

OMNIBUS AMENDMENT TO PROJECT DOCUMENTS

THIS OMNIBUS AMENDMENT TO PROJECT DOCUMENTS, effective as of the 9th day of July, 2018 ("Omnibus Amendment") is by and between the COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation organized and existing under the laws of the State of New York, with its principal offices at 548 Broadway, Monticello, New York 12701 ("Agency") and SULLIVAN RESORTS, LLC, a New York limited liability company having its principal offices at 7 Renaissance Square, 4th Floor, White Plains, New York 10601.

WHEREAS, the Agency was created by Chapter 560 of the Laws of 1970 of the State of New York, as amended, pursuant to Title I of Articles 18-A of the General Municipal Law of the State of New York (collectively, the "Act") as a body corporate and politic and as a public benefit corporation of the State of New York; and

WHEREAS, on or about June 13, 2018, 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") submitted an application (the "Application"), requesting the Agency's assistance with respect to a certain project (the "Project") consisting of: (i) the demolition of unsafe structures and environmental remediation, 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 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, and the Infrastructure Improvements, the "Project" or "Facility"); and

WHEREAS, according to the Application, approximately 19 acres of the approximately 583 acre site have been admitted into the New York State Department of Environmental Conservation's ("NYSDEC") Brownfield Clean-up Program, and the Company and NYSDEC have entered into a Brownfield Clean-up Agreement ("BCA") requiring remediation of this 19 acre area, which includes the majority of the former hotel building complex; and

WHEREAS, on or about July 2, 2018, the Agency received a cost-benefit analysis related to the Project; and

WHEREAS, based on the cost-benefit analysis, it was the Agency's understanding that the work undertaken in accordance with the BCA constitutes a capital improvement and is therefore exempt from sales and use tax under New York State law; and

WHEREAS, based on the results of the cost-benefit analysis, it was the Agency's further understanding that the work undertaken outside the scope of the BCA results in an incidental or insignificant sales and use tax exemption from the Agency; and

WHEREAS, in reliance on the cost-benefit analysis, the Agency and the Company understood the sales and use tax exemption provided by the Agency would not exceed \$100,000; and

WHEREAS, by resolution, dated July 9, 2018 the Agency authorized the execution of a Master Development and Agent Agreement ("MDAA") and Sales Tax Exemption Letter, provided that the financial assistance shall not exceed \$100,000 in the aggregate; and

WHEREAS, the Agency and the Company entered into a MDAA and the Agency issued a Sales Tax Exemption Letter, both effective August 1, 2018; and

WHEREAS, by resolution, dated February 11, 2019, the Agency authorized its Chairman and/or Chief Executive Officer to execute and deliver the Lease to Agency, Leaseback to Company, Payment in Lieu of Tax Agreement ("PILOT Agreement") with the Company (collectively, the "Transaction Documents" together with the MDAA, the "Project Documents"); and

WHEREAS, the Agency and the Company executed the Lease to Agency, Leaseback to Company, and PILOT Agreement effective February 1, 2019; and

WHEREAS, the Company reports the Project is now substantially complete, and the total value of taxable purchases is approximately \$3,750,000, resulting in an estimated sales and use tax exemption of approximately \$300,000; and

WHEREAS, the Company undertook the Project with the understanding that all work would be exempt from payment of New York State and local sales and use tax, either under State law or the Agency's exemption; and

WHEREAS, since February 2019, the Agency has become aware from research related to an unrelated project that the work undertaken does not constitute a capital improvement because it is not directly related to a new development project, and therefore the work is not exempt from sales and use tax under New York State law; and

WHEREAS, it is and has been the intent of the Agency to abate all applicable sales and use tax associated with the Project, consistent with the Agency's Uniform Tax Exempt Policy; and

WHEREAS, the Agency wishes to correct its earlier misunderstanding and document the scope of the Agency's financial assistance, to ensure the Company receives the full benefit of sales and use tax exemptions intended and agreed upon since the time of the Application; and

WHEREAS, by letter dated May 24, 2019 the Company requested an amendment to the Project Documents reflecting a total Agency sales and use tax abatement of \$300,000; and

WHEREAS, the Agency has received a revised cost-benefit analysis reflecting an Agency sales and use tax abatement of \$300,000; and

WHEREAS, because the proposed financial assistance exceeds the sum of \$100,000, a public hearing on due notice was held on June 4, 2019 at 9:00 a.m., local time, at the Town of Liberty Town Hall, 120 North Main Street, Liberty, County of Sullivan, State of New York at which hearing comments relating to the proposed financial assistance were solicited; and

WHEREAS, the Company made purchases in July, 2018, it has requested that the Project Documents be redated to July 9, 2018, which was the date of the resolution; and

WHEREAS, the Agency and Company wish to enter into this Omnibus Amendment to amend the MDAA, amend the Sales Tax Letter and increase the financial assistance to the Company in the form of sales and use tax exemption.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged it is mutually agreed as follows:

1. Amendment of MDAA.

(a) The date in the first sentence is hereby deleted and the 9th day of July, 2018 shall be inserted in its place and stead.

(b) A new paragraph 3(g) shall be added to the MDAA to read as follows:

"3(g). The Company further (i) covenants and agrees that the purchase of goods and services relating to the Project and subject to New York State and local sales and use taxes are estimated in the amount up to \$3,750,000, and, therefore, the value of the sales and use tax exemption benefits authorized and approved by the Agency cannot exceed \$300,000. "

2. Amendment of Sales Tax Documents.

(a) Sales Tax Informational Letter. The date is hereby deleted and July 9, 2018 is inserted in its place and stead. Any reference to August 1, 2018 is hereby deleted and July 9, 2018 is inserted in its place and stead.

(b) Sales Tax Abatement Letter. The date is hereby deleted and July 9, 2018 is inserted in its place and stead.

3. Amendment to Transaction Documents.

(a) Lease to Agency. In Exhibit B, the date of the MDAA is hereby deleted and July 9, 2018 is inserted in its place and stead.

(b) Leaseback to Company. The date in Section 2.2 referencing the MDAA is hereby deleted and July 9, 2018 is inserted in its place and stead and in Exhibit B, the date of the MDAA is hereby deleted and July 9, 2018 is inserted in its place and stead.

4. Counterparts. This Omnibus Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but which together shall constitute a single instrument.

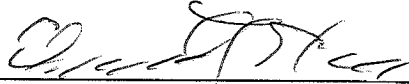
5. Integration. Except as herein amended, all other terms and conditions of the Project Documents shall remain in full force and effect.

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IN WITNESS WHEREOF, the Company and the Agency have caused this Omnibus Amendment to be executed in their respective names, all as of the date first above written.

COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY



By: Edward T. Sykes, Chief Executive Officer

SULLIVAN RESORTS, LLC

By: Grossinger Catskill Resort Group, LLC, its Sole
Member



By: Louis R. Cappelli, Manager