

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY
One Cablevision Center
Ferndale, New York 12734
845-295-2603
APPLICATION FOR FINANCIAL ASSISTANCE

I. A. APPLICANT INFORMATION:

Company Name: Sullivan Resorts, LLC

Address: 7 Renaissance Square, 4th Floor, White Plains, New York 10601

Phone No.: (914) 769-6500

Telefax No.: (914) 747-2743

Email Address: kmcmanus@icappelli.com

Fed Id. No.: 13-4046331

Contact Person: Kevin McManus, P.E.

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership): N/A

Principal Owners (Shareholders/Members/Owners): Louis R. Cappelli; approx. 99%
Directors/Managers: Louis R. Cappelli, Manager of Grossinger Catskill Resort Group, LLC

Officers: N/A

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)

Form of Entity:

_____ Corporation (Sub-s)

Date of incorporation: _____

State of incorporation: _____

_____ Partnership

General _____ or Limited _____

Number of general partners _____

If applicable, number of limited partners _____

Date of formation: _____

Jurisdiction formation: _____

Limited Liability Company (sole member is Grossinger Catskill Resort Group, LLC)

Date of organization: January 21, 1999

State of organization: New York

_____ Sole Proprietorship

If a foreign organization, is the Applicant authorized to do business in the State of New York? N/A

APPLICANT'S COUNSEL

Name: DeBello Donnellan Weingarten Wise & Wiederkehr, LLP, by Peter J. Wise

Address: One North Lexington Avenue, 11th Floor, White Plains, New York 10601

Phone No.: (914) 681-0200

Telefax No.: (914) 684-0288

Email Address: pjw@ddw-law.com

II. REQUESTED FINANCIAL ASSISTANCE

At this time, the Applicant requests financial assistance only for the first phase of the Project ("Phase I"), consisting of the activities and work described in Section IV of Exhibit B attached hereto.¹

	<u>Estimated Value</u>
Real Property Tax Abatement (estimated)	\$ TBD ¹
Mortgage Tax Exemption	\$ TBD ¹
Sales and Use Tax Exemption	\$ TBD
Issuance by the Agency of Tax Exempt Bonds	\$ N/A

III. PROJECT INFORMATION

A.) Project Location: The Project site fronts on NYS Routes 17 and 52 and straddles a portion of Clements Road. See Exhibit A attached hereto (legal description).

Project Address:

Tax Map Number(s): Town of Liberty Sec. 23, Bl. 1, Lots 87 and 112.3; Sec. 29, Bl. 2, Lots 3 and 7; Sec. 30, Bl. 1, Lot 1 – Village of Liberty Sec. 125, Bl. 1, Lot 1.2

Located in the Village of: Liberty

Located in Town of: Liberty

Located in the School District of: Liberty

Located in Hamlet of: N/A

(i) Are Utilities on Site?

Water/Sewer X

Electric X

Gas —

Storm Sewer X

(ii) Present legal owner of the site: Sullivan Resorts, LLC

If other than Applicant, by what means will the site be acquired for this Project:

N/A

(iii) Zoning of Project site: Current: R-1 Proposed: PUD

(iv) Are any variances needed: TBD

¹ The other components of the Project described in Section V of Exhibit B have not yet been designed or approved by the Town of Liberty Planning Board. The Applicant anticipates applying to the Agency for financial assistance for other qualified components of the Project when approved by the Town and proposed to be constructed.

(v) Principal Use of Project upon completion: Destination Resort. See Exhibit B attached hereto.

B.) Will the Project result in the removal of a plant or facility of the Applicant or a proposed Project occupant from one area of the State of New York to another area of the State of New York? No.

C.) Will the Project result in the abandonment of one or more Plants or facilities of the Applicant or a proposed Project occupant located in the State of New York? No.

D.) If the answer to either question B or C above is yes, you are required to indicate whether any of the following apply to the Project: N/A

1. Is the Project reasonably necessary to preserve the competitive position of the Applicant or such Project Occupant in its industry? Yes _____; No _____. If yes, please explain:

2. Is the Project reasonably necessary to discourage the Applicant or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes _____; No _____. If yes, please explain:

E.) Will the Project include facilities or property that will be primarily used in making retail sales of goods or provide services to customers who personally visit such facilities? No.

F.) Please provide a narrative of the Project and the purpose of the Project (new build, renovations, and/or all equipment purchases). Identify specific uses occurring within the Project. Describe any and all tenants and any/all end users. Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected. Attach additional sheets, if necessary.

See Exhibit B attached hereto.

G.) COSTS AND BENEFITS OF THE PROJECT (Phase I Only)

Costs = Financial Assistance

Estimated Sales Tax Exemption	\$ TBD
Estimated Mortgage Tax Exemption	\$ TBD

Estimated Property Tax Abatement	\$ TBD
Estimated Interest Savings IRB Issue	\$ N/A

Benefits = Economic Development

Jobs created	Approx. 25
Jobs retained	N/A
Private funds invested	Approx. \$6,251,232
Other Benefits	_____

Estimate how many construction/permanent jobs will be created or retained as a result of this Project:

Construction:	Approx. 25
Permanent:	None (for Phase I)
Retained (at current facility):	N/A

Project Costs (Estimates)	See <u>Exhibit B</u> attached hereto.
Land and Existing Buildings	\$ _____
Soft Costs (5%)	\$ _____
Other	\$ _____
Total	Approx. \$6,251,232

In addition to the above estimated capital costs of the project, which must include all costs of real property and equipment acquisition and building construction or reconstruction, you must include details on the amounts to be financed from private sector sources, an estimate of the percentage of project costs financed from public sector sources and an estimate of both the amount to be invested by the Applicant and the amount to be borrowed to finance the Project.

