

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened via conference call on April 13, 2020, 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	[√]	[]
Edward T. Sykes	[√]	[]
Howard Siegel	[√]	[]
Scott Smith	[]	[√]
Paul Guenther	[√]	[]
Joseph Perrello	[√]	[]
Carol Roig	[√]	[]

The following persons were also present:

- Jennifer M. Flad, Executive Director
- Edward T. Sykes, Chief Executive Officer
- Julio Garaicoechea, Project Manager
- Walter F. Garigliano, Agency General Counsel

The following resolution was duly offered by Howard Siegel, and seconded by Paul Guenther, to wit:

Resolution No. 18 - 20

***RESOLUTION AUTHORIZING AMENDMENT OF THE
ADELAAR DEVELOPER, LLC (“COMPANY”) PAYMENT IN
LIEU OF TAXATION AGREEMENT TO AUTHORIZE
ACCEPTANCE OF A GUARANTY FROM EPR PROPERTIES
AS FINANCIAL SECURITY FOR THE 2021 PILOT PAYMENT***

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, the Company presented an application (“Application”) to the Agency, a copy of which is on file with the Agency, requesting the Agency’s assistance with respect to a certain project consisting of the: (i) the acquisition by the Agency a leasehold interest or other interest in certain property located east of Chalet Road in the Town of Thompson (“Town”), County of

Sullivan, State of New York, being more particularly identified as tax map number 15-1-14.4 and containing in the aggregate approximately 131 acres (“Land”); (ii) the construction and equipping on the Land of an approximately 425,000 square-foot indoor water park resort hotel including, but not limited, to (a) an approximately seven-story 324 unit hotel/resort, (b) an approximately 20,000 square-foot conference center with a 6,500 square foot ballroom, (c) an approximately 85,000 square-foot indoor water park, (d) a split-level lobby core on an approximately 47,000 square-foot foot print (94,000 square feet total), (e) a porte-cochere, (f) outdoor pools with concession areas and bars, (g) an outdoor pavilion stage adjacent to the conference center to be used for concerts and other events, and (h) related amenities (collectively, the “Improvements”), (iii) the acquisition in and around the Land and the Improvements of certain items of equipment and other tangible personal property (“Equipment” and collectively with the Land and the Improvements, the “Facility” or “Project”); and

WHEREAS, by resolutions, dated March 19, 2013 and March 13, 2017 (collectively, “Resolution”), the Agency authorized the Company to act as its agent for the purposes of constructing and equipping the Project subject to, among other conditions, the Company entering into a Payment in Lieu of Taxation Agreement (“PILOT Agreement”) (Destination Resort Program UTEP); and

WHEREAS, the Company, on behalf of the Agency and as the Agency's agent, constructed, installed and equipped the Project materially in accordance with the plans and specifications presented to the Agency; and

WHEREAS, the Agency and the Company executed a PILOT Agreement making provision for payments in lieu of taxes by the Company for the benefit of the County, Town and the Monticello Central School District (“School”) (collectively, the County, the Town and the School are referred to as the “Taxing Jurisdictions”); and

WHEREAS, the Project is operated by Catskill Resorts TRS, LLC (“CRTRS”), an affiliate of the Company; and

WHEREAS, CRTRS and the Company are each indirect subsidiaries of and owned by EPR Properties, a Maryland real estate investment trust (“EPR”), a New York Stock Exchange traded public company; and

WHEREAS, Article IX, Section 9, of the PILOT Agreement provides in applicable part as follows:

“The Company shall procure, for the benefit of the Agency, financial security in form and substance acceptable to the Agency (“Financial Security”) to secure the performance by the Company of its financial obligations under this PILOT Agreement for all PILOT Payment dates from Year 3 (as provided in ¶1.3) through Year 18. The Company shall deliver to the Agency Financial Security in an amount equal to 110% of the Agency’s estimate of the Year 1 PILOT Payment on or before February 1, 2020 with a term to expire not earlier than the following February 28. On each February 1st thereafter that this PILOT Agreement is in

effect, the Company shall deliver to the Agency a renewal or replacement of the then posted Financial Security, in form and substance acceptable to the Agency in an amount of not less than 110% of the PILOT Payment which is due as of such date. The replacement or renewal Financial Security shall not expire prior to February 28th of the following year. In the event that cash security is posted as the Financial Security hereunder, the Agency shall release the Financial Security to the Company within thirty (30) days after the expiration of this Agreement.”

WHEREAS, EPR has requested that the Agency accept a guaranty of EPR as security for the PILOT Payment due in January 2021.

NOW, THEREFORE, BE IT RESOLVED,

Section 1. The Agency shall accept the guaranty of EPR, as security for the 2021 PILOT Payment, on conditions that all costs related to the Amendment of the PIOT Agreement to implement the intent of this resolution shall be paid by the Company.

Section 2. 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 3. These Resolutions shall take effect immediately

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	<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
Edward T. Sykes	<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
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

The resolution was thereupon 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 via conference call on April 13, 2020 at 11:00 a.m. 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"/>]	[]
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
Edward T. Sykes	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] 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 13th day of April, 2020.



Secretary