

## RESOLUTION

A regular meeting of County of Sullivan Industrial Development Agency (“Agency”) was convened in public session at the Sullivan County Government Center, 100 North Street, Village of Monticello, Sullivan County, New York on July 9, 2018 at 11:00 a.m. local time.

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, Agency Executive Director  
Steve White, Agency Chief Executive Officer  
Julio Garaicoechea, Project Manager  
Cassandra Egan, Administrative Assistant  
Walter F. Garigliano, Agency General Counsel

The following resolution was duly offered by Howard Siegel, and seconded by Suzanne Loughlin, to wit:

### Resolution No. 25 - 18

RESOLUTION OF THE COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF SULLIVAN RESORTS, LLC WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW), (ii) MAKING A DETERMINATION UNDER ARTICLE 8 OF THE NEW YORK STATE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH THE PROJECT, (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED WITH RESPECT TO THE PROJECT, AND (iv) AUTHORIZING THE EXECUTION OF A MASTER DEVELOPER DESIGNATION AND AGENT AGREEMENT AND SALES TAX EXEMPTION LETTER; *PROVIDED HOWEVER*, THAT THE FINANCIAL ASSISTANCE

PROVIDED BY THE AGENCY TO THE COMPANY SHALL NOT EXCEED \$100,000 IN THE AGGREGATE

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 560 of the Laws of 1970 of the State of New York, (hereinafter collectively called the "Act"), the Agency was created with the authority and power to promote, develop, encourage and assist in acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, civic, research, and recreational facilities as authorized by the Act, and in connection therewith to issue its revenue bonds, enter into straight lease transactions and provide other forms of financial assistance; and

WHEREAS, Sullivan Resorts, LLC for itself or on behalf of one or more entities now existing or to be formed by it or on its behalf (collectively, the "Company") has submitted an application (the "Application"), a copy of which is on file with the Agency, requesting the Agency's assistance with respect to a certain project (the "Project") consisting of: (i) the demolition of unsafe structures, environmental clean-up, located on approximately six (6) parcels of land containing in the aggregate approximately 582.61 acres located along New York State Routes 17 and 52 and Clements Road within the Town or Village of Liberty, Sullivan County, New York and being comprised of all or a portion of the commonly known Grossinger's Resort Hotel, all as more particularly identified as all or a portion of tax map numbers 23.-1-87, 23.-1-112.3, 29.-2-3, 29.-2-7, 30.-1-1.1, and 125.-1-1.2 (collectively, the "Land") and the existing building, buildings, structure or structures located thereon (collectively, the "Existing Improvements"), (ii) the demolition of certain of the Existing Improvements (the "Building Demolition"), (iii) the construction, reconstruction, renovation and/or repair of water and sewer infrastructure located on the Land (the "Infrastructure Improvements"), and the construction, reconstruction, renovation and/or repair of roadway and drainage infrastructure located on the Land; (iv) the construction, reconstruction, renovation and/or repair of lighting, electricity and connectivity infrastructures on the Land and the development of infrastructure; and (v) the acquisition and installation by the Company in and around the Existing Improvements, the Building Demolition and the Infrastructure Improvements of certain items of equipment and other tangible personal property (the "Equipment" and, collectively with the Land, the Existing Improvements, the Building Improvements and the Infrastructure Improvements, the "Facility"); 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 that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as agent of the Agency for the purpose of undertaking the Project pursuant to a master developer designation and agent agreement (the "Agent Agreement"), (ii) provide financial assistance to the Company in the form of a sales and use tax exemption for otherwise taxable purchases and expenses related to the demolition of the Project (the "Financial Assistance"); and

WHEREAS, the Financial Assistance provided to the Company by the Agency shall not exceed \$100,000; and

WHEREAS, pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto at 6 N.Y.C.R.R. Part 617, as amended (collectively referred to as "SEQRA"), the Agency must satisfy the applicable requirements set forth in SEQRA, as necessary, prior to making a final determination whether to undertake the Project; and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance that the Agency is contemplating with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE COUNTY OF SULLIVAN 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 any other correspondence submitted by the Company to the Agency, 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) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of demolition; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing and/or retaining employment opportunities in Sullivan County, New York and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) 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 demolition and repair of infrastructure, are permitted by right subject only to a demolition permit under applicable local zoning laws; and

(G) The Project constitutes a "tourism destination" as defined in Section 862(2) of the Act.

Section 2. Based upon representations and warranties made by the Company in the Application, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project, that would otherwise be subject to New York State and local sales and use tax in an amount up to \$1,250,000, which result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$100,000. 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. 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, shall (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 3. Subject to the Company executing the Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the demolition of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to demolish the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; *provided, however*, the Agent Agreement shall expire on December 31, 2018 (*unless extended for good cause by the Executive Director of the Agency*).

Section 4. Subject to the terms of this Resolution, the Chairman, Vice Chairman, Executive Director and/or the Chief Executive Officer are hereby authorized, on behalf of the Agency, to (1) execute an Agent Agreement and Sales Tax Exemption Letter (*provided, however, that the Financial Assistance provided by the Agency to the Company thereunder shall not exceed*

*\$100,000 until a public hearing is held in compliance with the Act and a subsequent resolution is adopted by the Agency).*

Section 5. The Agency is hereby authorized to schedule and conduct a public hearing in compliance with the Act.

Section 6. The Financial Assistance provided by the Agency to the Company under the Agent Agreement and related Sales Tax Exemption Letter shall not exceed \$100,000 until such time as a public hearing is held in compliance with the Act and a subsequent resolution is adopted by the Agency.

Section 7. 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 8. These Resolutions shall take effect immediately.

The question of 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	<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
Howard Siegel	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Edward T. Sykes	<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 type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Joseph Perrello	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" 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

The resolutions were thereupon duly adopted.

STATE OF NEW YORK :  
:SS  
COUNTY OF SULLIVAN :

I, the undersigned Secretary (Assistant) 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 9<sup>th</sup> day of July, 2018 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:

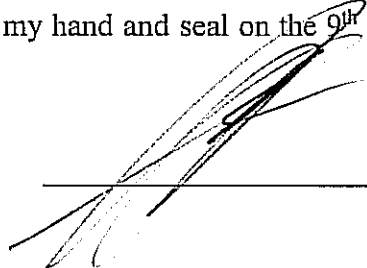
Ira Steingart	[ <input checked="" type="checkbox"/> ] Yes	[   ] No	[   ] Absent	[   ] Abstain
Suzanne Loughlin	[ <input checked="" type="checkbox"/> ] Yes	[   ] No	[   ] Absent	[   ] Abstain
Sean Rieber	[ <input checked="" type="checkbox"/> ] Yes	[   ] No	[   ] Absent	[   ] Abstain
Howard Siegel	[ <input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

and therefore, the resolution was declared duly adopted.

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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 9<sup>th</sup> day of July, 2018.



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Secretary