Executive Officer of SCOPED |
| Anne Wheeler | Administrative Assistant of SCOPED |
| George W. Cregg, Jr. | Special Counsel |

The following resolution was offered by Dennis Fagan, seconded by Carl Taber, to wit:

Resolution No. 1 - 2007

**RESOLUTION AMENDING THE AGENT RESOLUTION FOR A CERTAIN
COMMERCIAL PROJECT FOR SENECA MARKET I LLC**

WHEREAS, Schuyler County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 21 of the 1971 Laws of New York, as amended, constituting Section 892-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct, reconstruct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on January 11, 2006, Seneca Market I LLC, a New York limited liability company (the "Company") submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 2.20 acre parcel of land located on North Franklin Street, First Street and Decatur Street in the Village of Watkins Glen, Town of Dix, Schuyler County, New York (the "Land"), (2) the construction of an approximately 64,000 square foot, 4-story building and associated parking on the Land (the "Facility") and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment"), all of the foregoing to constitute an approximately 88-room, full service hotel with an indoor pool, restaurant, banquet facilities, meeting rooms, fitness center and other related services (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on February 8, 2006 (the "Public Hearing Resolution"), the Agency agreed to accept the Application and authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Executive Director of SCOPED (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on February 17, 2006 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on February 17, 2006 at the Watkins Glen Village Hall located at 303 N. Franklin Street in the Village of Watkins Glen, Town of Dix, Schuyler County, New York in the Village of Watkins Glen, New York (C) caused notice of the Public Hearing to be published on February 22, 2006 in the Watkins Express, a newspaper of general circulation available to the residents of the Village of Watkins Glen, New York, (D) conducted the Public Hearing on March 27, 2006 at 2:00 o'clock, p.m., local time in the Board Room of the Municipal Building located at 303 N. Franklin Street in the Village of Watkins Glen, Town of Dix, New York, and (E) prepared a report of the Public Hearing (the "Public Hearing Report") fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQRA Act") and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQRA Act, "SEQRA"), by resolution adopted by the members of the Agency on March 29, 2006 (the "Preliminary SEQRA Resolution"), the Agency (A) determined (1) that the Project involves more than one "involved agency", and (2) that, although the Project may constitute an "unlisted action", and coordinated review and notification of other involved agencies is strictly optional with respect to the Project, the Agency wished to investigate the advisability of undertaking a coordinated

review with respect to the Project and (B) authorized the Executive Director of SCOPED to contact all other "involved agencies" for the purpose of ascertaining whether such "involved agencies" were interested in undertaking a coordinated review of the Project and, if so, designating a "lead agency" with respect to the Project (as such quoted terms are defined in SEQRA); and

WHEREAS, by resolution adopted by the members of the Agency on March 29, 2006 (the "Final SEQRA Resolution"), the Agency (A) determined that the Project is an "Unlisted action"; (B) determined to conduct an uncoordinated review with respect to the Project and (C) determined that the Project will not have a "significant effect on the environment" and, therefore, that an "environmental impact statement" is not required to be prepared with respect to the Project (as such quoted terms are used in SEQRA); and

WHEREAS, by further resolution adopted by the members of the Agency on March 29, 2006 (the "Pilot Deviation Approval Resolution"), the Agency approved a proposed deviation from the Agency's uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility; and

WHEREAS, in order to preserve the sales tax exemption which forms a major portion of the Financial Assistance, the members of the Agency adopted a further resolution on September 13, 2006 (the "Agent Resolution"), pursuant to which the Agency temporarily appointed the Company as agent of the Agency to undertake the acquisition, construction and installation of the Project Facility; and

WHEREAS, although the lease agreement or installment sale agreement and related documentation (collectively, the "Project Documents") have not yet been prepared, the Company has indicated to the Agency that the Company desires to commence the Project prior to completion of the Project Documents between the Agency and the Company related to the Project, and accordingly the Company executed the acceptance provisions of the Agent Resolution and the Agency issued a tentative sales tax exemption letter dated September 13, 2006 with respect to the Project (the "Tentative Sales Tax Exemption Letter"), relating to the Project, said appointment to expire on January 10, 2007, or such later date as may be agreed to by the Agency in writing; and

WHEREAS, in order to accommodate the Company's construction and financing schedules, the Company requested that the Agency modify the Agent Resolution and the Tentative Sales Tax Exemption Letter to extend the scheduled expiration date of the agent appointment contained in the Agent Resolution from January 10, 2007 to February 14, 2007;

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

Section 1. Subject to receipt by the Agency of the Agency's administrative fee, as more particularly described in the Agent Resolution, the Agency hereby amends the Agent Resolution to extend the scheduled expiration date of the Agent appointment contained in the Agent Resolution from January 10, 2007 to February 14, 2007.

Section 2. This Resolution 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:

Kevin Murphy	VOTING	Yea
Carl L. Taber	VOTING	Yea
Jerold Marvel	VOTING	Yea
Jerry Gapp	VOTING	Yea
Carl Blowers	VOTING	Yea
Dennis Fagan	VOTING	Yea
Richard Owlett	VOTING	Yea

Absent

The foregoing Resolution was thereupon declared duly adopted.

(SEAL)

David D. Mauer
(Assistant) Secretary

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

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.

I FURTHER CERTIFY that (A) all members of the Agency present throughout said meeting of said meeting was given in accordance with such Open Meetings Law; and (B) there was a quorum of "Open Meetings Law", said meeting was open to the general public, and due notice of the time and place said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (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 January 10, 2007, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency 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, the undersigned (Assistant) Secretary of Schuyler County 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 January 10, 2007, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency 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.

STATE OF NEW YORK)
COUNTY OF SCHUYLER)
SS:)