

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY

548 Broadway
Monticello, New York 12701
(845) 428-7575 - Voice
(845) 428-7577 - Fax
www.sullivanida.com
TTY 711

MEETING NOTICE

TO: Suzanne Loughlin, IDA Chairperson
Edward Sykes, IDA Vice Chairman
Carol Roig, IDA Secretary
Howard Siegel, IDA Treasurer & Chief Financial Officer
Scott Smith, IDA Assistant Treasurer
Paul Guenther, IDA Member
Sean Brooks, IDA Member
Chairman and Members of the Sullivan County Legislature
Josh Potossek, Sullivan County Manager
John Kiefer, IDA Chief Executive Officer
Walter Garigliano, Esq., IDA Counsel
FROM: Jennifer Flad, Executive Director
DATE: April 6, 2022

PLEASE TAKE NOTICE that there will be a Regular Meeting of the County of Sullivan Industrial Development Agency scheduled as follows:

Date: Monday, April 11, 2022
Time: 11:00 AM
Location: Via Zoom Videoconference Call

Because of the Novel Coronavirus (COVID-19) pandemic and in accordance with Chapter 417 of the Laws of 2021, which took effect on September 2, 2021 and was amended effective January 14, 2022 and further amended effective March 16, 2022 and which allows state and local government meetings that are normally held in person to be held remotely instead, this meeting will be held via Zoom videoconference call.

Members of the public may attend the meeting by dialing 929-205-6099 and entering Meeting ID 678-518-8985 or by using the following meeting link:
<https://us06web.zoom.us/j/6785188985>

This meeting video will also be livestreamed on the [IDA's YouTube Channel](#).

Meeting documents will be posted online [here](#).

SEE REVERSE FOR AGENDA

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MEETING AGENDA

Monday, April 11, 2022

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MEETING MINUTES

March 30, 2022 Special Meeting

IV. BILLS AND COMMUNICATIONS

V. STAFF ACTIVITY REPORT

VI. NEW BUSINESS

Resolution: Extending the Sales Tax Abatement Period for the Amytra Development LLC, Eldred Entertainment, LLC and Eldred Hospitality, LLC (Collectively, the "Company") Project from May 1, 2022 Through and Including October 31, 2022

Resolution: Appointing FSH Lodge at Neversink, LLC and 7491 State Route 55 Property Co., LLC (Collectively, the "Company") as Agent of the Agency for the Purpose of Acquiring, Constructing, Reconstructing, Renovating, Rehabilitating, Installing and Equipping the Project (Hereinafter Defined); Making Certain Findings and Determinations with Respect to the Project; and Authorizing the Execution and Delivery of Project Documents

Resolution: Appointing NY Thompson III, LLC as Agent of the Agency for the Purpose of Constructing the Project (Hereinafter Defined); Making Certain Findings and Determinations with Respect to the Project; and Authorizing the Execution and Delivery of Project Documents

Any and All Other Business Before the Board

VII. PUBLIC COMMENT AND ADJOURN

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SPECIAL MEETING MINUTES

Monday, March 30, 2022

I. CALL TO ORDER

Chairperson Suzanne Loughlin called to order the special meeting of the County of Sullivan Industrial Development Agency at approximately 9:03 AM via video conference.

II. ROLL CALL

Members Present-

Suzanne Loughlin
Edward Sykes
Howard Siegel
Carol Roig
Paul Guenther
Scott Smith
Sean Brooks

Members Absent-

None

Staff Present-

John Kiefer, Chief Executive Officer
Jennifer Flad, Executive Director
Julio Garaicoechea, Project Manager

Staff Absent-

None

Others Present-

Walter Garigliano, Agency Counsel
William Frank, Esq. Blustein, Shapiro, Frank, & Barone, LLP.
Steve Vegliante, Esq., Brown Duke & Fogel, P.C.
George Duke, Esq., Brown Duke & Fogel, P.C.
Meghan Taylor, Empire Resorts Real Estate I LLC, Empire Resorts Real Estate II LLC
Karen Cho, Empire Resorts Real Estate I LLC, Empire Resorts Real Estate II LLC
Linda Hannigan, RBT CPAs
Donna Crowley, RBT CPAs
Phil Vallone
Ken Walter

III. APPROVAL OF MEETING MINUTES

On a motion made by Mr. Guenther, and seconded by Mr. Siegel, the minutes of the March 14, 2022 meeting were unanimously approved.

IV. BILLS AND COMMUNICATIONS

On a motion made by Mr. Sykes, and seconded by Mr. Guenther, the revised schedule of payments showing 3 payments totaling \$727.76 was unanimously approved.

V. NEW BUSINESS

On a motion made by Ms. Roig, and seconded by Mr. Guenther, the Board reviewed and discussed a resolution authorizing the amendment of the Golf Project transaction documents by and between the Agency and **Empire Resorts Real Estate I, LLC** and the Entertainment Village Hotel Project transaction

documents by and between the Agency and **Empire Resorts Real Estate II, LLC**. Mr. Siegel made a motion a change to Section 4(f) of the resolution so that the total value subject to payment in lieu of taxes (PILOT) will increase for periods on and after January 1, 2025. Mr. Guenther seconded the motion, and the Board voted unanimously in favor of the amendment. The Board then voted unanimously in favor of adopting the resolution as amended.

The Board discussed an application received for Financial Assistance from **FSH Lodge at Neversink, LLC and 7491 State Route 55 Property Co., LLC**. Attorney Garigliano will not represent the Agency due to his office's representation of the applicant in purchasing the property. Mr. Garigliano exited the meeting at approximately 9:11 AM.

On a motion made by Mr. Guenther, and seconded by Mr. Sykes, the Board reviewed and discussed a resolution authorizing the Agency to engage Special Counsel in connection with the **FSH Lodge at Neversink, LLC and 7491 State Route 55 Property Co., LLC** application. Chairperson Loughlin called the motion to question, the Board voted, and the resolution was unanimously approved. Attorney William Frank briefly introduced himself to the Board.

Attorney Frank exited the meeting at approximately 9:15 AM. Attorney Garigliano returned to the meeting at approximately 9:15 AM.

The Board discussed an application received for Financial Assistance from **Fay Hospitality Catskills LLC**. Ms. Flad stated the application will require a public hearing and cost benefit analysis prior to Board consideration. Mr. Siegel asked if the property has been sold. Mr. Vegliante informed the Board that he and Mr. Duke are representing the applicant on the proposed IDA transaction but not on the purchase of the property. He and Mr. Duke further stated the property is in contract and expect to close in the coming months. Mr. Siegel asked if the IDA application is a condition of the closing. Mr. Vegliante stated he believes that IDA approval will be a determining factor. Mr. Guenther asked if the hotel is closed currently. Mr. Vegliante responded that the hotel is currently operational. Mr. Siegel asked about employment. Attorney Garigliano clarified that the applicant expects to retain 269 employees and increase 100 seasonal employees.

The Board discussed an application received for Financial Assistance from **NY Thompson III, LLC**. Ms. Flad stated that the project intends to construct a 4 MW solar generation facility. She stated as with other solar projects there will not be any property tax abatements associated with this project, however there are sales tax and mortgage recording tax benefits requested. The sum of the benefits is less than \$100,000 therefore a public hearing is not necessary.

Ms. Linda Hannigan and Ms. Donna Crowley of RBT CPAs, LLP gave a presentation of the **2021 Audited Financial Statements and Board Report**. Ms. Flad presented the **Public Authorities Reporting Information System (PARIS) Reports to the New York State Comptroller**. The Board acknowledged receipt and review of the Audited Financial Statements and PARIS Reports for submission to New York State.

On a motion made by Mr. Smith, and seconded by Ms. Loughlin, the Board entered into Executive Session to discuss the financial history of a particular corporation at approximately 9:47 AM.

On a motion made by Mr. Sykes, and seconded by Mr. Guenther, the Board exited Executive Session at approximately 10:00 AM.

On a motion made by Mr. Smith, and seconded by Mr. Siegel, the Board entered into Closed Session to discuss the Board Member Self-Evaluation Forms at approximately 10:00 AM.

On a motion made by Mr. Sykes, and seconded by Mr. Siegel, the Board exited Closed Session at approximately 10:07 AM.