In addition to the job figures provided above, please indicate the following:

- 1) The projected number of full time equivalent jobs that would be retained and that would be created if the request for financial assistance is granted.

- 2) The projected timeframe for the creation of new jobs.

The Phase I work is anticipated to have a duration of six (6) months

- 3) The estimated salary and fringe benefit averages or ranges for categories of the jobs that would be retained or created if the request for financial assistance is granted.

TBD

- 4) An estimate of the number of residents of the economic development region as established pursuant to section two hundred thirty of the Economic Development Law, in which the project is located that would fill such jobs. The labor market area defined by the agency (Mid-Hudson Economic Development Region)
-

H.) State whether there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Agency, or, if the project could be undertaken without financial assistance provided by the Agency, a statement indicating why the project should be undertaken by the Agency:

Financial assistance is sought for the first phase of the intended redevelopment of the former Grossinger's Resort Hotel, which has been shuttered for more than 30 years, as a vibrant, new resort community with hotel, spa and other related uses, a renovated championship golf course, and residences. The restoration of this iconic property to productive use would not be undertaken without Agency assistance.

IV. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A) Job Listings. In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA")

in which the Project is located.

- B) First Consideration for Employment. In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C) Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.
- D) Annual Employment Reports. The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.
- E) Absence of Conflicts of Interest. The Applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described.
- F.) The Applicant represents that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

- G.) The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- H.) The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
- I.) The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Agency will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

Sullivan Resorts, LLC
By: Grossinger Catskill Resort Group, LLC,
sole member

By: 
Louis R. Cappelli, Manager

Date: June 13, 2018

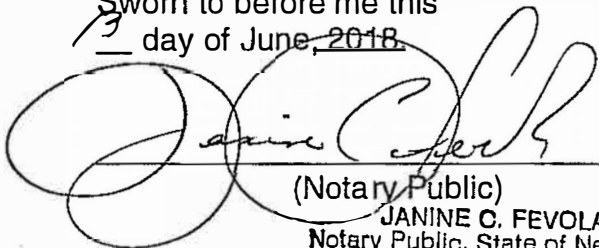
STATE OF NEW YORK)
COUNTY OF WESTCHESTER) ss.:

Louis R. Cappelli, being first duly sworn, deposes and says:

1. That I am the Manager of Grossinger Catskill Resort Group, LLC, the sole member of Sullivan Resorts, LLC (the "Applicant") and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.


Louis R. Cappelli

Sworn to before me this
13 day of June, 2018.


(Notary Public)
JANINE C. FEVOLA
Notary Public, State of New York
No. 01FE6186788
Qualified in Westchester County
Commission Expires May 12, 2020

THIS APPLICATION SHALL BE SUBMITTED WITH (I) TWO CHECKS: ONE COVERING A \$250.00 APPLICATION FEE AND THE SECOND COVERING A \$5,000.00 UP-FRONT ESCROW DEPOSIT; AND (II) APPLICANT'S FORMATION DOCUMENTS (IE: IF A CORPORATION: ITS CERTIFICATE OF INCORPORATION AND BYLAWS; IF A LIMITED LIABILITY COMPANY: ITS ARTICLES OF ORGANIZATION AND OPERATING AGREEMENT; IF A LIMITED PARTNERSHIP: ITS CERTIFICATE OF LIMITED PARTNERSHIP AND LIMITED PARTNERSHIP AGREEMENT; OR IF A PARTNERSHIP: ITS PARTNERSHIP AGREEMENT TO:

**COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY
Executive Director
ONE CABLEVISION CENTER
FERNDALE, NEW YORK 12734**

HOLD HARMLESS AGREEMENT

Applicant hereby releases the COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof ("Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with the respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

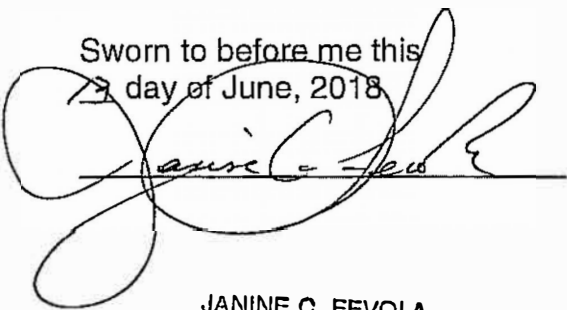
Sullivan Resorts, LLC
By: Grossinger Catskill Resort Group, LLC,
sole member



By: _____
Louis R. Cappelli, Manager

Date: June __, 2018

Sworn to before me this
28 day of June, 2018



JANINE C. FEVOLA
Notary Public, State of New York
No. 01FE6186788
Qualified in Westchester County
Commission Expires May 12, 2020

