

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened in public session on May 8, 2017, at 11:00 a.m., local time, at the Sullivan County Government Center, 100 North Street, Monticello, New York 12701.

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

	<u>PRESENT</u>	<u>ABSENT</u>
Ira Steingart	[√]	[]
Suzanne Loughlin	[√]	[]
Sean Rieber	[√]	[]
Edward T. Sykes	[√]	[]
Howard Siegel	[√]	[]
Scott Smith	[]	[√]
Paul Guenther	[√]	[]
Joseph Perrello	[√]	[]
Carol Roig	[√]	[]

The following persons were also present:

Jennifer M. Flad, Executive Director
Steve White, Chief Executive Officer
Julio Garaicoechea, Project Manager

The following resolution was duly offered by Joseph Perrello, and seconded by Suzanne Loughlin, to wit:

Resolution No. 20 - 17

RESOLUTION (I) AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF ONE OR MORE MORTGAGES (AND RELATED FINANCING DOCUMENTS) IN FAVOR OF WAYNE BANK (“BANK”) IN AN AGGREGATE AMOUNT NOT TO EXCEED \$7,800,000.00 DOLLARS RELATING TO THE VILLA ROMA RESORT AND CONFERENCE CENTER, INC. (“COMPANY”) PROJECT; (II) AUTHORIZING THE AMENDMENT AND RESTATEMENT OF THE 2006 AGENT AGREEMENT (AS HEREIN DEFINED); AND (III) AUTHORIZING THE AMENDMENT OF THE PILOT AGREEMENT (AS HEREIN DEFINED)

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York ("State"), as amended, and Chapter 560 of the Laws of 1970 of the State, as amended and codified as Section 960 of the General Municipal Law (collectively, the "Act"), the Agency was created with the authority and power to own, lease and sell property as authorized by the Act; and

WHEREAS, on or about December 19, 2006, the Company and the Agency closed a Lease/leaseback transaction consisting of the (i) construction, reconstruction, renovation, installation and equipping of the former Villa Roma Resort and Conference Center hotel and related facilities destroyed by fire, including, but not limited to the hotel's lobby, restaurant, lounges, storage areas and offices ("Building") situate on six (6) parcels of real estate located in the Town of Delaware, County of Sullivan, State and identified on the Town of Delaware tax map as Section 20, Block 1, Lots 7.1, 9.1, 9.6, 11.4, 12.6 and 14.2 ("Land") and related facilities an interest in which the Agency is to acquire; (ii) acquisition and installation thereon and therein of certain furniture, fixtures, machinery, equipment and tools ("Equipment"); and (iii) construction of improvements to the Building, the Land and the Equipment (collectively, the Building, the Land and the Equipment are referred to as the "Facility" or the "Project"); and

WHEREAS, on or about December 19, 2006, in furtherance of the Project, the Agency and the Company entered into an Agent Agreement, pursuant to which the Company was authorized to act as agent of the Agency for the purposes of, among other things, renovating and equipping portions of the Villa Roma Resort and Conference Center hotel and related facilities ("2006 Agent Agreement"); and

WHEREAS, due to financial constraints some of the work contemplated by the 2006 Agent Agreement was not completed; and

WHEREAS, pursuant to Commitment Letters, dated April 28, 2017, the Bank has approved (i) a Commercial Line of Credit in the amount of FIVE HUNDRED THOUSAND AND 00/100 (\$500,000.00) DOLLARS; and (ii) a Commercial Mortgage Loan in the amount of SEVEN MILLION TWO HUNDRED SEVENTY-FIVE THOUSAND FOUR HUNDRED FORTY-NINE AND 00/100 (\$7,275,449.00) DOLLARS (collectively, the "Wayne Bank Loan"); and

WHEREAS, the Company contemplates completion of the work authorized by the 2006 Agent Agreement with a portion of the proceeds of the Wayne Bank Loan; and

WHEREAS, the Company and the Agency desire to amend and restate the 2006 Agent Agreement (as an Agent and Project Agreement) to facilitate completion previously approved work; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York ("SEQR"), the Agency constitutes a "State Agency"; and

WHEREAS, the Agency has determined that the renovation and equipping of the Project is a Type II action under SEQR and pursuant to the Agency's Resolution, dated September 14, 1998 no further action is required; and

WHEREAS, it is contemplated that the Agency will join in the execution of one or more mortgages (together with any and all related financing documents) which shall not exceed, in the aggregate, SEVEN MILLION EIGHT HUNDRED THOUSAND AND 00/100 (\$7,800,000.00) DOLLARS; and

WHEREAS, on or about April 1, 2007, the Company and the Agency entered into a Payment in Lieu of Tax Agreement ("2007 PILOT"), which was amended on February 12, 2014, by that certain First Amendment to Payment in Lieu of Tax Agreement ("Amended PILOT") and further amended on April 1, 2014 by that certain Second Amendment to Payment in Lieu of Tax Agreement ("Second Amended PILOT" and together with the 2007 PILOT and Amended PILOT collectively referred to as the "PILOT"); and

WHEREAS, the Company and the Agency wish to further amend the PILOT to authorize an escrow account to be funded by monthly deposits to secure future PILOT payments ("Escrow Account").