VL. PUBLIC COMMENT AND ADJOURN

Chairperson Loughlin asked those present for public comment. There was none. On a motion made by Mr. Siegel, and seconded by Mr. Guenther, the meeting was adjourned at approximately 10:08 AM.

Respectfully submitted:
Julio Garaicoechea, Project Manager
##

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY**548 Broadway, Monticello, NY 12701****845-428-7575****SCHEDULE OF PAYMENTS: APRIL 11, 2022**

No.	Vendor	Description	Amount
1	Cardmember Services	GoDaddy (to be reimbursed by SCFC), Lenovo (J. Flad laptop purchase), Zoom, Adobe, LogMeIn	\$ 3,034.09
2	Flad, Jennifer	Expense Reimbursement	\$ 1,153.50
3	Garigliano Law Offices	Retainer: April 2022	\$ 250.00
4	Garigliano Law Offices	Sales Tax Exemption Extension Legal Fee: Amytra	\$ 250.00
5	New Southern Tier Title Agency LLC	Office Rent: May 2022	\$ 2,700.00
6	New York State Economic Development Council	IDA Virtual Academy Registration- Flad, Garaicoechea, Kiefer	\$ 150.00
7	Shepstone Management Company, Inc.	Cost- Benefit Analysis: FSH Lodge (pass-through)	\$ 2,550.00
8	Sullivan County Democrat	Public Hearing Notice: FSH Lodge (pass-through)	\$ 89.55
9	Time Warner Cable	Telephone and Internet Service: April 2022	\$ 279.95
10	USDA Rural Development	RMAP Loan Repayment: April 2022	\$ 2,370.41
TOTAL			\$ 12,827.50

I certify that the payments listed above were audited by the Board of the IDA on April 11, 2022 and allowed in the amounts shown. You are hereby authorized and directed to pay each of the claimants in the amount opposite its name.

4/11/2022_____
Signature**Date****Expenses Approved and Paid Since Last Meeting (3/30/22)**

No.	Vendor	Description	Amount
	none		
TOTAL			\$ -

Other Expenses and Items Paid Since Last Meeting (3/30/22)—no approval required

No.	Vendor	Description	Amount
1	Payroll Expenses	Payroll Check Date: 4/8/22	\$ 8,650.14
2	Francotyp-Postalia	Postage for Postage Meter 2/17/22, 2/24/22	\$ 600.00
TOTAL			\$ 9,250.14

ACTIVITY REPORT – MARCH 2022
COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY (IDA), SULLIVAN COUNTY
FUNDING CORPORATION (SCFC), THE SULLIVAN COUNTY INFRASTRUCTURE LOCAL
DEVELOPMENT CORPORATION (TSCILDC)

April 6, 2022

At its regular monthly meeting on March 14th, the IDA Board adopted a resolution authorizing the allocation of additional funding in the amount of \$500,000 from the IDA's unrestricted fund balance to the **AgriBusiness Revolving Loan and Lease Fund**. This fund is used to provide low-cost loan and lease financing for agriculture related businesses in Sullivan County. The Board also adopted a resolution amending the IDA's **Uniform Tax Exemption Policy (UTEP)**. Certain existing programs have been amended and others eliminated, and one new program, the Sullivan County International Airport Program, has been adopted. Next, the Board adopted a resolution authorizing the acceptance of a guaranty from EPR Properties, the parent company of **Adelaar Developer, LLC**, as financial security for the 2023 Payment in Lieu of Tax (PILOT) relating to the Kartrite Waterpark. Finally, the Board approved a loan to **Sullivan Sundries, LLC**, for the development of a houseware, cookware, and specialty food store in Jeffersonville.

The IDA held a special meeting on March 30th. At that meeting the Board authorized amendments to the project documents relating to the **Empire Resorts Real Estate I, LLC** and **Empire Resorts Real Estate II, LLC** projects. These are the Monster Golf Course and Alder Hotel projects in the Town of Thompson, respectively. The amendments reflect certain changes in both project descriptions and budgets, and a change in the estimated timeframe to completion for the Monster Golf Course project. These transactions closed on March 31st. Also on March 30th, the Board discussed an application for benefits from **FSH Lodge at Neversink, LLC and 7491 Sate Route 55 Property Co., LLC**, relating to the proposed redevelopment of the New Age Health Spa in the Town of Neversink. The Board authorized the engagement of special counsel to represent the Agency with respect to this application. A public hearing is scheduled for Monday, April 11, 2022 at 8:30 AM at the Town of Neversink Town Hall. Finally, the Board discussed the IDA's 2021 **audited financial statements** and **Public Authorities Reporting Information System (PARIS) Reports**.

The Boards of the Sullivan County Funding Corporation (SCFC) and Sullivan County Infrastructure Local Development Corporation (TSCILDC) also met on March 30th, at which time the Boards discussed their 2021 **audited financial statements** and **Public Authorities Reporting Information System (PARIS) Reports**.

On April 5, Jennifer Flad met with IDA executive directors from around the Mid-Hudson Region as part of a new peer working group to discuss common priorities and issues. On April 12, Jennifer Flad, Julio Garaicoechea, and John Kiefer will attend the New York State Economic Development Council's IDA Virtual Academy to participate in educational sessions on current and proposed legislation, IDA best practices, project management, housing opportunities, and other topics.

##

AMYTRA DEVELOPMENT LLC
125 PATERSON PLANK ROAD
CARLSTADT, NJ 07072
201 896-0700

Mr. Julio Garaicoechea
County of Sullivan Industrial Development Agency
548 Broadway
Monticello, NY 12701

March 17, 2022

Dear Mr. Garaicoechea:

We respectfully request a six month extension of our IDA sales tax benefits as the pool will not be completed by April 30, 2022.

Very truly yours,

A handwritten signature in black ink, appearing to read "Daniel Silna". The signature is fluid and cursive, with the first name "Daniel" being more prominent than the last name "Silna".

Daniel Silna
Member

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on April 11, 2022 at 11:00 a.m. local time via videoconference as authorized by Chapter 417 of the Laws of 2021, which took effect on September 2, 2021 and was amended effective January 14, 2022 and further amended effective March 16, 2022.

The meeting was called to order by Chairperson Suzanne Loughlin, and, upon roll being called, the following members of the Agency were:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]

The following persons were also present:

Jennifer M. Flad, Executive Director
John W. Kiefer, Chief Executive Officer
Julio Garaicoechea, Project Manager
Walter F. Garigliano, Agency General Counsel

The following resolution was duly offered by _____, and seconded by _____, to wit:

Resolution No. _____ - 21

***RESOLUTION EXTENDING THE SALES TAX ABATEMENT PERIOD FOR THE
AMYTRA DEVELOPMENT LLC, ELDRED ENTERTAINMENT, LLC AND
ELDRED HOSPITALITY, LLC (COLLECTIVELY, THE “COMPANY”) PROJECT
FROM MAY 1, 2022 THROUGH AND INCLUDING OCTOBER 31, 2022***

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, on or about March 19, 2018, the Company presented an application to the Agency, a copy of which is on file at the office of the Agency, which has been supplemented by the Company’s November 6, 2019 letter to the Agency, requesting that the Agency consider undertaking a project

consisting of the: (i) reconstruction, renovation, rehabilitation, installation and equipping of a former restaurant and motel facility to include (a) approximately 3,064 square foot area of event space (“Event Space”); (b) approximately 10,629 square foot of restaurant space (“Restaurant”); (c) approximately 6,953 square foot of office space (“Office”); and (d) approximately 29,536 square foot of accommodation space (“Inn” together with Event Space, Restaurant collectively the, “Building”) situate on two (2) parcels of real estate, the first consisting of approximately 37.93± acres located at 1040 Route 55, Town of Highland (“Town”), County of Sullivan (“County”), State of New York and identified on the Town tax map as Section 4, Block 1, Lot 3.1 and the second consisting of approximately 2± acres being a portion of the 435.94± acre parcel identified on the Town tax map as Section 4, Block 1, Lot 2 (“Land”); (ii) construction and equipping of the Building; (iii) construction and installation thereon and therein of certain furniture, fixtures, machinery, equipment and tools (“Equipment”); (iv) construction of improvements to the Building, the Land and the Equipment (collectively, the Building, the Land and the Equipment are referred to as the “Facility” or the “Project”); and (v) lease of the Project from the Agency to the Company; and

WHEREAS, on or about April 20, 2018, the Agency and the Company entered into an Agent Agreement and Project Agreement pursuant to which the Agency designated the Company its agent (“Agent Agreement”); and

WHEREAS, contemporaneously with the execution of the Agent Agreement, the Agency delivered to the Company a Sales Tax Exemption Letter, which letter has been previously extended and will expire; and

WHEREAS, by letter dated March 17, 2022, the Company requested that the sales tax abatement period be extended to continue the construction of the pool.

