

**COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY**  
**548 Broadway**  
**Monticello, New York 12701**  
**845-428-7575**  
**APPLICATION FOR FINANCIAL ASSISTANCE**

I. A. APPLICANT INFORMATION:

Company Name: FSH Lodge at Neversink, LLC

Address: 4053 State Route 52, Youngsville, New York 12791

Phone No.: (845) 439-0025

Telefax No.: N/A

Email Address: [chris@westernsullivan.com](mailto:chris@westernsullivan.com)

Fed Id. No.: N/A

Contact Person: Christopher Monello

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

Principal Owners (Shareholders/Members/Owners): See attached.

Directors/Managers: \_\_\_\_\_

Officers: \_\_\_\_\_

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

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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/Partnership (number of members \_\_\_\_\_)

Date of organization: October 6, 2020

State of organization: New York

\_\_\_\_\_ Sole Proprietorship

If a foreign organization, is the Applicant authorized to do business in the State of New York? Yes\_\_\_ No\_\_\_ N/A\_\_\_X\_\_\_ (If so, please append Certificate of Authority.)

B. APPLICANT INFORMATION:

Company Name: 7491 State Route 55 Property Co., LLC

Address: 4053 State Route 52, Youngsville, New York 12791

Phone No.: (845) 439-0025

Telefax No.: N/A

Email Address: [chris@westernsullivan.com](mailto:chris@westernsullivan.com)

Fed Id. No.: N/A

Contact Person: Christopher Monello

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

Principal Owners (Shareholders/Members/Owners): See attached.

Directors/Managers: \_\_\_\_\_

Officers: \_\_\_\_\_

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

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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: \_\_\_\_\_

X Limited Liability Company/Partnership (number of members \_\_\_\_\_)

Date of organization: September 23, 2020

State of organization: New York

\_\_\_\_\_ Sole Proprietorship

If a foreign organization, is the Applicant authorized to do business in the State of New York? Yes\_\_\_ No\_\_\_ N/A\_\_\_ (If so, please append Certificate of Authority.)

### APPLICANT'S COUNSEL

Name: Karl A. Bressler, Esq.

Address: 42 Pearl Street, Livingston Manor, New York 12758

Phone No.: (845) 439-6049

Telefax No.: (845) 439-6052

Email Address: [kbressler@hvc.rr.com](mailto:kbressler@hvc.rr.com)

### II. REQUESTED FINANCIAL ASSISTANCE

	<u>Estimated Value</u>
Real Property Tax Abatement (estimated)	\$ <u>tbd</u>
Mortgage Tax Exemption	\$ <u>68,000</u>
Sales and Use Tax Exemption	\$ <u>274,888</u>
Issuance by the Agency of Tax Exempt Bonds	\$ <u>N/A</u>

III. PROJECT INFORMATION

A.) Project Location:

Project Address: 7491 State Route 55, Neversink, New York 12765  
Tax Map Number(s): 30.-1-39.1 and 30.-1-39.3  
Located in the Village of: N/A  
Located in Town of Neversink  
Located in the School District of Tri-Valley  
Located in Hamlet of Neversink

(i) Are Utilities on Site?

Water/Sewer \_\_\_\_\_ Electric X  
Gas \_\_\_\_\_ Storm Sewer \_\_\_\_\_

(ii) Present legal owner of the site: Applicant B

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

\_\_\_\_\_

(iii) Zoning of Project Site: Current: H; RS; and RR-3 Proposed: N/A

(iv) Are any variances needed: No

(v) Principal Use of Project upon completion: Health Spa Resort

\_\_\_\_\_

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; If yes, please explain:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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; If yes, please explain:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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:

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:

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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:

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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; If yes, please contact the Agency for additional information.

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 attached.

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G.) COSTS AND BENEFITS OF THE PROJECT

Costs = Financial Assistance

Estimated Sales Tax Exemption	\$ 274,880
Estimated Mortgage Tax Exemption	\$ 68,000
Estimated Property Tax Abatement	\$ tbd
Estimated Interest Savings IRB Issue	\$ N/A

Benefits= Economic Development

Jobs created	\$ 2,150,000
Jobs retained	\$ None
Private funds invested	\$10,035,000
Other Benefits	\$ None

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

Construction:	<u>66</u>
Permanent:	<u>43</u>
Retained (at current facility):	<u>Facility closed since 2010</u>

Project Costs (Estimates)	
Land and Existing Buildings	\$ <u>3,250,000</u>
Soft Costs (5%)	\$ <u>501,750</u>
Other	\$ <u>6,283,250</u>
Total	\$ <u>10,035,000</u>

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.

- invested by Applicant, \$3,235,000	<hr/>
- bank financing, \$6,800,000	<hr/>
- no public sector assistance	<hr/>

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.

<u>No retained jobs – facility closed since 2010</u>	
<u>Construction jobs 66</u>	<u>Permanent jobs 43</u>

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

<u>Construction May 2022; permanent May 2023</u>
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- 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.

<u>No retained jobs; see attached for new jobs created.</u>
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- 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)

\$1,433,386

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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 See attached

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#### 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.

