

**COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY**

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

**RECESSED 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  
Philip Vallone, IDA Member  
Chairman and Members of the Sullivan County Legislature  
Josh Potosek, Sullivan County Manager  
John Kiefer, IDA Chief Executive Officer  
Walter Garigliano, Esq., IDA Counsel  
**FROM:** Jennifer Flad, Executive Director  
**DATE:** May 12, 2022

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**PLEASE TAKE NOTICE** that the May 9, 2022 Regular Meeting of the County of Sullivan Industrial Development Agency recessed and will reconvene as follows:

**Date:** Monday, May 16, 2022  
**Time:** 10:00 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 has been amended several times, 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](#).

**IN THE EVENT THE MODIFICATION OF THE LAW ALLOWING FOR REMOTE MEETINGS IS NOT EXTENDED BEYOND THE CURRENT EXPIRATION DATE OF MAY 15, 2022, THIS MEETING WILL BE HELD IN-PERSON AT THE LEGISLATIVE HEARING ROOM, SULLIVAN COUNTY GOVERNMENT CENTER, 100 NORTH STREET, MONTICELLO, NEW YORK 12701, AND LIVESTREAMED AS INDICATED ABOVE.**

**SEE REVERSE FOR AGENDA**

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**RECESSED MEETING AGENDA- AMENDED**

**Monday, May 16, 2022**

**I. RECONVENE MEETING**

**II. ROLL CALL**

**III. OLD BUSINESS**

Resolution: Appointing Fay Hospitality Catskills LLC as Agent of the Agency for the Purpose of Acquiring, 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, Leaseback to Company, Payment in Lieu of Tax Agreement, and Related Documents with Respect to the Acquisition, Renovation, Rehabilitation, Installation and Equipping of the Project

**IV. NEW BUSINESS**

Resolution: (I) Authorizing Execution of a First Amended Lease Subordination Agreement ("FALSA") in Favor of The Bancorp Bank ("Bancorp") and Empire State Certified Development Corporation ("ESDCD") in Connection with Financing of the Catskill Hospitality Holding LLC ("CHH") and Catskill Hospitality Operating LLC ("CHO" and Together with CHH, Collectively, the "Company") Project; and (II) Authorizing the Chairperson or Executive Director to Execute and Deliver the FALSA and all Related Documents Necessary to Effectuate the Foregoing

Resolution: Authorizing the Execution and Delivery of One or More Mortgages to Secure a Loan from M&T Bank in the Original Principal Amount of \$3,100,000 Relating to the SVG 26 LLC Project

Resolution: Approving a Lease/Leaseback Transaction Between The Center For Discovery, Inc. ("Company") and the Agency Related to Nineteen (19) Parcels of Real Property as Further Described Herein and Authorizing the Agency to Execute and Deliver One or More Mortgages in Favor of TD Bank Securing a Loan to the Company in an Original Principal Amount Not to Exceed Nine Million Fifty Thousand (\$9,050,000) Dollars

Any and All Other Business Before the Board

**V. PUBLIC COMMENT AND ADJOURN**

**##**

# BROWN DUKE & FOGEL, P.C.

ATTORNEYS AND COUNSELORS AT LAW  
WWW.BDFLEGAL.COM

Steven Vegliante, Esq., of Counsel  
George C. D. Duke, Esq., P.G.  
Brown Duke & Fogel, P.C.  
449 Broadway  
Monticello, NY 12701  
Tel: 845-707-4030  
Fax: 845-468-7066  
gduke@bdflegal.com

March 23, 2022

Ms. Suzanne Loughlin, Chairperson and Member of the Board of Directors  
Walter Garigliano, Esq., Agency Counsel  
Jennifer Flad, Executive Director  
County of Sullivan Industrial Development Agency  
548 Broadway  
Monticello, New York 12701