NOW, THEREFORE, BE IT RESOLVED, that the sales tax abatement period for the Project be, and hereby is, extended from May 1, 2022 through and including October 31, 2022.

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

Suzanne Loughlin	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Edward T. Sykes	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Carol Roig	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Howard Siegel	<input 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 type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Paul Guenther	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Sean Brooks	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

The resolution was thereupon duly adopted.

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

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)

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: 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

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)

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

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:

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; 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.

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
- bank financing, \$6,800,000
- no public sector assistance

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>
--

- 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>
<u> </u>
<u> </u>

- 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

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

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 15th 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

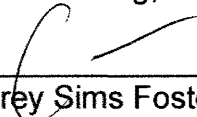
THIS APPLICATION SHALL BE SUBMITTED WITH (I) TWO CHECKS: ONE COVERING A \$250.00 APPLICATION FEE AND THE SECOND COVERING A \$5,000.00 UP-FRONT ESCROW DEPOSIT; AND (II) APPLICANT'S FORMATION DOCUMENTS (IE: IF A CORPORATION: ITS CERTIFICATE OF INCORPORATION AND BYLAWS; IF A LIMITED LIABILITY COMPANY: ITS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

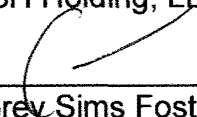
Applicant hereby releases the COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof ("Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability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

Date: March 15, 2022

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

By:  _____
By: Corey Sims Foster, Manager

Date: March 15, 2022

Sworn to before me this
15th 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

FSH Lodge at Neversink, LLC and 7491 State Route Property Co., LLC

**Application to County of Sullivan
Industrial Development Agency for
Financial Assistance for**

The Lodge at Neversink



Benefit/Cost Analysis

Prepared by:

**Shepstone Management Company, Inc.
Planning & Research Consultants**

100 Fourth Street Honesdale, PA 18431

(570) 251-9550 FAX 251-9551

www.shepstone.net

mail@shepstone.net

March, 2022

FSH Lodge at Neversink, LLC

Benefit/Cost Analysis

Background:

FSH Lodge at Neversink, LLC, together with 7491 State Route Property Co., LLC has applied for financial assistance for the development of 229.50 acres of land located in the Town of Neversink (Tax Map Parcels 30-1-39.1 and 30-1-39.3). The project involves the redevelopment of a resort previously known as the New Age Health Spa that will be reopened as “The Lodge at Neversink.” The facility, closed for 12 years, will be restored and upgraded to serve as a wellness retreat, targeting customers similar to the one that has brought Foster Supply Hospitality success with several other small resort projects.

The project involves an estimated \$3,953,880 in construction costs related to real property improvements. An estimated \$3.436,100 will be spent on otherwise sales-taxable purchases and materials costs associated with the project, including furniture, fixtures and equipment (FF&E) and Operating Supplies and Equipment (OS&E). The real property is currently assessed at 3.3% of market value in the Town of Neversink, yielding a current assessed value of \$70,000.



FSH Lodge at Neversink, LLC

Benefit/Cost Analysis

FSH Lodge at Neversink, LLC has applied to the County of Sullivan Industrial Development Agency (IDA) for real property, mortgage and sales tax abatements to assist with bringing this project to completion.



New York State law governing IDAs requires "an analysis of the costs and benefits of the proposed project." Shepstone Management Company, Inc. has been requested by the IDA to provide such an analysis on an independent basis. This study is designed to compare the economic benefits of the project, including both direct and indirect revenues generated for local and state government, against the costs to these governments for additional services required. Both direct and indirect costs are considered on this side of the equation as well.

The following is a summary of the findings from this analysis, including supporting materials forming the basis for the conclusion reached.

FSH Lodge at Neversink, LLC

Benefit/Cost Analysis

Methods and Assumptions:

The following methods and assumptions were employed for the analysis of this project:

- 1) This new construction project involves an estimated \$3,436,100 in otherwise sales taxable material and equipment purchases.
- 2) It is assumed, for purposes of this analysis, that all project construction activities will occur in 2022-2023 with the facility opening some time after March 1, 2023 and real property tax abatement beginning in 2025. It is further assumed the IDA will approve a PILOT Agreement under or comparable to the Sullivan County IDA's [Uniform Tax Exemption Policy Tourism Industry Program \(§301.c\) or a comparable program](#); the PILOT to apply to the estimated costs of developing the real property.



FSH Lodge at Neversink, LLC Benefit/Cost Analysis

It is estimated the 34 rooms/suites will have a market value of \$37,750 per room after improvements, yielding additional market value of \$1,283,500 and additional assessed value in the amount of \$42,783 (say \$43,750), bringing the total market value to \$3,383,500 and assessed value to \$112,650.

The applicable IDA PILOT schedule follows. The base assessed value is the Town's current assessed value.

Real Property Tax General Abatement Schedule					
Year	Base Assessed Value	Assessed Value of Improvements	% Abatement New Real Property	New \$ Value Abated	Total Value for PILOT
Construction Period	\$ 70,000	\$ -	-	\$ -	\$ 70,000
1	\$ 70,000	\$ 42,750	100%	\$ 42,750	\$ 70,000
2	\$ 70,000	\$ 42,750	100%	\$ 42,750	\$ 70,000
3	\$ 70,000	\$ 42,750	100%	\$ 42,750	\$ 70,000
4	\$ 70,000	\$ 42,750	100%	\$ 42,750	\$ 70,000
5	\$ 70,000	\$ 42,750	100%	\$ 42,750	\$ 70,000
6	\$ 70,000	\$ 42,750	90.0%	\$ 38,475	\$ 74,275
7	\$ 70,000	\$ 42,750	80.0%	\$ 34,200	\$ 78,550
8	\$ 70,000	\$ 42,750	70.0%	\$ 29,925	\$ 82,825
9	\$ 70,000	\$ 42,750	60.0%	\$ 25,650	\$ 87,100
10	\$ 70,000	\$ 42,750	50.0%	\$ 21,375	\$ 91,375
11	\$ 70,000	\$ 42,750	40.0%	\$ 17,100	\$ 95,650
12	\$ 70,000	\$ 42,750	30.0%	\$ 12,825	\$ 99,925
13	\$ 70,000	\$ 42,750	20.0%	\$ 8,550	\$ 104,200
14	\$ 70,000	\$ 42,750	10.0%	\$ 4,275	\$ 108,475
15	\$ 70,000	\$ 42,750	0.0%	\$ 0	\$ 112,750

- 3) The application to the IDA indicates there will be a \$6,783,658 mortgage to which mortgage tax abatement will apply.
- 4) It is anticipated the FSH Lodge at Neversink, LLC project will create an estimated

FSH Lodge at Neversink, LLC Benefit/Cost Analysis

43 full-time equivalent (FTE) jobs. An average salary of \$49,600 per year for each FTE is estimated based the applicant/s project financials.

- 5) The additional annual costs to local government for providing highway maintenance and other non-educational services in the Town of Neversink are estimated at \$3,323 for each new resident attracted (\$8,973 per household). This is based on an estimated county and town tax levy of \$11,868,000 based on 2020 figures plus 10.0%, divided by a Town of Neversink estimated population of 3,571 persons.

It is assumed one-third of employees or 14 persons will be new to Sullivan County. Further applying a Department of Commerce RIMS II multiplier of 1.4273 (the estimated output multiplier for New York State for “other amusement and recreation industries”), the project will produce an estimated maximum of 20 new family households (43 jobs x 33% new households x 1.4273), with a cost of approximately \$8,973 annually in non-educational local government services each.