EXHIBIT A

LEGAL DESCRIPTION OF THE PROJECT SITE

PARCEL I

ALL that certain tract or parcel of land situate in the Town of Liberty, County of Sullivan, State of New York, being situate partly within the Village of Liberty, bounded and described as follows:

BEGINNING at a point in the center of traveled way of New York State Route 52 at the center of a bridge crossing the outlet brook from Grossinger's Lake, said point of beginning being the southeasterly corner of lands of Benton as described in Liber 743 of deeds at page 486, said point of beginning being further described as North 42 degrees 46 minutes 48 seconds West 82.69 feet as measured along the center of traveled way of said road from a point at the most westerly corner of lands of Ward as described in Liber 733 of deeds at page 1103 and running thence from said point of beginning the following courses and describes upstream along the center of said brook, it being the easterly line of lands of said Benton;

North 47 degrees 58 minutes 07 seconds East 15.43 feet; North 89 degrees 25 minutes 40 seconds East 44.05 feet; North 2 degrees 05 minutes 09 seconds West 94.51 feet; South 78 degrees 12 minutes 31 seconds East 64.64 feet; North 34 degrees 40 minutes 58 seconds East 64.35 feet; North 30 degrees 40 minutes 07 seconds West 88.93 feet; North 21 degrees 00 minutes 43 seconds East 128.71 feet; North 13 degrees 48 minutes 03 seconds East 63.72 feet; South 86 degrees 56 minutes 02 seconds East 104.32 feet; North 30 degrees 47 minutes 14 seconds East 108.00 feet; North 11 degrees 51 minutes 47 seconds East 63.58 feet; North 33 degrees 04 minutes 15 seconds East 190.20 feet;

North 15 degrees 26 minutes 39 seconds West 149.83 feet; and

North 13 degrees 51 minutes 19 seconds East 13.82 feet to a point in the center of said brook at the most northerly corner of said Benton Parcel;

THENCE leaving said brook and running South 52 degrees 17 minutes 00 seconds West 879.19 feet passing through the base of a hemlock stump found and passing generally along a wire fence line evidencing the northwesterly line of said Benton parcel to a point in the center of traveled way of New York State Route 52;

THENCE the following courses and distances along the center of traveled way of said road:

North 37 degrees 03 minutes 52 seconds West 37.70 feet; North 36 degrees 30 minutes 51 seconds West 177.83 feet; North 41 degrees 07 minutes 13 seconds West 144.64 feet; North 48 degrees 44 minutes 58 seconds West 106.94 feet; North 52 degrees 13 minutes 50 seconds West 148.54 feet; and

North 58 degrees 29 minutes 01 seconds West 101.35 feet to a point in the center of traveled way of said road at the southeast corner of lands of Orseck Realities Inc. as described in Liber 775 of deeds at page 511 and Liber 771 of deeds at page 1021;

THENCE leaving said road and running North 17 degrees 29 minutes 59 seconds East 91.06 feet passing to and along the highway bounds of New York State Route 52 to a point;

THENCE leaving said road and running North 2 degrees 50 minutes 57 seconds West 248.06 feet passing along the easterly line of said Orseck Parcel to a point;

THENCE North 31 degrees 22 minutes 04 seconds East 135.93 feet continuing along lands of said Orseck to a point;

THENCE North 36 degrees 03 minutes 03 seconds West 237.83 feet passing along the northerly line