RE: Fay Hospitality Catskills LLC  
Villa Roma Resort and Conference Center Resort and Conference Center  
356 Villa Roma Road, Callicoon, New York  
Tax Parcel SBL 5-1-26.2, 20-1-7.1, 20-1-8.2, 20-1-8.3, 20-1-9.1, 20-1-9.4, 20-1-9.6, 20-1-9.8, 20-1-9.9, 20-1-9.10, 20-1-11.3, 20-1-11.4, 20-1-12.6, 20-1-14.2 (the "Property")

Dear Chairperson Loughlin, Mr. Garigliano, Ms. Flad and Members of the Board of Directors:

This office represents Fay Hospitality Catskills LLC ("Fay" or the "Applicant"). Fay is in contract to purchase the above-referenced Property, which includes approximately 434-acre parcel improved with the Villa Roma Resort and Conference Center Resort and Conference Center ("Villa Roma") resort facility and excess land. Villa Roma opened in 1970 and features 139 guest rooms, and an 18-hole golf course with driving range designed by James G. Harrison, ASGCA/Ferdinand Garbin, ASGCA. Additional amenities include a small ski area, pool areas, restaurants, a golf clubhouse and pro shop, fitness center and numerous other recreational activities. A new \$16 million registration building opened in September 2008.

The Villa Roma enjoys a favorable location in a secondary market and offers an outstanding array of activities and amenities. The Applicant, based on a thorough market analysis, believes that the Villa Roma is well positioned to maintain its market penetration and capture an increased market share

SYRACUSE

MONTICELLO

NEW YORK CITY

if it implements the right combination of capital investment and financial assistance, as described below.

As a further inducement to expand investment in Sullivan County, Fay desires to enter into agreements with the County of Sullivan Industrial Development Agency (“CSIDA”)<sup>1</sup> to assist with its purchase, financing and renovation of the Property to retain and ultimately expand its resort offerings and create new employment opportunities. To this end, after purchase, Fay plans to invest over \$15.75M in the purchase of the Villa Roma and the Property, approximately \$5M in immediate facility improvements as well as approximately \$2.4M in required structural and facility repairs going forward (the “Project”). As further inducement to invest in Sullivan County and make the Project a reality, the financial assistance required from the CSIDA include a limited real estate tax abatement, a sales and use tax exemption, and mortgage recording tax exemption (collectively, the “Financial Assistance”).

The specifics of the Financial Assistance requested are set forth more particularly in the attached application (the “Application”). In support of the instant Application, we bring the Agency’s attention to the following:

a. The Project/Location –The proposed Project will include purchase of the Villa Roma and the Property, the immediate repair and renovations of the hotel, including the hotel rooms, the public spaces, the meeting spaces, the club forum and indoor pool, the club house, the recreation and fitness center, the Club House catering center, the spa and the ski chalet. The Project is located within the Planned Unit Development (PUD) zoning district in the Town of Delaware, which allows for the flexibility provided additional functional integrated residential or resort communities where sufficient open space can be provided. The Project is fully permitted with the existing PUD and will occur fully within the Property boundaries and will not impact or touch previously undisturbed areas.

b. Private Investment - The anticipated capital investment in the Project will be approximately \$24M. This investment, coupled with the recent investments of hundreds of millions of dollars in Sullivan County within the past five years, will lead to significant additional direct and indirect investments in the local economy.

c. Job Creation – The Project is expected to retain the existing workforce of approximately 269 full time employees and approximately 100 seasonal employees. In addition, approximately 65 temporary construction jobs are anticipated. The jobs retained will continue to benefit the region. More detail is provided on the Application.

d. Timely Completion – This Project is expected to close in the second quarter of 2022. The \$5M main hotel and facility the renovations and improvements will commence within six months after closing. The \$2.4M of repair and maintenance costs that are expected to stem from post-renovation cash flow, are expected to occur two to three years after closing.

e. Existing Approvals - The Applicant has or will have all existing zoning and facility approvals as a condition of closing. So, no delays are expected to commence the facility repairs and renovations, other than ministerial building permits.

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<sup>1</sup> Portions of the Property received financial assistance from the CSIDA under agreements with the current owner/seller, Villa Roma Resort & Conference Center, Inc. (the “Current Owner/Seller”). Those agreements were terminated on August 31, 2019 and the Current Owner/Seller is not a party to this application to the CSIDA.