It is assumed, based on the *Sullivan County Cost of Community Services Study*, that 26.5% or \$2,380 per household would be covered from taxes paid by the new residents, leaving \$6,593 per household as the net cost for town and county services. This is the ratio of costs of services to tax revenues for residential development in the Town of Neversink.

This is to say every new household, viewed independently of the businesses employing its members, theoretically generates a net tax loss for the community. This strict interpretation provides for a conservative analysis of benefits versus

FSH Lodge at Neversink, LLC Benefit/Cost Analysis

costs, but it is also important to remember the commercial ratables would not exist without the employees required to run the business or residential customers for its products. The value of costs of services data is limited to analyzing the likely tax impacts of projects, as it is being used in this instance.

- 6) School costs are based on the 0.26 children per household average for Sullivan County in 2021 times a total cost of \$26,221 per student, the latest estimated average figure for the Tri-Valley Central District where the project is located (real estate levy net of state aid divided by estimated 884 enrollment). A maximum of 14 new students is projected before considering multiplier effects.
- 7) Sales taxes attributable to the increased buying power generated by the new payroll the facility will produce are included among benefits the project will create, along with sales taxes from food and beverage and spa sales (estimated by the applicant).



FSH Lodge at Neversink, LLC Benefit/Cost Analysis

- 8) Room tax revenue is estimate based on 34 rooms with 50% occupancy and an average daily rate of \$650. Occupancy rates start somewhat lower and grow over time but a 50% average over the study period is assumed.
- 9) Cash flow streams from benefits and costs are net present valued using a discount rate of 1.687% ([current interest rate on the public debt](#)). Net present value figures include actual costs of abatements and other costs for the construction/start-up period (2022-2024) plus discounted values for 2025-2044, providing a reasonable period for assessing the full benefits and costs of the project.
- 10) Current ad valorem real property tax rates within the Town of Neversink, Sullivan County, are as follows:

Tax Rates		
Tax Category	Rate (Before Equalization)	% of Market Value
Medicaid	64.291955	0.21%
NYS Welfare Mandates	32.880360	0.11%
Other NYS Mandates	61.970598	0.21%
County Levy	69.733777	0.23%
County Total	228.876690	0.76%
Town to Highway	139.310648	0.46%
Town Total	139.310648	0.46%
School Tax Rate*	533.863221	1.78%
Combined Total	902.050559	3.01%

* Estimated for 2022

FSH Lodge at Neversink, LLC

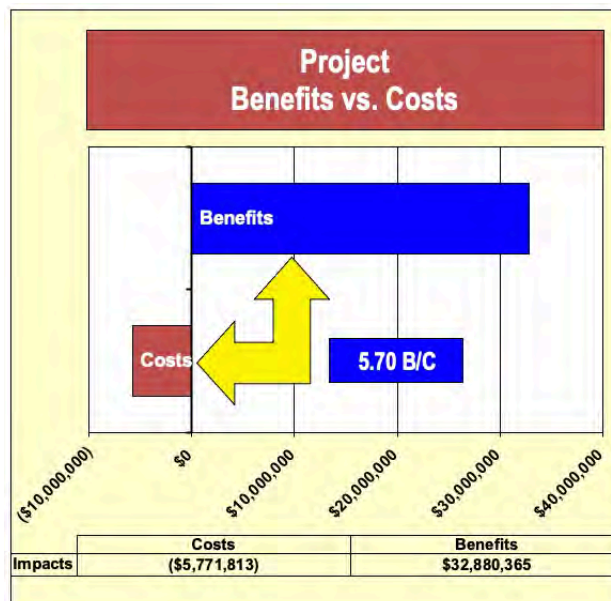
Benefit/Cost Analysis

Conclusion:

This project will generate costs of \$352,947 in mortgage, real property and sales tax abatements over the period of the standard PILOT agreement. Net present valued this equates to a total cost of \$351,874. There are an additional estimated \$2,351,265 of net school costs and \$3,068,674 of highway and related costs over this same period (net present valued), bringing total costs to \$5,771,813.

The project benefits consist of real estate taxes associated with improvements (\$15,885), the payroll gains (\$23,282,106), the sales taxes from those payroll gains (\$931,284) and the sales taxes from operations (\$4,158,370) which, altogether, at net present value, total \$32,880,365 combined over the analysis period.

This yields a positive benefit/cost ratio of 5.70.



FSH Lodge at Neversink, LLC

Benefit/Cost Analysis

Project Cost/Benefit Analysis	
Costs (2022-2044)	
Sales Tax Abatements (County)	\$137,440
Sales Tax Abatements (State)	\$137,440
Mortgage Tax Abatements	\$67,837
Real Property Tax Reductions Net of 485-b Benefits	\$10,231
Sub-Total (Value of All Abatements) =	\$352,947
Net Present Value of Abatements*	\$351,874
Additional School Costs	\$2,351,265
Variable Highway & Other Municipal Costs	\$3,068,674
Total Costs (Net Present Value)=	\$5,771,813
Benefits (Net Present Value, 2022-2044)	
Property Taxes Related to Improvements	\$15,885
Sales Taxes (General - From Gains in Buying Power)	
County	\$465,642
State	\$465,642
Sales Taxes (From Operations)	
County	\$2,079,185
State	\$2,079,185
Room Taxes	\$4,492,721
Sub-Total (Taxes/Charges) =	\$9,598,260
Personal Income Gains Related to New/Retained Jobs	\$16,311,992
Personal Income Gains Related to Multiplier Effects	\$6,970,114
Sub-Total (Income Gains) =	\$23,282,106
Total Benefits =	\$32,880,365
Gross Excess Benefits Over Costs =	\$27,108,552
Net of Abatements "Costs" and Income Gains=	\$4,178,320
Benefits to Costs Ratio =	5.70

FSH Lodge at Neversink, LLC

Benefit/Cost Analysis

Economic Analysis of Project and Requested Tax Abatement Program													
DESCRIPTION	FISCAL YEAR	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
	C	1	2	3	4	5	6	7	8	9	10	11	
Sales Tax Abatement		\$274,880	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mortgage Tax Abatement		\$67,837	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Property Tax Abatement		\$0	\$643	\$729	\$819	\$914	\$969	\$922	\$870	\$815	\$755	\$692	\$692
Highway/Other Costs		\$134,869	\$138,915	\$143,082	\$147,375	\$151,796	\$156,350	\$161,040	\$170,848	\$175,973	\$181,252	\$186,690	\$186,690
School Costs		\$0	\$105,540	\$108,706	\$111,967	\$115,326	\$118,786	\$122,350	\$129,801	\$133,695	\$137,706	\$141,837	\$141,837
Real Property Taxes on New Property Value		\$0	\$0	\$0	\$0	\$0	\$0	\$307	\$475	\$662	\$839	\$1,037	\$1,037
Total Real Property Taxes Without Project		\$21,649	\$21,649	\$22,299	\$22,968	\$23,657	\$24,366	\$25,097	\$26,626	\$27,425	\$28,247	\$29,095	\$29,095
Total Real Property Taxes With Project		\$21,649	\$21,649	\$22,299	\$22,968	\$23,657	\$24,366	\$25,097	\$26,158	\$26,076	\$25,987	\$25,898	\$25,898
Personal Income - New/Retained Jobs		\$0	\$732,188	\$754,154	\$776,778	\$800,082	\$824,084	\$848,807	\$874,271	\$900,499	\$927,514	\$955,339	\$984,000
Indirect Income Benefits		\$0	\$312,864	\$322,250	\$331,917	\$341,875	\$352,131	\$362,695	\$373,576	\$384,783	\$396,327	\$408,217	\$420,463
Added Sales Tax (General)		\$0	\$41,802	\$43,056	\$44,348	\$45,678	\$47,049	\$48,460	\$49,914	\$51,411	\$52,964	\$54,542	\$56,179
Added Sales Tax (Operations)		\$0	\$192,000	\$192,000	\$197,760	\$203,693	\$209,804	\$216,098	\$222,581	\$229,258	\$236,136	\$243,220	\$250,516
Room Tax		\$0	\$201,663	\$207,712	\$213,944	\$220,362	\$226,973	\$233,782	\$240,796	\$248,019	\$255,460	\$263,124	\$271,018

