CLOSING RESOLUTION

(Prison City Farmhouse, LLC/Prison City Beverages, LLC)

A special meeting of Auburn Industrial Development Authority was convened at 2 State Street, Auburn, New York 13021 on July 17, 2019 at 5:00 p.m.

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

RESOLUTION APPROVING THE GRANT OF FINANCIAL ASSISTANCE AND THE EXECUTION BY THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY OF AN AGENT AGREEMENT, LEASE AGREEMENT, LEASEBACK AGREEMENT, ENVIRONMENTAL AGREEMENT, PILOT AGREEMENT, MORTGAGE AND RELATED DOCUMENTS WITH RESPECT TO PRISON CITY FARMHOUSE, LLC AND PRISON CITY BEVERAGES, LLC.

WHEREAS, the Auburn Industrial Development Authority (the "**Authority**") is authorized and empowered by the provisions of the Auburn Industrial Development Authority Act, Chapter 915 of the 1969 Laws of New York constituting Title 15 of Article 8 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of New York, as amended (the "**Act**"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities, and facilities for use by a federal agency or medical facility, among others, and thereby to advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn and improve their medical care and standard of living; and

WHEREAS, Prison City Farmhouse, LLC and Prison City Beverages, LLC (collectively, the "**Company**") has requested the Authority's assistance with a certain project (the "**Project**") consisting of (i) the acquisition of approximately 5.5 acres of land located 251 North Street in the City of Auburn, County of Cayuga, New York (the "**Land**") improved with an 8,000 square foot barn ("**Building 1**"), (ii) renovations to Building 1, (iii) construction on the Land of a new 20,000 square foot building for brewing, indoor/outdoor tasting, sales and office space ("**Building 2**", and together with Building 1, the "**Buildings**"), and (iv) equipping of the Buildings with machinery, equipment and other tangible personal property for use as a brewery and related functions (the "**Equipment**", and together with the Land and Buildings, the "**Facility**"); and

WHEREAS, the Authority desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Auburn, New York by undertaking the Project in the City of Auburn, New York; and

WHEREAS, pursuant to Section 2307 of the Act, the Authority has held a public hearing with respect to the Project; and

WHEREAS, the Authority will appoint the Company as its true and lawful agent to undertake and complete the Project pursuant to the terms of an Agent Agreement to be dated as of July 1, 2019 (the "**Agent Agreement**") by and between the Authority and the Company; and

WHEREAS, the Company has requested the Authority to enter into a PILOT Agreement to be dated as of July 1, 2019 (the "**PILOT Agreement**") requiring the Company to make payments in lieu of taxes with respect to the Facility; and

WHEREAS, the Authority will acquire a leasehold interest in the Facility pursuant to the terms of a Lease Agreement to be dated as of July 1, 2019 (the "**Lease Agreement**") by and between the Authority and the Company; and

WHEREAS, the Company has requested the Authority to enter into a Leaseback Agreement to be dated as of July 1, 2019 (the "**Leaseback Agreement**") whereby the Company will lease the Facility from the Authority on the terms and conditions set forth therein; and

WHEREAS, the Company has requested the Authority to enter into an Environmental Compliance and Indemnity Agreement to be dated as of July 1, 2019 (the "**Environmental Agreement**"); and

WHEREAS, in connection with the undertaking of the Project, the Authority will join with the Company in a mortgage and other security documents (collectively, the "**Mortgage**") in favor of a lender or lenders reasonably satisfactory to the Company; and

WHEREAS, the execution of the Agent Agreement, the PILOT Agreement, the Lease Agreement, the Leaseback Agreement, the Environmental Agreement and the Mortgage will help to improve the Project and enhance opportunities for the citizens of the City of Auburn.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AUBURN INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Authority. Based upon the representations made by the Company to the Authority in the Company's application, the Authority hereby finds and determines that:

(A) By virtue of the Act, the Authority 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;

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

(C) The action to be taken by the Authority will further the purposes of the Authority under the Act by increasing employment opportunities in the City of Auburn, preventing economic deterioration and otherwise furthering the purposes of the Authority as set forth in the Act;

(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 Facility 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 Facility located within the State; and the Authority 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 Facility 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 Facility occupants in their respective industries; and

(E) Although more than one-third (1/3) of the total project costs will be spent for facilities or property that are primarily used in making retail sales to customers who personally visit the Project, the Project is likely to attract a significant number of visitors from outside the counties of Cayuga, Onondaga, Madison, Cortland and Oswego, New York. In addition, the Project is located in a census tract or tracts or block numbering areas or areas or such census tract or block numbering area contiguous thereto which, according to the most recent census data available, has: (i) a poverty rate of at least twenty percent for the year to which the data relates or at least twenty percent of households receiving public assistance and (ii) An unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates.