In addition, along with the attached Application, we enclose two checks, one covering a \$250.00 application fee and the second covering a \$5,000 up-front escrow deposit payable to the County of Sullivan Industrial Development Agency.

We look forward to working with you on this Application. Should you require additional information in support of this Application, please do not hesitate to contact me.

Very truly yours,

BROWN DUKE & FOGEL, P.C.

*Steven Vegliante*

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Steven Vegliante

Enc.

cc: Client

**COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY**  
**One Cablevision Center**  
**Ferndale, New York 12734**  
**845-295-2603**  
**APPLICATION FOR FINANCIAL ASSISTANCE**

I. A. APPLICANT INFORMATION:

Company Name: FAY HOSPITALITY CATSKILLS LLC<sup>1</sup>

Address: C/O FAY US INVESTMENTS CORP. EMERGE 212, 3  
COLUMBUS CIRCLE, NEW YORK, NY 10019

Phone No.: US: +1 (347) 399-3574 / UK: +44 (0) 7725886335

Telefax No.: N/A

Email Address: sandeep.wadhwa@fayinvestment.com

Fed Id. No.: 37-2018607

Contact Person: SANDEEP WADHWA, PRESIDENT

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership): See Attachment A – Acquisition Structure

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Principal Owners (Shareholders/Members/Owners):

Fay Hospitality Catskills LLC Sole Member with 100% Shareholding is Fay Villa Roma LLC;

Fay Villa Roma LLC 'Fay Member' and its Managing Member is Fay US Investments Corporation, with 68.6% Shareholding. Principal and President of Fay US Investments Corporation is Sandeep Wadhwa.

Fay Villa Roma LLC 'VRZS Member' is VRZS LLC, with 31.4% Shareholding. Principals of VRZS LLC are Steve Mabus and Sahmila Jafri each with a 50% Shareholding.

Directors/Managers: N/A

Officers: N/A

*Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity) See Attachment A – Acquisition Structure*

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<sup>1</sup> The Applicant hereby reserves the right to assign, either directly or indirectly, all or part of its rights and obligations under this Application and/or any Inducement Resolution of the Agency, upon the prior written consent of the Agency.

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: 09/29/2021 (NYS AUTHORIZATION 10/18/2021)

State of organization: DELAWARE

☐ 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: BROWN DUKE & FOGEL, P.C. – STEVEN VEGLIANTE / GEORGE DUKE

Address: 449 BROADWAY, MONTICELLO, NY 12701

Phone No.: 845-434-6688

Telefax No.: 845-436-7788

Email Address: SVEGLIANTE@BDFLEGAL.COM / GDUKE@BDFLEGAL.COM

II. REQUESTED FINANCIAL ASSISTANCE

Estimated Value

Real Property Tax Abatement (estimated)	\$ <u>TBD</u>
Mortgage Tax Exemption	<u>\$219,000.00</u>
Sales and Use Tax Exemption	<u>\$384,000.00</u>
Issuance by the Agency of Tax Exempt Bonds	<u>\$ N/A</u>

III. PROJECT INFORMATION

A.) Project Location: VILLA ROMA RESORT – TOWN OF DELAWARE, NY

Project Address: 356 Villa Roma Road, Calicoon, NY 12723

Tax Map Number(s): See Attachment B – List of Parcels in Project

Located in the Village of: N/A

Located in Town of DELAWARE

Located in the School District of SULLIVAN WEST

Located in Hamlet of CALLICOON

(i) Are Utilities on Site?