Economic Analysis of Project and Requested Tax Abatement Program													
DESCRIPTION	FISCAL YEAR	2036	2037	2038	2039	2040	2041	2042	2043	2044	TOTALS		
		12	13	14	15	16	17	18	19	20	Actual	NPV	
Sales Tax Abatement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$274,880	\$274,880	\$274,880
Mortgage Tax Abatement		\$0	\$367	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$67,837	\$67,837	\$67,837
Real Property Tax Abatement		\$534	\$198,059	\$204,001	\$210,121	\$216,425	\$222,917	\$229,605	\$236,493	\$243,481	\$10,231	\$9,157	\$9,157
Highway/Other Costs		\$146,092	\$150,475	\$154,989	\$159,639	\$164,428	\$169,361	\$174,442	\$179,675	\$185,065	\$3,642,591	\$3,068,674	\$3,068,674
School Costs		\$29,968	\$30,867	\$31,793	\$32,746	\$33,729	\$34,741	\$35,783	\$36,856	\$37,962	\$2,835,901	\$2,351,265	\$2,351,265
Total Real Property Taxes Without Project		\$31,214	\$32,334	\$33,493	\$34,692	\$35,933	\$37,218	\$38,548	\$39,924	\$41,351	\$603,372	\$503,959	\$503,959
Total Real Property Taxes With Project		\$1,013,520	\$1,043,925	\$1,075,243	\$1,107,500	\$1,140,725	\$1,174,947	\$1,210,195	\$1,246,501	\$1,283,896	\$623,832	\$519,844	\$519,844
Personal Income - New/Retained Jobs		\$433,077	\$446,069	\$459,451	\$473,235	\$487,432	\$502,065	\$517,116	\$532,630	\$548,609	\$19,674,169	\$16,311,992	\$16,311,992
Indirect Income Benefits		\$57,864	\$59,600	\$61,388	\$63,229	\$65,126	\$67,080	\$69,092	\$71,165	\$73,300	\$8,406,772	\$6,970,114	\$6,970,114
Added Sales Tax (General)		\$258,032	\$265,773	\$273,746	\$281,958	\$290,417	\$299,130	\$308,104	\$317,347	\$326,867	\$1,123,238	\$931,284	\$931,284
Added Sales Tax (Operations)		\$279,148	\$287,523	\$296,148	\$305,033	\$314,184	\$323,609	\$333,317	\$343,317	\$353,616	\$5,014,439	\$4,158,369	\$4,158,369
Room Tax		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,418,747	\$4,492,721	\$4,492,721

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law will be held by the County of Sullivan Industrial Development Agency ("Agency") on Monday, April 11, 2022 at 8:30 a.m., local time, in the Board Room at the Town of Neversink Town Hall, 273 Main Street, Grahamsville, New York, in connection with the following matter:

FSH Lodge at Neversink, LLC ("FSH Lodge") and 7491 State Route 55 Property Co., LLC ("7491," and together with FSH Lodge collectively, the "Company") has submitted an application ("Application"), 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) acquisition, construction, reconstruction, renovation, rehabilitation, installation and equipping of nine (9) existing buildings aggregating approximately 30,000 +/- square feet, intended to be used as a wellness retreat including 34 guest rooms, spa, restaurant and related amenities ("Buildings") situate on two (2) parcels of real estate consisting of approximately 229.5+/- acres located at 7491 State Route 55 and Seeman Road, Town of Neversink ("Town"), County of Sullivan ("County"), State of New York and identified on the Town tax map as Section 30, Block 1, Lots 39.1 and 39.3 ("Land"); (ii) acquisition, construction and installation thereon and therein of certain furniture, fixtures, machinery, equipment and tools ("Equipment"); (iii) construction of improvements to the Buildings, the Land and the Equipment (collectively, the Buildings, the Land and the Equipment are referred to as the "Project"); and (iv) lease of the Project from the Agency to the Company.

The Agency will acquire title to, or a leasehold interest in, the Project and lease the Project back to the Company. The Company will operate the Project during the term of the Lease. At the end of the lease term, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance ("Financial Assistance") to the Company in the form of sales and use tax exemption and mortgage recording tax exemption, consistent with the policies of the Agency, and a partial real property tax abatement.

A representative of the Agency will be at the above-stated time and place to present a copy of the Company's project application and hear and accept written and oral comments from all persons with views in favor of, opposed to or otherwise relevant to the proposed Financial Assistance.

Dated: March 25, 2022

By: COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on April 11, 2022 at 11:00 a.m. local time via videoconference as authorized by Chapter 417 of the Laws of 2021, which took effect on September 2, 2021 and was amended effective January 14, 2022 and further amended effective March 16, 2022.

The meeting was called to order by Chairperson Suzanne Loughlin, and, upon the roll being called, the following members of the Agency were:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]

The following persons were also present:

Jennifer M. Flad, Executive Director
John W. Kiefer, Chief Executive Officer
Julio Garaicoechea, Project Manager
Walter F. Garigliano, General Counsel
William A. Frank, Special Transaction Counsel

The following resolution was duly offered by _____, and seconded by _____, to wit:

Resolution No. __- 22

RESOLUTION OF THE AGENCY APPOINTING FSH LODGE AT NEVERSINK, LLC (“FSH LODGE”) AND 7491 STATE ROUTE 55 PROPERTY CO., LLC (“7491 SR 55,” TOGETHER WITH FSH LODGE, COLLECTIVELY, THE “COMPANY”) AS ITS AGENT FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, RECONSTRUCTING, RENOVATING, REHABILITATING, INSTALLING AND EQUIPPING THE PROJECT (HEREINAFTER DEFINED); MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGENT AND PROJECT AGREEMENT BETWEEN THE AGENCY AND THE COMPANY; AUTHORIZING THE AGENCY TO EXECUTE THE LEASE TO AGENCY (“LEASE”), LEASEBACK TO COMPANY (“LEASEBACK”), PAYMENT IN

LIEU OF TAX AGREEMENT (“PILOT AGREEMENT”) AND RELATED DOCUMENTS WITH RESPECT TO THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, RENOVATION, REHABILITATION, INSTALLATION AND EQUIPPING OF THE 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, on or about March 15, 2022, the Company presented an application to the Agency (“Application”), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project consisting of the: (i) acquisition, construction, reconstruction, renovation, rehabilitation, installation and equipping of nine (9) existing buildings aggregating approximately 30,000 +/- square feet, intended to be used as a wellness retreat including thirty-four (34) guest rooms, spa, restaurant and related amenities (“Buildings”) situate on two (2) parcels of real estate consisting of approximately 229.5+/- acres located at 7491 State Route 55 and Seeman Road, Town of Neversink (“Town”), County of Sullivan (“County”), State of New York and identified on the Town tax map as Section 30, Block 1, Lots 39.1 and 39.3 (“Land”); (ii) acquisition, construction and installation thereon and therein of certain furniture, fixtures, machinery, equipment and tools (“Equipment”); (iii) construction of improvements to the Buildings, the Land and the Equipment (collectively, the Buildings, the Land and the Equipment are referred to as the “Project”); and (iv) lease of the Project from the Agency to the Company; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of reconstructing, renovating, rehabilitating, installing and equipping the Project; (ii) negotiate and enter into an Agent and Project Agreement, the Lease, the Leaseback and the PILOT Agreement with the Company (collectively, the “Transaction Documents”); (iii) hold a leasehold interest in the Land, the improvements and personal property thereon which constitute the Project; and (iv) provide financial assistance to the Company in the form of (a) sales tax exemption for purchases related to the reconstruction, renovation, rehabilitation, installation and equipping of the Project; (b) a real property tax abatement on increased value resulting from improvements to the Land through the PILOT Agreement, which Agreement shall include language permitting the Company to seek enhanced benefits, in accordance with the Agency’s recently amended Tourism Industry Program in the event that the Company or any entity acting on the Company’s behalf, applies to the appropriate governmental authorities and receives all necessary approvals to develop, through construction or renovation, market rate workforce housing at a location at or within twenty-five (25) miles of the Project site, with said location to be determined at a future date, and such market rate workforce housing is actually developed; and (c) a mortgage tax exemption for financing related to the Project; and