of said Orseek parcel to and along the northerly line of lands of Howmar Realty Inc. to a point;
THENCE North 1 degree 55 minutes 00 seconds West 557.00 feet passing along the easterly line of
said Howmar Realty Inc. parcel to a point on the easterly bounds of Subdivision Map Parcel No. 3-A
40.12 acre parcel as shown on a subdivision map entitled "Subdivision Map Grossinger's
Associates" filed in the Sullivan County Clerk's Office as Map No. 4-308 and Map No. 4-360;
THENCE the following courses and distances along the bounds of said 40.12 acre parcel:
North 3 degrees 01 minutes 00 seconds East 322.11 feet; North 56 degrees 20 minutes 00
seconds West 535.84 feet; North 48 degrees 44 minutes 00 seconds West 250.14 feet; North 30
degrees 41 minutes 00 seconds West 411.60 feet; North 56 degrees 32 minutes 00 seconds West
215.78 feet; North 1 degree 24 minutes 00 seconds West 123.04 feet; North 42 degrees 21
minutes 00 seconds West 198.91 feet; South 49 degrees 20 minutes 00 seconds West 102.83 feet;
South 29 degrees 08 minutes 00 seconds West 139.67 feet; South 10 degrees 58 minutes 00
seconds West 99.82 feet; South 25 degrees 55 minutes 00 seconds East 118.97 feet; South 13
degrees 21 minutes 00 seconds East 220.97 feet; South 23 degrees 21 minutes 00 seconds East
95.85 feet; South 51 degrees 19 minutes 00 seconds West 289.55 feet; South 10 degrees 24
minutes 00 seconds West 49.82 feet; and
South 40 degrees 11 minutes 48 seconds West 415.24 feet to a point in the center of traveled way of
New York State Route 52;
THENCE the following courses and distances along the center of traveled way of said road:
North 57 degrees 47 minutes 58 seconds West 85.89 feet; North 70 degrees 37 minutes 32
seconds West 101.83 feet; North 77 degrees 52 minutes 44 seconds West 158.87 feet; North 70
degrees 55 minutes 06 seconds West 99.72 feet; North 54 degrees 53 minutes 52 seconds West
104.78 feet; and
North 42 degrees 22 minutes 55 seconds West 52.64 feet to a point in the center of traveled way of
said road;
THENCE the following courses and distances along the northeasterly bounds of said highway;
North 27 degrees 32 minutes 04 seconds West 272.00 feet; North 44 degrees 49 minutes 56
seconds West 157.00 feet; North 30 degrees 51 minutes 56 seconds West 125.00 feet; North 26
degrees 55 minutes 18 seconds West 51.00 feet; and
North 14 degrees 43 minutes 05 seconds West 138.00 feet to a point on the easterly bounds of said
highway at the southwesterly corner of lands of Pesin as described in Liber 791 of deeds at page
888;
THENCE leaving said highway bounds and running North 63 degrees 04 minutes 54 seconds East
293.78 feet passing along the southerly line of said Pesin parcel to a point at the southeast corner
of same;
THENCE North 39 degrees 24 minutes 36 seconds West 76.80 feet passing within an old roadway and
passing along the east line of said Pesin parcel to a point;
THENCE South 71 degrees 19 minutes 58 seconds West 255.00 feet passing along the northerly
line of said Pesin parcel to a point on the easterly bounds of Old New York State Route 17;
THENCE the following courses and distances' along said highway bounds:
North 11 degrees 37 minutes 04 seconds West 239.00 feet; North 57 degrees 04 minutes 54 seconds
East 63.00 feet; North 34 degrees 40 minutes 21 seconds East 49.50 feet;
North 53 degrees 49 minutes 01 seconds West 206.58 feet to a point at the most southerly corner of
lands of Rosch & Weston as described in Liber 793 of deeds at page 1155-1165 and Liber 949 of
deeds at page 158;
THENCE North 60 degrees 57 minutes 57 seconds East 252.14 feet passing along the southerly
line of said Rosch and Weston parcel to a point in the center of old roadway at the southeasterly

corner of said Rosch and Weston parcel;

THENCE 39 degrees 22 minutes 52 seconds West 175.27 feet passing along the center of traveled way of said road to a point in the center of traveled way of Clements Road-Town Road No. 15;

THENCE North 21 degrees 05 minutes 05 seconds East 155.00 feet along the southeasterly line of lands of Rosenberg (see Liber 1139 of deeds at page 26) to an iron pin found at the most easterly corner of said parcel;

THENCE North 69 degrees 26 minutes 42 seconds West 60.00 feet passing along the northerly line of said Rosenberg parcel to an iron pin found at the most northerly corner of said parcel;

THENCE South 21 degrees 04 minutes 36 seconds West 168.23 feet passing along the northwesterly line of said Rosenberg parcel to a point on the northerly bounds of Clements Road;

THENCE South 58 degrees 15 minutes 15 seconds West 195.87 feet passing along the northerly bounds of said road to a point on the easterly bounds of New York State Route 117 Quickway Entrance Road;

THENCE the following courses and distances along the easterly bounds of said New York State Route 17 Quickway parcel:

North 28 degrees 55 minutes 10 seconds West 140.00 feet; North 9 degrees 28 minutes 59 seconds East 286.00 feet; North 14 degrees 35 minutes 51 seconds West 104.00 feet; South 85 degrees 05 minutes 29 seconds West 24.00 feet; South 49 degrees 04 minutes 16 seconds West 22.00 feet; South 7 degrees 05 minutes 46 seconds West 133.00 feet; North 48 degrees 06 minutes 57 seconds West 128.00 feet; North 4 degrees 20 minutes 00 seconds West 419.00 feet; North 0 degrees 16 minutes 52 seconds East 438.22 feet; North 0 degrees 37 minutes 08 seconds West 62.03 feet; North 1 degree 46 minutes 52 seconds East 148.00 feet; North 4 degrees 43 minutes 56 seconds West 152.00 feet; North 87 degrees 31 minutes 53 seconds East 114.00 feet; North 6 degrees 11 minutes 58 seconds West 398.00 feet; North 2 degrees 56 minutes 17 seconds West 562.84 feet; North 6 degrees 25 minutes 42 seconds East 597.53 feet; and North 12 degrees 54 minutes 00 seconds East 617.02 feet to a point in the center of the Mongaup River;

THENCE upstream along the center of said river the following courses and distances:

North 50 degrees 27 minutes 06 seconds East 98.10 feet;

North 34 degrees 33 minutes 56 seconds East 118.89 feet; and

North 58 degrees 16 minutes 08 seconds East 113.19 feet to a point in the center of said river at the most easterly corner of lands of Asthalter as described in Liber 709 of deeds at page 516 and page 930;

THENCE leaving said river and running the following courses and distances along the northerly bounds of said Asthalter parcel:

North 58 degrees 16 minutes 56 seconds West 152.32 feet;

North 31 degrees 43 minutes 02 seconds East 75.00 feet;

North 58 degrees 47 minutes 55 seconds West 163.00 feet to a point on the easterly bounds of said New York State Route 17-Quickway;

THENCE North 11 degrees 21 minutes 00 seconds East 328.00 feet passing along the easterly bounds of said highway to a point;

THENCE leaving said highway bounds and running South 47 degrees 57 minutes 58 seconds East 148.00 feet passing along the southwesterly line of lands of Asthalter to a point at the most southerly corner of same;

THENCE North 45 degrees 27 minutes 02 seconds East 276.00 feet passing along the southeasterly line of said Asthalter to and along the southeasterly line of lands of Kahn to a point;

THENCE North 49 degrees 07 minutes 01 seconds East 343.55 feet passing along the southeasterly

line of lands of Beiling to an iron pin set;
THENCE North 12 degrees 14 minutes 53 seconds East 122.66 feet passing along the easterly line of said Beiling parcel to a concrete highway monument found;
THENCE North 62 degrees 29 minutes 00 seconds East 60.32 feet passing along the southerly bounds of the Neversink Road County Road No. 16 to highway monument found beneath the grounds surface at the northwest corner of Delamarter (see Liber 730 of Deeds at page 365);
THENCE South 12 degrees 14 minutes 57 seconds West 187.12 feet passing along the westerly line of said Delamarter parcel to and along a parcel having been referred to as under contract to Bitjeman to a point at the southwesterly corner of said parcel;
THENCE South 74 degrees 10 minutes 57 seconds East 93.00 feet along the southerly bounds of said contract parcel to a point on the westerly line of lands of Schmidt (see Liber 709 of Deeds at page 390);
THENCE South 29 degrees 34 minutes 08 seconds West 103.00 feet passing along the northwesterly line of said Schmidt parcel to an iron pin set;
THENCE South 58 degrees 26 minutes 03 seconds East 213.84 feet passing along the southwest line of said Schmidt parcel to an iron pin set;
THENCE South 29 degrees 33 minutes 31 seconds West 20.72 feet to a point;
THENCE continuing along lands of said Schmidt South 56 degrees 49 minutes 00 seconds East 1320.49 feet to and along the southerly line of lands reputedly of Mariner, said parcel having been described in Liber 213 of deeds at page 267 to a point;
THENCE North 31 degrees 21 minutes 00 seconds East 720.22 feet passing along the easterly line of lands of said Mariner to a point at the southwesterly corner of lands of Hasbrouck;
THENCE South 69 degrees 03 minutes 00 seconds East 243.61 feet passing along the southerly line of said Hasbrouck to and along the southerly line of lands of Davis to a point;
THENCE South 73 degrees 14 minutes 00 seconds East 103.00 feet passing along the southerly line of lands of Mase to a point;
THENCE North 31 degrees 21 minutes 00 seconds East 200.00 feet passing along the east line of said Mase parcel to a point;
THENCE South 59 degrees 53 minutes 00 seconds East 270.00 feet passing along the southerly line of said Mase to and along the southerly line of lands of Knight to a point;
THENCE North 16 degrees 36 minutes 39 seconds East 145.34 feet passing along the easterly line of lands of said Knight to a point at the southwesterly corner of lands of Hook;
THENCE North 86 degrees 46 minutes 00 seconds East 343.00 feet passing along the southerly line of said Hook parcel to a point at the southeasterly corner of same;
THENCE North 20 degrees 32 minutes 00 seconds East 243.00 feet passing along the east line of said Hook parcel to a point;
THENCE South 53 degrees 31 minutes 22 seconds East 391.79 feet passing along the southerly line of lands of Kip to a point;
THENCE South 32 degrees 04 minutes 00 seconds West 264.00 feet passing along the westerly line of lands of Simpson as described in Liber 279 of deeds at page 573 to a point;
THENCE South 57 degrees 54 minutes 00 seconds East 330.00 feet passing along the southerly line of said Simpson parcel to a point;
THENCE North 32 degrees 04 minutes 00 seconds East 264.00 feet passing along the easterly line of said Simpson parcel to a point;
THENCE South 57 degrees 54 minutes 00 seconds East 16.50 feet passing along a south line of lands of said Simpson as described in Liber 207 of deeds at page 257 to a point;
THENCE North 51 degrees 06 minutes 00 seconds East 87.68 feet passing along the east line of