Water/Sewer Y

Electric Y

Gas NO

Storm Sewer Y

(ii) Present legal owner of the site: VILLA ROMA RESORT AND CONFERENCE CENTER, INC. AND VILLA ROMA LLC

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

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(iii) Zoning of Project Site: Current: PUD Proposed: PUD

(iv) Are any variances needed: NO

(v) Principal Use of Project upon completion: RESORT HOTEL AND CONFERENCE CENTER

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:

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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:

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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? Yes – ANCILLARY TO THE OPERATION OF THE RESORT; 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 Attachment C – Project Description

See Attachment D – Property Improvement Plan (PIP) Cost Schedule with Temporary Jobs Creation Estimate

See Attachment E – Capital Expenditure Estimate Report for Future Repairs

G.) COSTS AND BENEFITS OF THE PROJECT

Costs = Financial Assistance

Estimated Sales Tax Exemption	\$384,000
Estimated Mortgage Tax Exemption	\$219,000
Estimated Property Tax Abatement	\$ <u>TBD</u>
Estimated Interest Savings IRB Issue	\$ <u>NA</u>

Benefits= Economic Development

Jobs created	<u>0</u>
Jobs retained	<u>269</u>
Private funds invested	\$ <u>24,808,000</u>
Other Benefits	<u>          </u>

Estimate how many construction/permanent jobs will be created or retained as a

result of this Project:

Construction:	<u>0</u>
Permanent:	<u>269</u>
Retained (at current facility):	<u>269</u>

Project Costs (Estimates)<sup>2</sup>

Land and Existing Buildings	\$15,750,000
Soft Costs (5%)	\$ 2,250,000
Other	\$ 6,808,000
Total	\$24,808,000

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.

(CAPITAL STACK REQUIRED) It is anticipated that the Project will be financed as follows:

	Source	Use
Purchase Price		15,750,000
Closing Costs		2,158,000
Capex		4,800,000
Interest Reserve (24 months)		2,100,000
Term funding (24 months)	17,100,000	
Equity	2,908,000	
Capex – secondary Facility	4,800,000	
	24,808,000	24,808,000

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.

Jobs retained – 269

Jobs created (temporary construction jobs) – 65

See Attachment D – Property Improvement Plan (PIP) Cost Schedule with Temporary Jobs Creation Estimate

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<sup>2</sup> Estimates for renovations and repairs based on existing conditions survey and cost estimates prepared by Century Construction Consultants LLC, dated July 2020 and December 7, 2021.

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

Approximately 24 months

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- 3) The estimated salary and fringe benefit averages or ranges for categories of the jobs that would be retained or created if the request for financial assistance is granted.

\$45,000.00 (average)

See Attachment F – Employee Salary Information

- 4) An estimate of the number of residents of the economic development region as established pursuant to section two hundred thirty of the Economic Development Law, in which the project is located that would fill such jobs. The labor market area defined by the agency (Mid-Hudson Economic Development Region)

1,433,386

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H.) State whether there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Agency, or, if the project could be undertaken without financial assistance provided by the Agency, a statement indicating why the project should be undertaken by the Agency APPLICANT HAS DETERMINED THAT BENEFITS ARE NECESSARY FOR THE SUCCESSFUL PURCHASE, RENOVATION AND OPERATION OF THE RESORT. WITHOUT BENEFITS, IT IS HIGHLY UNLIKELY THAT APPLICANT COULD FINANCIALLY COMPLETE THE PROJECT AND OPERATE THE RESORT.

#### 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.

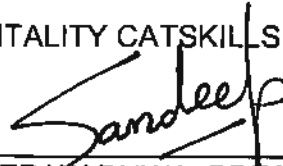
- I.) The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New 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.

DANIEL MARTIN BERGER  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01BE6395029  
Qualified in Kings County  
My Commission Expires 07-22-2023



FAY HOSPITALITY CATSKILLS LLC



By: SANDEEP WADHWA, PRESIDENT

Date: MARCH 23, 2022

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

SANDEEP WADHWA, being first duly sworn, deposes and says:

1. That I am the PRESIDENT of FAY HOSPITALITY CATSKILLS, 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.

  
SANDEEP WADHWA

Subscribed and affirmed to me under penalties of perjury  
this 23<sup>rd</sup> day of MARCH, 2022.