WHEREAS, the total financial assistance being contemplated by the Agency is greater than \$100,000; and

WHEREAS, the Agency determined that the Application which involves the adaptive reuse of the existing buildings is a Type II Action under SEQR and no further action is required; and

WHEREAS, the Agency has given due consideration to the Application of the Company and to representations by the Company that the proposed financial assistance is an inducement to the Company to undertake the Project; and

WHEREAS, the Agency has considered the following matters as more fully set forth in its Uniform Tax Exemption Policies:

- A. Permanent private sector job creation and retention;
- B. Estimated value of the tax exemption;
- C. Whether the affected taxing jurisdictions shall be reimbursed by the Company if the Project does not fulfill the purposes for which the exemption was granted;
- D. Impact of Project on existing and proposed business or economic development projects;
- E. The amount of private sector investment generated or likely to be generated by the Project;
- F. Demonstrated public support for the Project;
- G. Likelihood of accomplishing the Project in a timely fashion;
- H. Environmental impact;
- I. Extent to which the Project will require additional services including, but not limited to educational, police, transportation, EMS and fire;
- J. Extent to which the Project will provide additional revenues; and
- K. Extent to which the Project will serve the public purposes of the Act by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in the State;

; and

WHEREAS, the Agency desires to encourage the Company to advance the job opportunities, health, general prosperity and economic welfare of the people of Sullivan County, New York by providing the contemplated financial assistance and undertaking the Project; and

WHEREAS, the Executive Director has negotiated the Transaction Documents with the Company; and

WHEREAS, the Transaction Documents have been prepared by Agency Special Transaction Counsel.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

- Section 1. The Company has presented to the Agency, among other things:
- (A) An Application in form acceptable to the Agency and

- (B) A Cost/Benefit Analysis relating to the proposed financial assistance.

Section 2. Based upon (i) the representations made by the Company to the Agency and (ii) related documents, the Agency hereby determines that:

- (A) The Project consists of the adaptive reuse of existing buildings;
- (B) The Project is a Type II action under SEQRA 6 NYCRR 617.5(c)(2) and accordingly, no further action is needed; and
- (C) The Project qualifies for financial assistance under the Agency's Uniform Tax Abatement Policy.

A copy of this resolution, together with the attachments thereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

Section 3. The Agency has determined that the proposed financial assistance exceeds the sum of \$100,000.00 and therefore a public hearing on due notice was held on April 11, 2022 at 8:30 a.m., local time, in the Board Room at the Town of Neversink Town Hall, 273 Main Street, Grahamsville, New York at which hearing comments relating to the proposed financial assistance were solicited. Said public hearing was open to the general public and public notice of the time and place of said public hearing was duly given in accordance with the applicable provisions of the General Municipal Law of the State.

Section 4. Based upon representations made by the Company to the Agency, the Agency hereby makes, finds and determines as follows:

- (A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;
- (B) It is desirable and in the public interest for the Agency to (i) acquire an interest in the Land and to take a leasehold interest in the improvements and personal property constituting the Project; (ii) appoint the Company as its agent for purposes of reconstructing, renovating, rehabilitating, installing and equipping the Project, and (iii) lease the Land, improvements and personal property constituting the Project to the Company pursuant to the Lease and the Leaseback, subject to the PILOT Agreement;
- (C) The Agency has the authority to take the actions contemplated therein under the Act; and
- (D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in the County and otherwise furthering the purposes of the Agency as set forth in the Act.

Section 5. Subject to the Company executing an Agent and Project Agreement in form and

substance approved by the Chief Executive Officer, the Agency hereby authorizes the Company to proceed with the acquisition, construction, reconstruction, renovation, rehabilitation, installation and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency to acquire, construct, reconstruct, renovate, rehabilitate, install and equip the Project on behalf of the Agency; with the authority to delegate its status as agent of the Agency to the Company's agents, subagents, contractors, subcontractors, suppliers, vendors and other such parties as the Company may choose. The appointment described above includes the following activities as they relate to the acquisition, construction, reconstruction, renovation, rehabilitation, installation and equipping of the Project, whether or not the materials, services or supplies described below are incorporated into or become an integral part of the Project; (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, construction, reconstruction, renovation, rehabilitation, installation and equipping of the Project; (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description in connection with the acquisition, construction, reconstruction, renovation, rehabilitation, installation and equipping of the Project; and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs with respect thereto), installed or placed in, upon or under the Project, including all repairs and replacements of such property. This Agency appointment includes the power to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agents for the Agency, and in general to do all things which may be requisite or proper for completing the Project, all with the same powers and with the same validity as the Agency could do if acting on its own behalf. The aforesaid appointment of the Company as agent of the Agency to reconstruct and equip the Project shall expire on October 31, 2022 if the Transaction Documents have not been executed and delivered.

Section 6. Based upon the representation and warranties made by the Company in its application for financial assistance, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount up to \$3,436,100, which result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$274,888. The Agency agrees to consider any requests by the Company for increase to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

Section 7. Pursuant to Section 875(3) of the New York General Municipal Law, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any sales and use tax exemption benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party

authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the sales and use tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project. As a condition precedent of receiving sales and use tax exemption benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must (i) cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

Section 8. The Transaction Documents which were negotiated by the Executive Director are hereby approved as to form and substance on condition that: (i) the payments under the Leaseback include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy.

Section 9. The Chairperson, Executive Director or Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Transaction Documents in the form presented at this meeting all with such changes, variations, omissions and insertions as the Chairperson, Executive Director or Chief Executive Officer of the Agency shall approve, the execution thereof by the Chairperson, Executive Director or Chief Executive Officer of the Agency to constitute conclusive evidence of such approval.

Section 10. The officers, employees and agents of the Agency are hereby authorized and directed 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 this resolution 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 11. It is hereby found and determined that all formal actions of the Agency concerning and relating to the adoption of this resolution were adopted in an open meeting of

the Agency; and that all deliberations of the Agency and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 12. The Executive Director, Chief Executive Officer or Counsel to the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company; and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 13. This resolution 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:

Suzanne Loughlin	[] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[] Yes	[] No	[] Absent	[] Abstain
Sean Brooks	[] Yes	[] No	[] Absent	[] Abstain

The resolution was thereupon duly adopted.

STATE OF NEW YORK :
:SS
COUNTY OF SULLIVAN :

I, the undersigned Secretary of the Agency DO HEREBY CERTIFY THAT:

1. I have compared the foregoing copy of a resolution of the County of Sullivan Industrial Development Agency ("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 video conference call on April 11, 2022 at 11:00 a.m. at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]

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

Suzanne Loughlin	[] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[] Yes	[] No	[] Absent	[] Abstain
Sean Brooks	[] 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 103(a) and (c) and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public via videoconferencing and public notice of the time and place of said meeting was duly given in accordance with such Sections 103(a) and (c) and 104, (iii) the meeting in all respects was duly held via videoconference as authorized by Chapter 417 of the Laws of 2021, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the 11th day of April, 2022.

Carol Roig, Secretary

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

I. APPLICANT INFORMATION:

Company Name: NY Thompson III, LLC
Address: 140 East 45th Street, Suite 32B-1, New York, NY 10017
Phone No: 646-998-6495
Telefax: NA
Email Address: peter.dolgos@delawareriversolar.com
Fed Id No.: 86-2737199
Contact Person: Peter Dolgos - SVP NY Thompson III, LLC

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

Principal Owners (Shareholders/Members/Owners): NY DRS Finco IV, LLC (100%)

Directors/Managers: NY DRS Finco IV, LLC (Sole Member)

Officers: Richard Winter (CEO), John Tartaglia (President), Peter Dolgos (SVP)

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/Partnership (number of members 1)

Date of organization: 12/23/2020

State of organization: NY

☐ 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: Law Office of Richard Chun, PLC
Address: 1225 Franklin Avenue, Suite 325, Garden City, NY 11530
Phone No.: 646-998-6403
Telefax No.: 917-591-9441
Email Address: rchun@rwc-legal.com

II. REQUESTED FINANCIAL ASSISTANCE

	<u>Estimated Value</u>
Real Property Tax Abatement (estimated)	<u>\$ 0</u>
Mortgage Tax Exemption	<u>\$ Not to Exceed \$43,000</u>
Sales and Use Tax Exemption	<u>\$ Not to Exceed \$55,000</u>
Issuance by the Agency of Tax Exempt Bonds	<u>\$ 0</u>

III. PROJECT INFORMATION

A.) Project Location:

Project Address: 1283 Old Route 17, Thompson, NY 12742
Tax Map Number(s): 1 -1-3
Located in the Village of: -----
Located in Town of Thompson
Located in the School District of Liberty Central School District
Located in Hamlet of -----

(i) Are Utilities on Site?

