

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 Joseph Perrello, and seconded by Paul Guenther, to wit:

Resolution No. 21 - 20

***RESOLUTION AUTHORIZING AMENDMENT OF THE
PAYMENT IN LIEU OF TAXATION AGREEMENT
RELATED TO THE VERIA LIFESTYLE INC. (“COMPANY”)
WELLNESS CENTER PROJECT***

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 submitted an application dated August 25, 2015, a copy of which is on file with the Agency (the “Application”), requesting the Agency’s assistance with respect to a certain Wellness Center project (the “Wellness Center Project”) consisting of the: (i) construction, installation and equipping of: (a) a 131 room wellness center resort with amenities including, but not limited to diagnostic, holistic treatment, educational components and various

exercise facilities (“Building”); (b) an indoor swimming pool; and (c) a museum celebrating natural wellness, nature cure and Ayurveda practices on currently vacant parcels comprising 391 acres and identified on the Town of Thompson (“Town”) tax map as Section 9, Block 1, Lots 1.1, 1.2 and 7 (“Wellness Center Land”) located along Anawana Lake Road in the County of Sullivan (“County”), State of New York; (ii) acquisition and installation thereon and therein of certain furniture, fixtures, machinery and equipment (“Equipment”); and (iii) construction of improvements to the Building, the Wellness Center Land and the Equipment (collectively, the Building, the Wellness Center Land and the Equipment are referred to as the “Facility”); and

WHEREAS, by resolution adopted on September 18, 2015 (the “Resolution”), the Agency authorized the Company to act as its agent for the purposes of undertaking the Wellness Center Project subject to, among other conditions, the Company entering into a Payment in Lieu of Taxation Agreement (“PILOT Agreement”); and

WHEREAS, the Company, on behalf of the Agency and as the Agency's agent, acquired, constructed, installed and equipped the Wellness Center 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, Article III, Section 3(a), of the PILOT Agreement established employment goals for the Wellness Center Project pursuant to which the Company agreed to employ not less than one hundred fifty (150) full-time equivalent employees (“FTEs”) at the Facility; and

WHEREAS, the Company, by letter dated February 26, 2020, requested the Agency suspend employment goals for the Wellness Center Project; and

WHEREAS, Chairman Steingart appointed IDA members Paul Guenther and Joseph Perrello to gather information related to the Wellness Center Project and make a recommendation to the Board in response to the Company’s request.

NOW, THEREFORE, BE IT RESOLVED,

Section 1. That the Agency hereby makes the following findings:

- A. The Company has made a significant investment in the Wellness Center Project, with the total investment being in excess of Two Hundred Million and 00/100 (\$200,000,000.00) Dollars;
- B. Based on information supplied by the Company, the Wellness Center Project has failed to attain occupancy levels or revenue levels necessary to support the one hundred fifty (150) full-time equivalent jobs established as the employment goal for the Wellness Center Project;

- C. For the employment year ending September 30, 2019, the Company reported one hundred thirty-two (132) FTEs but the monthly employee count decreased throughout the year on a month-over-month basis;
- D. The Agency has established and the Company has funded an escrow account (“Escrow Account”) which if funded in the future will be sufficient to pay the 2021 PILOT Payment in the event no underemployment penalty is assessed;
- E. The Company has indicated it would be unable to fund the Escrow Account at higher levels, which would be necessary if an underemployment penalty were to be assessed;
- F. A suspension of the employment goals for the two-year periods October 1, 2019 to September 30, 2020 and October 1, 2020 to September 30, 2021 will provide the Company the opportunity to make operational changes necessary to attract additional guests and increase revenues;
- G. IDA members Paul Guenther and Joseph Perrello have recommended a waiver of employment goals for two employment years.

Section 2. Based on the foregoing findings, the Agency hereby authorizes an amendment of the PILOT Agreement to suspend employment goals for the two employment years October 1, 2019 to September 30, 2020 and October 1, 2020 to September 30, 2021, subject to the following conditions:

- A. Monthly payments to the Escrow Account established to secure future PILOT payments and payments of rent to the Agency be timely made by the Company; and
- B. All costs of the Agency related to amendment of the PILOT Agreement and notification of the impacted Taxing Jurisdictions of the amendment be paid by the Company.

Section 3. 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 4. 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"/>] | [] |

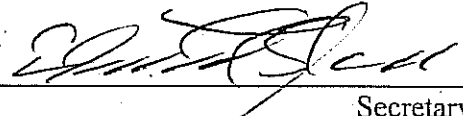
3. The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

| | | | | |
|------------------|---|----------|--|---------------|
| 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