remaining lands of said Simpson to a point in the center of traveled way of Town Road No. 31;
THENCE South 40 degrees 42 minutes 02 seconds East 78.65 feet and South 46 degrees 34 minutes 58 seconds East 125.78 feet passing along the center of traveled way of said road to a point;
THENCE leaving said road and running South 33 degrees 03 minutes 00 seconds West 391.21 feet passing along the westerly line of lands of Finkelstein as described in Liber 709 of deeds at page 198 to a point;
THENCE South 67 degrees 19 minutes 00 seconds East 18.50 feet passing along the southerly line of said Finkelstein parcel to a point at the northwesterly corner of lands of Netsky as described in Liber 455 of deeds at page 324;
THENCE South 42 degrees 56 minutes 00 seconds West 235.58 feet passing along the westerly line of said Netsky parcel to a point;
THENCE North 56 degrees 30 minutes 00 seconds West 242.34 feet passing along a line of certification to a point; said course passing along lands of said Netsky;
THENCE South 31 degrees 55 minutes 07 seconds West 369.39 feet continuing along a certification line, the intention being to pass along the westerly line of land of said Netsky as further described in Liber 1035 of deeds at page 221 to a point;
THENCE South 62 degrees 16 minutes 00 seconds East 299.57 feet passing along a wire fence line evidencing the possession line of lands of said Netsky to a point;
THENCE South 30 degrees 54 minutes 00 seconds West 260.59 feet passing along westerly line of lands of LaMariana to a point at the southwesterly corner of same;
THENCE South 56 degrees 30 minutes 00 seconds East 77.45 feet passing along the southerly line of said LaMariana parcel to a point at the northwesterly corner of lands of Lombardo (see Liber 1013 of deeds at page 29);
THENCE South 56 degrees 49 minutes 00 seconds East 267.97 feet passing along the southerly line of said Lombardo parcel to a point in the center of traveled way of Clements Road;
South 31 degrees 31 minutes 00 seconds West 318.83 feet and South 31 degrees 56 minutes 19 seconds West 135.74 feet passing along the center of traveled way of said road to a point at the northeast corner of lands of Meadow;
THENCE leaving said road and running North 55 degrees 35 minutes 00 seconds West 309.69 feet passing along the northerly line of said Meadow parcel to a point at the northwesterly corner of same;
THENCE South 34 degrees 00 minutes 00 seconds West 120.00 feet passing along the westerly line of said Meadow parcel to a point;
THENCE North 55 degrees 35 minutes 00 seconds West 185.70 feet passing along the northerly line of lands of Pollack to a point on the easterly line of lands of Ackerman as described in Liber 451 of deeds at page 386;
THENCE North 31 degrees 56 minutes 00 seconds East 234.19 feet passing along said easterly line to a point at the northeasterly corner of lands of said Ackerman;
THENCE North 58 degrees 04 minutes 00 seconds West 1242.17 feet passing along the northerly line of said Ackerman as described in Liber 451 of deeds at page 386 and Liber 507 of deeds at page 593 to a point at the northwesterly corner of same;
THENCE South 32 degrees 54 minutes 00 seconds West 535.82 feet passing along the westerly line of said Ackerman parcel to a point;
THENCE continuing along said westerly line South 32 degrees 04 minutes 59 seconds West 496.19 feet to a point;
THENCE South 61 degrees 35 minutes 16 seconds East 600.00 feet passing along the south line of said Ackerman parcel to a point;
THENCE South 2 degrees 15 minutes 56 seconds East 861.94 feet passing along lands of Clements

to a point;
THENCE South 58 degrees 06 minutes 01 seconds East 430.00 feet passing along the south line of lands of said Clements to a point in the center of traveled way of Clements Road;
THENCE the following courses and distances along the center of traveled way of said road:
South 56 degrees 23 minutes 00 seconds West 85.84 feet;
South 57 degrees 43 minutes 49 seconds West 94.76 feet; and
South 58 degrees 14 minutes 17 seconds West 87.17 feet to a point in the center of traveled way of said road;
THENCE leaving said road and running South 49 degrees 36 minutes 38 seconds East 396.12 feet passing along the southerly line of other lands of Clements to a point;
THENCE South 57 degrees 50 minutes 00 seconds East 835.72 feet passing to and along the south line of lands of Grossinger Development Corp. as described in Liber 1344 of deeds at page 66 to a point;
THENCE North 33 degrees 38 minutes 08 seconds East 1405.00 feet passing along the easterly line of said Grossinger Development Corp. parcel to a point;
THENCE South 57 degrees 48 minutes 28 seconds East 320.00 feet passing along a southerly line of said Grossinger Development Corp. parcel to a point;
THENCE South 0 degrees 06 minutes 50 seconds West 290.42 feet to and along the shoreline of Grossinger Lake to a point;
THENCE South 16 degrees 57 minutes 30 seconds West 237.64 feet passing along the easterly shore line of said Lake to a point;
THENCE South 57 degrees 55 minutes 35 seconds East 206.23 feet passing along a common line parcel between Parcel No. 1 and Parcel No. 2 of the Grossinger's Lot Improvement Nat as filed in the Sullivan County Clerk's Office in Plat Cabinet No. 6 as Map No, 309 to a point in the center of a 50 foot wide right of way leading northeasterly to Airport Road;
THENCE continuing said course South 57 degrees 55 minutes 35 seconds East 449.78 feet to an iron pin set;
THENCE North 32 degrees 04 minutes 25 seconds East 933.25 feet continuing along a common line between said Parcel No. 1 and Parcel No. 2 to an iron pin set;
THENCE continuing along said common boundary South 57 degrees 55 minutes 35 seconds East 331.90 feet to an iron pin set;
THENCE South 32 degrees 04 minutes 25 seconds West 400.00 feet passing along the northwesterly line of lands of the County of Sullivan to an iron pin found;
THENCE South 57 degrees 55 minutes 35 seconds East 93.10 feet continuing along said County lands to an iron pin found;
THENCE South 32 degrees 04 minutes 25 seconds West 1463.91 feet still along said County lands to an iron pin found;
THENCE South 57 degrees 50 minutes 00 seconds East 892.49 feet passing along the southwesterly line of lands of the County of Sullivan as evidenced part of the way by a wire fence line to an iron pin set at the most northerly corner of lands of Hinds;
THENCE South 27 degrees 25 minutes 00 seconds West 3282.38 feet passing along the westerly line of lands of said Hinds, the Town of Liberty, and Kraut to a point on the northeasterly line of lands of Ward;
THENCE North 43 degrees 13 minutes 29 seconds West 78.29 feet passing along lands of said Ward to a point;
THENCE South 46 degrees 41 minutes 02 seconds West 231.00 feet passing along the northwesterly line of lands of said Ward to a point in the center of traveled way of New York State