Water/Sewer No Electric Yes
Gas No Storm Sewer No

(ii) Present legal owner of the site: 1283 Old Route 17, LLC

If other than Applicant, by what means will the site be acquired for this Project:
NY Thompson III, LLC will lease the entire parcel (approximately 41 +/- acrs) from 1283 Old Route 17, LLC

(iii) Zoning of Project Site: Current: Commercial / Industrial Proposed: same

(iv) Are any variances needed: No

(v) Principal Use of Project upon completion: Generation of solar photovoltaic electricity to be distributed through the NYSEG electrical grid to NYSEG customers that are signed up with the Applicant's Community Solar Program.

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: NA

- 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: NA
- 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: Not Applicable
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: NA
 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: NA
- 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? Yes No X If yes, please contact the Agency for additional information. NA
- 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.

The Project is an approximate 4MWac solar photovoltaic electricity generating facility that will be interconnected to the NYSEG electrical grid. The electricity generated by the array will be sold to NYSEG customers that enroll in the Applicant's Community Solar Program. The Project is a new build and will be comprised of (a) racking to mount the solar modules (such racking generally to be pile driven into the ground), (b) solar modules, (c) inverters and transformers to sit on a concrete inverter pad and (d) other electrical wiring and system components. Construction will take approximately three to four months. An Interconnection Agreement with NYSEG has been executed.

The Project is monitored remotely and there are no daily on-site personnel required. Regularly scheduled maintenance will occur at least semi-annually and will consist of (a) cleaning panels (no chemicals), (b) equipment servicing / replacement and (c) project site maintenance (mowing).

The Applicant and Town will enter into a Decommissioning Plan/Agreement that will set forth the details regarding the decommissioning steps and financial surety for removal of the solar facility.

G.) COSTS AND BENEFITS OF THE PROJECT

Costs = Financial Assistance

Estimated Sales Tax Exemption	\$ <u>not to exceed \$55k</u>
Estimated Mortgage Tax Exemption	\$ <u>not to exceed \$43k</u>
Estimated Property Tax Abatement	\$ <u>0</u>
Estimated Interest Savings IRB Issue	\$ <u>0</u>

Benefits = Economic Development

Jobs created	<u>35-40 (development and construction phase)</u>
Jobs retained	<u>4-5 (contracted work during operation, not full time)</u>
Private funds invested	\$ <u></u>
Other Benefits	<ul style="list-style-type: none"> - <u>Reduced energy cost to community solar subscribers</u> - <u>Tax revenue to Town of Thompson, Sullivan County and Liberty Central School District</u> - <u>Local job creation during development phase (surveyors, engineers, sales), construction phase (construction jobs) and operational phase (landscaping, maintenance)</u> - <u>Contribute to achieving renewable energy generation goals in NY State</u>

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

Construction:	<u>35</u>
Permanent:	<u>4 - remotely monitored, no daily on site personnel, these are not full-time jobs</u>
Retained (at current facility):	<u>0 - remotely monitored, no daily on-site personnel</u> Note: See further job creation description below.

Project Costs (Estimates)	
Land and Existing Buildings	\$ (Leased)
Soft Costs (5%)	\$ 387,500
Other	\$ 7,362,500
Total	\$ 7,750,000

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. See attached Exhibit A.

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

The projected number of fulltime equivalent jobs that would be retained and that would be created if the request for financial assistance is granted.

As indicated above, the Project is monitored remotely and there are no daily on-site personnel required. Regularly scheduled maintenance will occur semi-annually or annually and will consist of (a) cleaning the panels (no chemicals) and (b) equipment servicing/replacement. All jobs created during the 30-year operational phase will be on a contract basis (landscaping and maintenance) and will be locally sourced to the extent possible.

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

The Project is currently in the development phase and there are certain contracted jobs already created (surveying, engineering, sales). The construction phase is expected to be three to four months with a target of commencing construction in the as early as 2nd quarter of 2022. Contracted jobs (maintenance and landscaping) during the operational phase (30 years) would commence upon completion of the construction phase, which is expected to be 3rd quarter 2022.

- 2) 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.

As indicated above, all jobs created during the operational phase of the Project will be on an independent contractor basis.

- 3) 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).

Development Phase: 3-4

Construction Phase: 25-30

Operational Phase: 4-5

Note: The 2015 US Census estimate of the population of the Mid-Hudson Valley Region aged 18-64 is 1,433,386.

- 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

This solar photovoltaic project is within the NYSEG utility zone, which historically has lower electricity rates than other utilities (Central Hudson, Orange & Rockland, etc.). In order for the Applicant to offer electricity at a discount to the customers enrolled in the Applicant's Community Solar Program the revenue generated by the Project would be lower than comparable projects in other utility areas. This results in returns below generally expected market returns on a solar project which would cause both financing parties and investors to seek investment elsewhere. The financial assistance provided by the Agency in terms of tax relief will provide financing parties and investors certainty in PILOT payments that will alleviate some of their risk on a Project with returns that are below market average.

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, officer 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.

EXHIBIT A
Source of Funds

Sponsor Investment	750,000
Tax Equity Investment	2,250,000
Debt	4,300,000
Incentives (NYSERDA estimate)	450,000
Total Source of Funds	7,750,000

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.

NY THOMPSON III, LLC

Peter Dolgos
By: Peter Dolgos. SVP

Date: 3/23/22

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

Peter Dolgos, being first duly sworn, deposes and says:

1. That I am the SVP of NY Thompson III, 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.

Peter Dolgos
(NAME)

Subscribed and affirmed to me under penalties of perjury
this 23 day of March, 2022.

Juliana C. Marques
(Notary Public)

JULIANA C. MARQUES
Notary Public, State of New York
No. 01MA6338149
Qualified in New York County
Commission Expires March 7, 2024

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.

(APPLICANT) NY Thompson III, LLC

By: Peter Dolgos

Name: Peter Dolgos

Title: Senior Vice President

Date: 3/23/22

Sworn to before me this

23 day of March, 2022.

Juliana C. Marques
Notary Public

JULIANA C. MARQUES
Notary Public, State of New York
No. 01MA6338149
Qualified in New York County
Commission Expires March 7, 2024

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on April 11, 2022 at 11:00 a.m. local time via videoconference as authorized by Chapter 417 of the Laws of 2021, which took effect on September 2, 2021 and was amended effective January 14, 2022 and further amended effective March 16, 2022.