  
\_\_\_\_\_  
(Notary Public)

DANIEL MARTIN BERGER  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01BE6395029  
Qualified in Kings County  
My Commission Expires 07-22-2023



**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  
ONE CABLEVISION CENTER  
FERNDAL, NEW YORK 12734**

## 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.

FAY HOSPITALITY CATSKILLS LLC

By: SANDEEP WADHWA, PRESIDENT

Date: MARCH 23, 2022

Sworn to before me this  
23<sup>rd</sup> day of MARCH, 2022.

Daniel Martin Berger  
Notary Public

DANIEL MARTIN BERGER  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01BE6395029  
Qualified in Kings County  
My Commission Expires 07-22-2023



## **ATTACHMENT C**

### **Project Description - Fay Hospitality Catskills LLC**

Fay Hospitality Catskills LLC (“Fay” or the “Applicant”) is proposing to purchase, renovate, rejuvenate and operate the well-known Villa Roma Resort and Conference Center (“Villa Roma”) which is located on approximately 434 acres at 356 Villa Roma Road, Callicoon, New York. Villa Roma opened in 1970 and features 140 guest rooms, and an 18-hole golf course with driving range designed by James G. Harrison, ASGCA/Ferdinand Garbin, ASGCA. Additional amenities include a small ski area, pool areas, restaurants, a golf clubhouse and pro shop, tennis, fitness center and numerous other recreational activities. A new registration building was opened in September 2008.

The Villa Roma enjoys a favorable location in a secondary market and offers an outstanding array of activities and amenities. The Applicant, based on a thorough market analysis, believes that the Villa Roma is well positioned to maintain its market penetration and capture an increased market share, if it implements the right combination of capital investment and financial assistance.

Fay anticipates entering into agreements with the County of Sullivan Industrial Development Agency (“CSIDA”) to assist with its purchase, financing and renovation of the Property to retain and ultimately expand its resort offerings and create new employment opportunities. To this end, after purchasing the property for \$15.75M, Fay will invest \$5M in immediate facility improvements including the immediate repair and renovation of the hotel, 139 guest rooms, the public spaces, the meeting spaces, the club forum and indoor pool, the club house, the recreation and fitness center, the catering center, the spa and the ski chalet, and invest \$2.4M in required structural and facility repairs, including emergency power for water and waste water, roof replacement, a replacement golf course irrigation system, and laundry repairs (the “Project”). As further inducement to invest in Sullivan County and make the Project a reality, the financial assistance required from the CSIDA include a limited real estate tax abatement, a sales and use tax exemption, and mortgage recording tax exemption (collectively, the “Financial Assistance”).

The Project is expected to retain the existing workforce of over 269 employees, including approximately 246 hotel staff, and 23 administrative and facilities staff. The jobs retained will continue to benefit the region.

Administrative: \$25,169 - \$110,034

(Officers, General Manager, Administration, Sales, Office Staff, Personnel/Payroll and Supervisors (housekeeping, waitstaff, executive chef))

Maintenance: \$43,326 – \$60,320

(Maintenance, Greenskeeper, Water/Sewer and Technicians)

Hotel:

\$29,640 - \$41,080

(Management, Administration, Reservations and Accounting/Billing)

\$22,880 - \$29,120

(Maids and Laundry Handlers)

\$22,880 - \$27,456

(Maitre'd and Bellman)

\$28,080 - \$38,480

(Cooks, Bakers, Bartenders, Bar Waitstaff, Waitstaff, Dishwashers and Potwashers)

\$27,456 – \$58,510

(Drivers, Floaters, DJs, Cashiers and Equipment Attendants)

Ski: \$27,456 - \$54,204

(Management, Lift Operators, Instructors, Ski Patrol, Ski Cook, Snow Makers and Maintenance)

Other Recreation: Golf, Tennis and Pool: \$27,456 - \$41,600

(Instructors, Administrative, Lifeguards, Safety Patrol and Maintenance (mowers and technicians))

Benefits: Health insurance and paid time off.