Route 52;

THENCE North 42 degrees 46 minutes 48 seconds West 82.69 feet passing along the center of traveled way of said road to the point or place of BEGINNING.

PARCEL II

ALL that certain tract or parcel of land situate in the Town of Liberty, County of Sullivan, State of New York, being bounded and described as follows:

BEGINNING at a point in the center of traveled way of Clements Road Town Road No. 15, said point of beginning being the southeasterly corner of lands of Pollack (see Liber 765 of deeds at page 974) and

RUNNING THENCE from said place of beginning South 31 degrees 56 minutes 00 seconds West 70.71 feet passing along the center of traveled way of said road to a point at the northeast corner of lands of Ackerman (see Liber 394 of deeds at page 493);

THENCE leaving said road and running North 58 degrees 04 minutes 00 seconds West 499.20 feet passing along the northerly line of said Ackerman parcel and other lands of Ackerman to a point;

THENCE North 31 degrees 56 minutes 00 seconds East 92.36 feet passing along an east line of said Ackerman to a point at the southwest corner of lands of said Pollack;

THENCE South 55 degrees 35 minutes 00 seconds East 499.67 feet passing along the south line of said Pollack to the point or place of BEGINNING.

PARCEL III

ALL that certain tract or parcel of land situate in the Town of Liberty, County of Sullivan, State of New York, being bounded and described as follows:

BEGINNING at a point in the center of traveled way of Old Route 17, now lying between the westerly bounds of New York State Route 17-Quickway and the easterly bounds of New York State Route 52, said parcel being on a dead end roadway, said point of beginning being the southeasterly corner of lands of Finn as described in Liber 1080 of deeds at page 159 and

RUNNING THENCE from said place of beginning the following courses and distances along the center of traveled way of Old Route 17;

North 22 degrees 53 minutes West 60.31 feet;

North 23 degrees 59 minutes 49 seconds West 303.92 feet and

North 29 degrees 37 minutes 54 seconds West 153.15 feet to a point in the center of traveled way of said old roadway;

THENCE leaving said roadway and running North 51 degrees 28 minutes 58 seconds East 271.06 feet passing along the southerly bounds of an exit ramp on said Quickway to a highway monument found;

THENCE South 4 degrees 24 minutes 29 seconds East 663.40 feet passing along the westerly bounds of said Quickway to a highway monument found;

THENCE South 67 degrees 07 minutes 23 seconds West 26.91 feet to a point in the center of traveled way of said Old Route 17;

THENCE South 22 degrees 52 minutes 34 seconds East 30.09 feet along the center of traveled way of said road to a point at the northeast corner of lands of Isacowitz as described in Liber 793 of deeds at page 1126;

THENCE leaving said roadway and running South 68 degrees 29 minutes 56 seconds West 186.35 feet passing along the northerly line of said Isacowitz parcel to a point on the easterly bounds of New York State Route 52;

THENCE North 6 degrees 57 minutes 04 seconds West 72.30 feet passing along said easterly bounds to a point at the southwesterly corner of lands of said Finn;

THENCE North 68 degrees 30 minutes 01 seconds East 166.50 feet passing along the southerly bounds of said Finn parcel to the point or place of BEGINNING.

EXCEPTING therefrom Parcel III so much that was appropriated by The People of the State of New York recorded 5/5/2004 in Liber 2760 Page 567.

TOGETHER with the benefits and subject to the burdens of the following:

Declaration of Easement (the "Temporary Construction Easement") in Liber 1660 Page 372. Declaration of Easement (the "Golf Course Roadway Easement") in Liber 1660 Page 227. Declaration of Easement (the "STP Easement") in Liber 1660 Page 275.

Declaration of Easement (the "Utility/Encroachment Easement") in Liber 1660 Page 304.

Declaration of Easement (the "Route 52 Access Easement") in Liber 1660 Page 325.

Declaration of Easement (the "Parcel B Access Easement") in Liber 1660 Page 349. Declaration of Easement (the "Town Road No. 31 Access Easement") in Liber 1660 Page 212. Sewer Easement recorded in Liber 932 Page 106.

