

**ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
LEASE/LEASEBACK TRANSACTION
CREATIVE ENVIRONMENTS, LLC AND HENRY STOUT PROJECT**

I. PROJECT IDENTIFICATION:

1. Project Applicant: Creative Environments, LLC (“Creative”), a New York limited liability company and Henry Stout (“Stout”), an individual (Creative and Stout being collectively referred to as the “Company”).
2. The Project:
 - (A) Acquisition of Land: acquisition of an interest in an approximately one (1) acre parcel of land located at 1 Valley View Road (being a portion of Tax Map No. 23.-2-28) in the Town of Shandaken, Ulster County, New York (the “Land”), together with various buildings located thereon (collectively, the “Existing Facility”)
 - (B) Reconstruction, renovation and construction of the Facility: the renovation of the Existing Facility and the construction of approximately 10 cottages (the “Cottages”), 1 pavilion (the “Pavilion”) and 1 cabana (the “Cabana”) on the Land containing in the aggregate approximately 8,300 square feet of space (collectively, the “New Facility” and together with the Existing Facility, the “Facility”).
 - (C) Installation of the Equipment: the acquisition and installation therein and thereon of certain machinery, equipment and other personal property (collectively, the “Equipment”).
 - (D) Lease: all of the foregoing to constitute a tourism business facility and other directly and indirectly related activities.

II. PRIOR ACTION ON PROJECT:

3. Inducement Proceedings:
 - (A) Public Hearing Resolution: adopted on April 12, 2017.
 - (B) Public Hearing:
 - (1) Mailed to Affected Taxing Jurisdictions: May 18, 2017.
 - (2) Date Posted: (a) May 19, 2017 on Agency website; and (b) May 19, 2017 on a public bulletin board.
 - (3) Published in The Shawangunk Journal: May 25, 2017.
 - (4) Published in the Almanac Weekly: May 25, 2017
 - (4) Date of Public Hearing: June 7, 2017.
 - (5) Location of Public Hearing: Town of Shandaken Town Hall located at 7209 Rt. 28 in the Town of Shandaken, Ulster County, New York.

4. Payment in Lieu of Taxes: Pursuant to the Agency’s Uniform Tax Exemption Policy, the Company qualifies for the following abatement schedule:

<u>Tax Year</u>	<u>Abatement</u>
1-3	100%
6	75%
7	75%
8	50%
9	50%
10	50%
11 and thereafter	0%

III. PROPOSED AGENCY ACTION ON JULY 12, 2017:

5. SEQR Resolution: Adopts findings of Town of Shandaken Planning Board.
6. Approving Resolution: Approving the Company’s project, the proposed financial assistance and the execution and delivery of certain documents in connection therewith.

IV. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTION:

7. Relationship of Agency to Company: The Agency will acquire, reconstruct, renovate, construct and install the Project Facility and lease the Project Facility to the Company pursuant to the Lease Agreement.
8. Business Terms: The Agency fee is estimated to be \$15,000 (1% of the Project costs of \$1,500,000 (est.)).
9. Basic Documents (one set each for Creative and Stout):
- (A) Underlying Lease from the Company to the Agency.
 - (B) License Agreement from the Company to the Agency.
 - (C) Bill of Sale to Agency.
 - (D) Lease Agreement by and between the Company and the Agency.
 - (E) Payment in Lieu of Tax Agreement by and between the Agency and the Company.
 - (F) Uniform Agency Project Agreement by and between the Agency and the Company.
 - (G) Section 875 GML Recapture Agreement by and between the Agency and the Company
10. Proposed Closing Date: To Be Determined.
11. Agency Counsel: Hodgson Russ LLP, Albany, New York.