# Fay Hospitality Catskills LLC

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

## Villa Roma Resort and Conference Center



## Benefit/Cost Analysis

*Prepared by:*

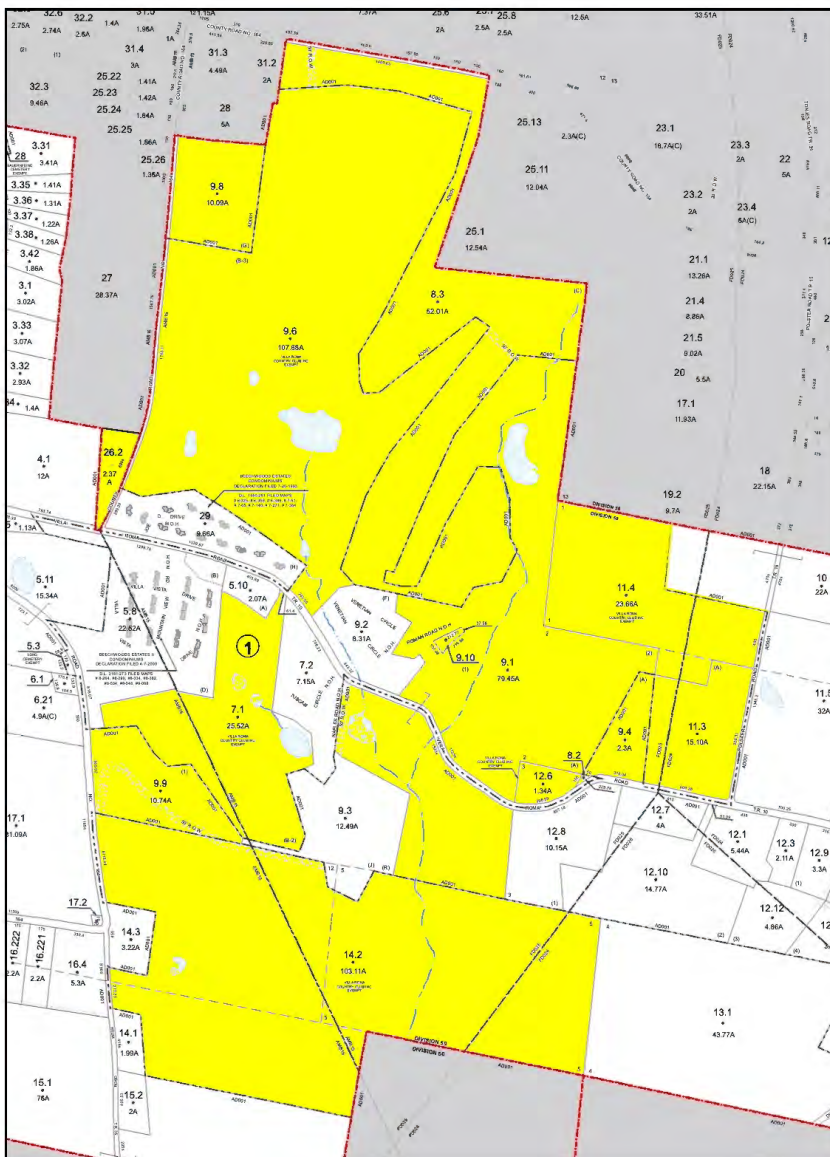
**Shepstone Management Company, Inc.**  
**Planning & Research Consultants**  
100 Fourth Street Honesdale, PA 18431  
(570) 251-9550 FAX 251-9551  
[www.shepstone.net](http://www.shepstone.net)  
[mail@shepstone.net](mailto:mail@shepstone.net)

*May, 2022*

# Fay Hospitality Catskills LLC Benefit/Cost Analysis

## Background:

Fay Hospitality Catskills LLC has applied for financial assistance for the revitalization of the Villa Roma Resort and Conference Center located on 434 acres of land located in the Town of Delaware. The following tax map parcels are involved:



Parcel No.	Acres
5.-1-26.2	2.37
20.-1-7.1	25.52
20.-1-8.2	0.39
20.-1-8.3	52.01
20.-1-9.1	79.83
20.-1-9.4	2.3
20.-1-9.6	107.68
20.-1-9.8	10.09
20.-1-9.9	10.74
20.-1-9.10	0.32
20.-1-11.3	15.1
20.-1-11.4	23.66
20.-1-12.6	1.34
20.-1-14.2	103.11
<b>Total</b>	<b>434.46</b>

## **Fay Hospitality Catskills LLC Benefit/Cost Analysis**

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The project involves the revitalization and upgrading of the resort. It involves an applicant estimated \$7,867,930 (rounded to \$8,000,000) in rehabilitation costs related to real property improvements. An estimated 60% or \$4,800,000 will be spent on otherwise sales-taxable material purchases. It is anticipated the real property will have an equalized assessed value of \$5,000,000.