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. The Chairman, Executive Director or Chief Executive Officer of the Agency, each acting individually, are each hereby authorized, on behalf of the Agency, to execute and deliver one or more mortgages (together with any and all related financing documents) in an aggregate amount not to exceed SEVEN MILLION EIGHT HUNDRED THOUSAND AND 00/100 (\$7,800,000.00) DOLLARS in favor of the Bank thereby abating mortgage recording tax in an amount not to exceed SEVENTY-EIGHT THOUSAND AND 00/100 (\$78,000.00) DOLLARS all in form approved by Counsel to the Agency and with such changes, variations, omissions and insertions as the Chairman, Executive Director or Chief Executive Officer of the Agency shall approve, the execution thereof by the Chairman, Executive Director or Chief Executive Officer of the Agency to constitute conclusive evidence of such approval.

Section 2. Subject to the Company executing an Amended and Restated Agent and Project Agreement in form and substance approved by the Agency's Chief Executive Officer, the Agency hereby authorizes the Company to proceed with the completion of the previously approved Project and hereby appoints the Company as the true and lawful agent of the Agency to construct, renovate, install and equip the Project on behalf of the Agency; with the authority to delegate its status as agent of the Agency to the Company's agents, subagents, contractors, subcontractors, suppliers, vendors and other such parties as the Company may choose. The appointment described above includes the following activities as they relate to the construction,

renovation, installation and equipping of the Project, whether or not the materials, services or supplies described below are incorporated into or become an integral part of the Project; (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the construction, renovation, installation and equipping of the Project; (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description in connection with the construction, renovation, installation and equipping of the Project; and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs with respect thereto), installed or placed in, upon or under the Project, including all repairs and replacements of such property. This agency appointment includes the power to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agents for the Agency, and in general to do all things which may be requisite or proper for completing the Project, all with the same powers and with the same validity as the Agency could do if acting on its own behalf. The aforesaid appointment of the Company as agent of the Agency to construct, renovate, install and equip the Project shall expire on May 31, 2018.

Section 3. In order to facilitate completion of the work authorized by the December 19, 2006 resolution and the 2006 Agent Agreement, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount up to \$600,000, which result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$48,000. The Agency agrees to consider any requests by the Company for increase to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

Section 4. Pursuant to Section 875(3) of the New York General Municipal Law, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any sales and use tax exemption benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the sales and use tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with a material term or condition to use

property or services in the manner approved by the Agency in connection with the Project. As a condition precedent of receiving sales and use tax exemption benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must (i) cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

Section 5. Subject to the Company executing an amendment to the PILOT Agreement, the Agency hereby authorizes the establishment of an escrow account to be funded by monthly deposits to secure future PILOT payments.

Section 6. 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, documents, and 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 on behalf of the Agency desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all the terms, covenants and provisions of the documents for and on behalf of the Agency.

Section 7. It is hereby found and determined that all formal actions of the Agency concerning and relating to the adoption of this resolution were adopted in an open meeting of the Agency; and that all deliberations of the Agency and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 8. The Executive Director, Chief Executive Officer or Counsel to the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company; and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 9. These resolutions shall take effect immediately.

THE MEMBERS VOTED ON THE FOREGOING RESOLUTION AS FOLLOWS:

Ira Steingart	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Suzanne Loughlin	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Sean Rieber	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Edward T. Sykes	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input checked="" type="checkbox"/> Abstain
Howard Siegel	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Scott Smith	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Paul Guenther	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Joseph Perrello	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Carol Roig	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

and therefore, the resolution was declared duly adopted.

STATE OF NEW YORK :
:SS
COUNTY OF SULLIVAN :

I, the undersigned (Assistant) Secretary of the Agency DO HEREBY CERTIFY THAT:

1. I have compared the foregoing copy of a resolution of the Agency with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.
2. Such resolution was passed at a meeting of the Agency duly convened in public session on the 8th day of May, 2017 at 11:00 a.m. at the Sullivan County Government Center, 100 North Street, Village of Monticello, Sullivan County, New York, at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Ira Steingart	[<input checked="" type="checkbox"/>]	[]
Suzanne Loughlin	[<input checked="" type="checkbox"/>]	[]
Sean Rieber	[<input checked="" type="checkbox"/>]	[]
Edward T. Sykes	[<input checked="" type="checkbox"/>]	[]
Howard Siegel	[<input checked="" type="checkbox"/>]	[]
Scott Smith	[]	[<input checked="" type="checkbox"/>]
Paul Guenther	[<input checked="" type="checkbox"/>]	[]
Joseph Perrello	[<input checked="" type="checkbox"/>]	[]
Carol Roig	[<input checked="" type="checkbox"/>]	[]

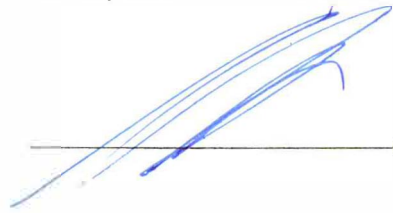
3. The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

Ira Steingart	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Suzanne Loughlin	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Sean Rieber	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[] Yes	[] No	[] Absent	[<input checked="" type="checkbox"/>] Abstain
Howard Siegel	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[] Yes	[] No	[<input checked="" type="checkbox"/>] Absent	[] Abstain
Paul Guenther	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Joseph Perrello	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain

and therefore, the resolution was declared duly adopted.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the 8th day of May, 2017.

A handwritten signature in blue ink, consisting of several overlapping, sweeping strokes that form a cursive, somewhat abstract shape. The signature is positioned above a horizontal line.

Secretary