The meeting was called to order by Chairperson Suzanne Loughlin, and, upon the roll being called, the following members of the Agency were:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]

The following persons were also present:

Jennifer M. Flad, Executive Director

John W. Kiefer, Chief Executive Officer

Julio Garaicoechea, Project Manager

Walter F. Garigliano, General Counsel

The following resolution was duly offered by _____, and seconded by _____, to wit:

Resolution No. __- 22

RESOLUTION OF THE AGENCY APPOINTING NY THOMPSON III, LLC (“COMPANY”) AS ITS AGENT FOR THE PURPOSE OF CONSTRUCTING THE PROJECT (HEREINAFTER DEFINED); MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGENT AND PROJECT AGREEMENT BETWEEN THE AGENCY AND THE COMPANY; AUTHORIZING THE AGENCY TO EXECUTE THE LEASE TO AGENCY (“LEASE”), LEASEBACK TO COMPANY (“LEASEBACK”), PAYMENT IN LIEU OF TAX AGREEMENT (“PILOT AGREEMENT”) AND RELATED DOCUMENTS WITH RESPECT TO THE CONSTRUCTION OF THE 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, on or about March 24, 2022, the Company presented an application to the Agency (“Application”), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project consisting of the construction of an approximately 4MW solar photovoltaic electricity generating facility that will be interconnected to the New York State Electric and Gas (“NYSEG”) electrical grid (“Project”) whereby NYSEG customers in NYSEG Load Zone E that are part of the Company’s Community Solar Program will receive such electricity at a discounted price to the then current NYSEG price. The Project is new construction and will be comprised of (a) racking to mount the solar modules (such racking generally to be pile driven into the ground); (b) solar modules; (c) inverters and transformers to sit on a concrete inverter pad and (d) assorted electrical components and wiring. The solar array will be constructed on one (1) parcel of real estate consisting of approximately 41± acres located at 1283 Old Route 17, Town of Thompson (“Town”), County of Sullivan (“County”), State and identified on the Town tax map as a portion of Section 1, Block 1, Lot 3 (“Land”); and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of constructing the Project; (ii) negotiate and enter into an Agent and Project Agreement, the Lease, the Leaseback and the PILOT Agreement with the Company (collectively, the “Transaction Documents”); (iii) hold a leasehold interest in the Land and the improvements thereon which constitute the Project; and (iv) provide financial assistance to the Company in the form of (a) sales tax exemption for purchases related to the construction of the Project; (b) a real property tax abatement on increased value resulting from improvements to the Land through the PILOT Agreement; and (c) a mortgage tax exemption for financing related to the Project; and

WHEREAS, the total financial assistance being contemplated by the Agency is less than \$100,000; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (“SEQR”), the Agency constitutes a “State Agency”; and

WHEREAS, to aid the Agency in determining whether the Project may have significant adverse effects on the environment, the Company has presented a Full Environmental Assessment Form (“EAF”) to the Agency with respect to the Project for its review; and

WHEREAS, the Agency has given due consideration to the Application of the Company and to representations by the Company that the proposed financial assistance is an inducement to the Company to undertake the Project; and

WHEREAS, the Agency has considered the following matters as more fully set forth in its Uniform Tax Exemption Policies:

- A. Permanent private sector job creation and retention;
- B. Estimated value of the tax exemption;
- C. Whether the affected taxing jurisdictions shall be reimbursed by the Company if the Project does not fulfill the purposes for which the exemption was granted;
- D. Impact of Project on existing and proposed business or economic development projects;
- E. The amount of private sector investment generated or likely to be generated by the Project;
- F. Demonstrated public support for the Project;
- G. Likelihood of accomplishing the Project in a timely fashion;
- H. Environmental impact;
- I. Extent to which the Project will require additional services including, but not limited to educational, police, transportation, EMS and fire;
- J. Extent to which the Project will provide additional revenues; and
- K. Extent to which the Project will serve the public purposes of the Act by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in the State;

; and

WHEREAS, the Agency desires to encourage the Company to advance the job opportunities, health, general prosperity and economic welfare of the people of Sullivan County, New York by providing the contemplated financial assistance and undertaking the Project; and

WHEREAS, the Executive Director has negotiated the Transaction Documents with the Company; and

WHEREAS, the Transaction Documents have been prepared by Agency counsel.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. The Company has presented to the Agency, among other things:

- (A) An Application in form acceptable to the Agency; and
- (B) An EAF.

Section 2. Based upon (i) the representations made by the Company to the Agency, and (ii) a review of the EAF presented to the Agency, the EAF reviewed and acted upon by the Town Planning Board, and (iii) related documents, the Agency hereby determines that:

- (A) The Project constitutes a Type I Action under the SEQRR;
- (B) The Project will result in no major impacts and, therefore, is one which will not cause significant damage to the environment;
- (C) The Project will not have a “significant effect on the environment” as such

quoted term is defined in Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation;

- (D) No “environmental impact statement” as such quoted term is defined in SEQR need be prepared for this action; and
- (E) This determination constitutes a negative declaration for purposes of SEQR.

A copy of this resolution shall together with the attachments thereto be placed on file in the office of the Agency where the same shall be available for public inspection during business hours, and notices of this negative declaration shall be filed in such offices, posted in such places, and published in such publications as shall be necessary to conform with the requirements of SEQR.

Section 3. The Agency has determined that the proposed financial assistance does not exceed the sum of \$100,000.00 and therefore the proposed action is not subject to a public hearing.

Section 4. Based upon representations made by the Company to the Agency, the Agency hereby makes, finds and determines as follows:

- (A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;
- (B) It is desirable and in the public interest for the Agency to (i) acquire a leasehold interest in the Land and improvements constituting the Project; (ii) appoint the Company as its agent for purposes of constructing the Project, and (iii) lease the Land and improvements constituting the Project to the Company pursuant to the Lease, subject to the Leaseback and the PILOT Agreement;
- (C) The Agency has the authority to take the actions contemplated therein under the Act; and
- (D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in the County and otherwise furthering the purposes of the Agency as set forth in the Act.

Section 5. Subject to the Company executing an Agent and Project Agreement in form and substance approved by the Chief Executive Officer, the Agency hereby authorizes the Company to proceed with the construction of the Project and hereby appoints the Company as the true and lawful agent of the Agency to construct the Project on behalf of the Agency; with the authority to delegate its status as agent of the Agency to the Company’s agents, subagents, contractors, subcontractors, suppliers, vendors and other such parties as the Company may choose. The appointment described above includes the following activities as they relate to the

construction of the Project, whether or not the materials, services or supplies described below are incorporated into or become an integral part of the Project; (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the construction of the Project; (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description in connection with the construction of the Project; and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs with respect thereto), installed or placed in, upon or under the Project, including all repairs and replacements of such property. This agency appointment includes the power to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agents for the Agency, and in general to do all things which may be requisite or proper for completing the Project, all with the same powers and with the same validity as the Agency could do if acting on its own behalf. The aforesaid appointment of the Company as agent of the Agency to construct the Project shall expire on October 31, 2022 if the Transaction Documents have not been executed and delivered.

Section 6. Based upon the representation and warranties made by the Company in its application for financial assistance, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount up to \$687,500, which result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$55,000. The Agency agrees to consider any requests by the Company for increase to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

Section 7. Pursuant to Section 875(3) of the New York General Municipal Law, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any sales and use tax exemption benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the sales and use tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with a material term or condition to use property or services in the manner approved by the Agency in

connection with the Project. As a condition precedent of receiving sales and use tax exemption benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must (i) cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

Section 8. The Transaction Documents which were negotiated by the Executive Director are hereby approved as to form and substance on condition that: (i) the payments under the Leaseback include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Community Distributed Generation Uniform Tax Exemption Policy.

Section 9. The Chairperson, Executive Director or Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Transaction Documents in the form presented at this meeting all with such changes, variations, omissions and insertions as the Chairperson, Executive Director or Chief Executive Officer of the Agency shall approve, the execution thereof by the Chairperson, Executive Director or Chief Executive Officer of the Agency to constitute conclusive evidence of such approval.

Section 10. The officers, employees and agents of the Agency are hereby authorized and directed 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 this resolution 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 11. It is hereby found and determined that all formal actions of the Agency concerning and relating to the adoption of this resolution were adopted in an open meeting of the Agency; and that all deliberations of the Agency and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 12. The Executive Director, Chief Executive Officer or Counsel to the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company; and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 13. This Resolution 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:

Suzanne Loughlin	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Edward T. Sykes	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Carol Roig	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Howard Siegel	<input 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 type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Paul Guenther	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Sean Brooks	<input 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 Secretary of the Agency DO HEREBY CERTIFY THAT:

1. I have compared the foregoing copy of a resolution of the County of Sullivan Industrial Development Agency ("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 video conference call on April 11, 2022 at 11:00 a.m. at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[]	[]
Edward T. Sykes	[]	[]
Carol Roig	[]	[]
Howard Siegel	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]

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

Suzanne Loughlin	[] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[] Yes	[] No	[] Absent	[] Abstain
Sean Brooks	[] 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 103(a) and (c) and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public via videoconferencing and public notice of the time and place of said meeting was duly given in accordance with such Sections 103(a) and (c) and 104, (iii) the meeting in all respects was duly held via videoconference as authorized by Chapter 417 of the Laws of 2021, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the 11th day of April, 2022.

Carol Roig, Secretary