Section 2. The Authority hereby approves financial assistance for the Project including (A) an exemption from all mortgage recording taxes with respect to any qualifying mortgage on the Facility to secure financings undertaken in furtherance of the Project; (B) an exemption from all state and local sales and use taxes with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, renovation and equipping of the Facility; and (C) an exemption from real property taxes, subject to the Company making payments in lieu thereof pursuant to the PILOT Agreement.

Section 3. The Authority hereby appoints the Company as its true and lawful agent to (A) acquire, construct and equip the Project; (B) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings, instructions, as the agent for the Authority, with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors, and to such other parties as the Company reasonable designates; and (C) to do all other things that may be requisite and proper for completing the Project, with the same powers and validity vested in the Authority; provided, however, that the agency shall expire on July 1, 2021, unless extended by the Authority.

Section 4. The Authority may, pursuant to Section 2326-a of the Act, recover or recapture from the Company, its agents, subagents, contractors, subcontractors, or any other party authorized to make purchases for the benefit of the Project (each a "**Company Party**" and, collectively, the "**Company Parties**"), any sales and use tax exemption benefits obtained or purported to be obtained by the Company Parties if it is determined that: (A) any Company Party is not entitled to sales and use tax exemption benefits; (B) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by any Company Party; (C) the sales and use tax exemption benefits are for property or services not authorized by the Authority as part of the Project; (D) the Company has made a material false statement in its application for financial assistance; (E) the sales and use tax exemption benefits are taken in cases where a Company Party fails to comply with a material term or condition to use property or services in the manner approved by the Authority in connection with the Project; and/or (F) the Company obtains mortgage recording tax abatement benefits or real property tax abatements and fails to comply with a material term or condition to use property or services in a manner approved by the Authority in connection with the Project (each a "**Recapture Event**").

As a condition precedent to receiving the financial assistance set forth in Section 2, above, the Company must, upon the Authority's determination that a Recapture Event has occurred, (A) cooperate with the Authority in its efforts to recapture any sales and use tax benefits and mortgage recording tax abatement benefits; and (B) pay over to the Authority, on demand, any amounts required to be recaptured.

Section 5. The Chairman, Vice Chairman and/or any other officer of the Authority and are hereby authorized, on behalf of the Authority, to execute and deliver the Agent Agreement, Lease Agreement, Memorandum of Lease Agreement, Leaseback Agreement, Memorandum of Leaseback Agreement, Environmental Agreement, Mortgage, mortgage recording affidavit, and related documents (collectively, the "**Authority Documents**") in such form as shall be reasonably approved by the Chairman and/or Vice Chairman upon execution, with the advice of counsel.

Section 6. The Chairman, Vice Chairman and/or any other officer of the Authority and are hereby authorized, on behalf of the Authority, to execute and deliver the Authority Documents and any such other documents and agreements as may be necessary to carry out the intent of these resolutions; and, where appropriate, the Secretary or Assistant Secretary of the Authority is hereby authorized to affix the seal of the Authority to the Authority Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman and/or Vice Chairman of the Authority shall approve, the execution thereof by the Chairman and/or Vice Chairman of the Authority to constitute conclusive evidence of such approval; provided in all events recourse against the Authority is limited to the Authority's interest in the Project.

Section 7. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority 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 Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 8. These Resolutions shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote which resulted as follows:

	Yea	***Nay***	***Absent***	***Abstain***
James A. Dacey, Chairman	✓			
William Andre, Member	✓			
Ronald LaVarnway, Member	✓			
Terry Cuddy, Member	✓			
Michael Quill, Member			✓	
Tricia Kerr, Member				✓
Roger Beer, Member				✓
Jeff Gasper, Member	✓			
Brandon Gravius, Member	✓			

This Resolution was thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF CAYUGA) SS:

I, the undersigned Secretary of the Auburn Industrial Development Authority, DOES HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the Auburn Industrial Development Authority (the "**Authority**"), including the resolution contained therein, held on July 17, 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 Authority 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 Authority 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 Authority 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 Authority this 17th day of July, 2019.

Tricia Kerr, Secretary

[SEAL]