EXHIBIT B

The Project

I. INTRODUCTION:

For nearly twenty years, Sullivan Resorts, LLC (the "Applicant") has been the owner of the former Grossinger's Resort Hotel, located on a total of 582.61 acres, of which approximately 480 acres are situated in the Town of Liberty and the remaining 102 acres are located in the Village of Liberty. The Project site fronts on NYS Routes 17 and 52 and straddles a portion of Clements Road. The Applicant intends to redevelop the portion of the Project site in the Town of Liberty.

II. EXISTING CONDITIONS:

The Project site includes many significant features such as the "Big G" championship golf course and the 30 acre Grossinger's Lake. The property also features several promontories with sweeping views of the surrounding countryside. The Project site includes hundreds of acres of open space, comprised of the golf course and woodlands.

The former Grossinger's Resort Hotel was comprised of more than twenty (20) buildings with a total floor area of approximately 460,000 square feet. The resort featured its own power plant, its own zip code, indoor and outdoor tennis, indoor and outdoor pools, championship golf, a skating rink, skiing, horse trails and more. The resort had approximately 600 rooms and is reported to have had as many as 150,000 guests annually. The buildings have been shuttered since the resort closed more than thirty years ago, and are now well beyond restoration and re-use, and, after asbestos abatement is completed, require demolition. There are also numerous areas on the Project site that exhibit surface and subsurface soil and groundwater contamination.

III. BROWNFIELD CLEAN-UP PROGRAM:

In March, 2017, an application was submitted to the New York State Department of Environmental Conservation ("NYSDEC") for admission of portions of the Project site into the Brownfield Clean-up Program ("BCP"). On April 16, 2018, after several months of review and significant investigative testing, NYSDEC and the Applicant entered into a Brownfield Clean-up Agreement ("BCA"). The BCA requires remediation of an approximately 19 acre portion of the site, including the majority of the former hotel building complex. All remediation work will be reviewed and approved by NYSDEC and will be performed under the supervision of a licensed environmental professional.

IV. PHASE I OF THE PROJECT:

- a. **Scope:** Phase I of the Project consists of: 1) securing the perimeter of the work area; 2) abating all buildings with asbestos; 3) demolishing all buildings; 4) performing additional investigation for contamination under each former building slab; 5) removing all foundations; 6) crushing and stockpiling of masonry and concrete for future use; 7) performing all requisite removal of all contaminated soils and groundwater remediation so as to comply with NYSDEC residential (Track 1 unrestricted) clean-up standards; and 8) stabilizing the disturbed ground with vegetation.

b. Anticipated Costs: The anticipated costs to complete Phase I of the Project are as follows:

1. Asbestos abatement and demolition: \$3,826,614.00
2. Soil and groundwater remediation: \$950,000.00
3. Site stabilization: \$174,240.00
4. Engineering and testing: \$150,000.00
5. Surveying: \$10,000.00
6. Environmental counsel: \$75,000.00
7. Project management: \$200,000.00
8. Permitting and inspection fees: \$50,000.00
9. Contingency (15%): \$815,378.10

Total: \$6,251,232.10

c. Projected temporary job creation: The Phase I work will conservatively generate 25 jobs for the expected 6 month duration.

V. FUTURE PROJECT DEVELOPMENT:

Once Phase I of the Project is completed, the Applicant intends to seek the requisite legal entitlements, including the re-zoning of the Project site to Planned Unit Development District and site and subdivision approvals, to redevelop the Project site as a vibrant, \$50,000,000.00 state of the art resort community with the following anticipated components:

- A 250 room luxury hotel.
- Spa/wellness center.
- Convention center and live music venue.
- Renovated "Big G" championship golf course with a golf club house.
- Nightclub & Restaurant.
- Recreational facilities such as indoor and outdoor pools, tennis, paddle tennis, hiking and cross country trails.
- Single and multi-family residences.
- Hundreds of acres of "open space".

F 990121000747

ARTICLES OF ORGANIZATION

OF

SULLIVAN RESORTS, LLC

Under Section 203 of the Limited Liability Company Law

FIRST: The name of the limited liability company is: Sullivan Resorts, LLC.

SECOND: The county within this state in which the office of the limited liability company is to be located is: Westchester.

THIRD: The Secretary of State is designated as agent of the limited liability company upon whom process against it may be served. The post office address within or without this state to which the Secretary of State shall send a copy of any process against the limited liability company served upon him or her is: Weckell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, NY 10019; Attention: Stephen G. Gelfman.

FOURTH: The Articles of Organization are effective upon filing.

FIFTH: The limited liability company is to be managed by:

- one or more members
- a class or classes of members
- one or more managers
- a class or classes of managers

IN WITNESS WHEREOF, this certificate has been submitted this 20th day of January 1999 by the undersigned who affirms that the statements made herein are true under the penalties of perjury.

Jeanne H. Katoe
Name: Jeanne H. Katoe
Title: Authorized PERSON

F 990-121000747

ARTICLES OF ORGANIZATION

OF

SULLIVAN RESORTS, LLC.

UNDER SECTION 203 OF THE
LIMITED LIABILITY COMPANY LAW

1 CC

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED JAN 21 1999

TAXS

BY:

PEM

NCF 26

Wachtel, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019

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