FSH Lodge at Neversink, LLC  
By: FSH Holding, LLC, its Sole Member

  
By: Corey Sims Foster, Manager

Date: March 15, 2022

7491 State Route 55 Property Co., LLC  
By: FSH Holding, LLC, its Sole Member

  
By: Corey Sims Foster, Manager

Date: March 15, 2022


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

COREY SIMS FOSTER, being first duly sworn, deposes and says:

1. That I am the Manager of FSH Holding, LLC, the Sole Member of FSH Lodge at Neversink, LLC and 7491 State Route 55 Property Co., LLC (collectively, 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.

  
Corey Sims Foster

Subscribed and affirmed to me under penalties of perjury  
this 15<sup>th</sup> day of March, 2022.

  
(Notary Public)

SUE JAHN  
Notary Public, State of New York  
NYS Registration No. 01JA4989241  
Qualified in Sullivan County  
My Commission Expires 12/02/2025

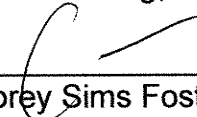
**THIS APPLICATION SHALL BE SUBMITTED WITH (I) TWO CHECKS: ONE COVERING A \$250.00 APPLICATION FEE AND THE SECOND COVERING A \$5,000.00 UP-FRONT ESCROW DEPOSIT; AND (II) APPLICANT'S FORMATION DOCUMENTS (IE: IF A CORPORATION: ITS CERTIFICATE OF INCORPORATION AND BYLAWS; IF A LIMITED LIABILITY COMPANY: 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  
548 Broadway  
Monticello, New York 12701**

## HOLD HARMLESS AGREEMENT

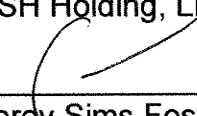
Applicant hereby releases the COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof ("Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability 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.

FSH Lodge at Neversink, LLC  
By: FSH Holding, LLC, its Sole Member

  
By: Corey Sims Foster, Manager

Date: March 15, 2022

7491 State Route 55 Property Co., LLC  
By: FSH Holding, LLC, its Sole Member

  
By: Corey Sims Foster, Manager

Date: March 15, 2022

Sworn to before me this  
15<sup>th</sup> day of March, 2022.

  
Notary Public

SUE JAHN  
Notary Public, State of New York  
NYS Registration No. 01JA4989241  
Qualified in Sullivan County  
My Commission Expires 12/02/2025

III. F.)

This explanation is attached to and part of the Application of FSH Lodge at Neversink, LLC and 7491 State Route 55 Property Co., LLC to the County of Sullivan Industrial Development Agency.

The project consists of the redevelopment of the former New Age Health Spa, which has been closed since 2010.

Hospitality properties are unlike most other businesses. Hotels and event venues rely heavily on repeat bookings to generate revenue. Lodging venues require some years of operation before guests return for a subsequent visit. This wellness retreat will attract a special type of guest and cannot be viewed in the same way as a limited-service hotel convenient to an airport or highway intersection where bookings occur based on a hotel chain booking platform.

Foster Supply Hospitality, LLC (“FSH”) developed six (6) small hotels in Sullivan County and Wayne County, Pennsylvania over the past seven (7) years. All current FSH properties are substantially smaller in terms of room count and were less complicated in terms of the renovations required. Deferred maintenance exists due to being closed for almost twelve (12) years.

Our experience tells us that the cost of guest acquisition will be high when a property first opens. When FSH opened the Arnold House in 2014, we were glad to see a few rooms booked each weekend. Over time our guests enjoyed the experience and return guest bookings multiplied. Additional hotels we subsequently opened enjoyed overflow bookings from previously opened hotels and reached occupancy levels quicker than we expect at a resort with a targeted audience seeking wellness services will achieve.

Although the wellness concept is represented nationally, we will be one of the first in our region. While we expect to create a first-rate wellness center, we realize establishing ourselves in this targeted programming space will take time. Our experience leads us to believe that revenue will not reach stabilized levels until our third year of operation. We do not anticipate the property to be cash flow positive until the third year of operations. We do not expect cumulative losses to be offset by profits until year four (4) or five (5). Accordingly, limiting real estate tax expense in the first few years of operations is essential for the project to make financial sense.

New Age Health Spa closed in 2010 following years of operating losses. The property has not operated in twelve (12) years. The re-use of this property as a wellness retreat, while challenging, is likely the only viable option given the unique improvements and layout of the existing buildings at the site.

III. G.) 3) Salary Ranges

Guest Services/ Front Desk: \$44,928 - \$74,880

(Rooms Manager, Reception, Reservations, Guest Services Manager, Guest Services Staff)

Housekeeping: \$49,920 - \$59,904

(Housekeeping Supervisors, Housekeepers, Houseman/Public Area Attendant, Laundry Staff, Pool Attendant)

Spa: \$54,912 - \$87,360

(Spa Manager, Nutritionist/Health Consultant, Yoga Instructor, Spa Assistant Manager, Spa Attendants)

F&B Front of House: \$24,960 - 79,872 (tip wages for tipped employees not included)

(F&B Managers, Servers, Bartenders, Bussers)

Kitchen: \$32,448 - \$89,856

(Executive Chef, Sous Chefs, Cooks, Stewards/Dishwashers)

Admin/ General Manager: \$62,400 - \$104,832

(General Manager, Accounting Staff)

Repairs and Maintenance: \$54,912 - \$57,408

(Handyman/Engineer, Grounds and Landscaping)

III. H.) Benefits:

Health Insurance

Paid time off