Fay Hospitality Catskills 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.



## **Fay Hospitality Catskills LLC Benefit/Cost Analysis**

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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 conclusions reached regarding benefits and costs related to IDA assistance.

# Fay Hospitality Catskills LLC

## Benefit/Cost Analysis

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### Methods and Assumptions:

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

- 1) This new construction project involves an estimated \$4,800,000 in otherwise sales taxable material purchases (assuming 60% material costs for \$8.0 million of real property improvements).
- 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 improving the existing real property.



# Fay Hospitality Catskills LLC

## Benefit/Cost Analysis

The applicable IDA PILOT schedule follows.

Real Property Tax Tourism Industry Abatement Schedule					
Year	Equalized Assessed Value	Equalized Value of Improvements	% Abatement New Real Property	New \$ Value Abated	Total Value for PILOT
Construction Period	\$ 16,323,954	\$ -	-	\$ -	\$ 16,323,954
1	\$ 16,323,954	\$ 5,000,000	100%	\$ 5,000,000	\$ 16,323,954
2	\$ 16,323,954	\$ 5,000,000	100%	\$ 5,000,000	\$ 16,323,954
3	\$ 16,323,954	\$ 5,000,000	100%	\$ 5,000,000	\$ 16,323,954
4	\$ 16,323,954	\$ 5,000,000	100%	\$ 5,000,000	\$ 16,323,954
5	\$ 16,323,954	\$ 5,000,000	100%	\$ 5,000,000	\$ 16,323,954
6	\$ 16,323,954	\$ 5,000,000	90.0%	\$ 4,500,000	\$ 16,823,954
7	\$ 16,323,954	\$ 5,000,000	80.0%	\$ 4,000,000	\$ 17,323,954
8	\$ 16,323,954	\$ 5,000,000	70.0%	\$ 3,500,000	\$ 17,823,954
9	\$ 16,323,954	\$ 5,000,000	60.0%	\$ 3,000,000	\$ 18,323,954
10	\$ 16,323,954	\$ 5,000,000	50.0%	\$ 2,500,000	\$ 18,823,954
11	\$ 16,323,954	\$ 5,000,000	40.0%	\$ 2,000,000	\$ 19,323,954
12	\$ 16,323,954	\$ 5,000,000	30.0%	\$ 1,500,000	\$ 19,823,954
13	\$ 16,323,954	\$ 5,000,000	20.0%	\$ 1,000,000	\$ 20,323,954
14	\$ 16,323,954	\$ 5,000,000	10.0%	\$ 500,000	\$ 20,823,954
15	\$ 16,323,954	\$ 5,000,000	0.0%	\$ 0	\$ 21,323,954

- 3) The application to the IDA indicates there will be a \$21,900,000 mortgage to which mortgage tax abatement will apply.
- 4) There are expected to be 50 full-time equivalent (FTE) construction jobs created at an average salary of \$64,000 for the construction period. Some 269 jobs will be retained but have not been counted as a specific benefit for purposes of this particular analysis. An economic multiplier of 1.50 is applied to these construction salaries for purposes of calculating personal income benefits and sales attributable to increased buying power, assuming 50% of construction jobs are local residents.



## Fay Hospitality Catskills LLC Benefit/Cost Analysis

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- 5) The annual costs to local government for providing highway maintenance and other non-educational services in the Town of Delaware are expected to be zero because construction employment is unlikely to generate any new residents.
- 6) Sales taxes attributable to food, beverage and retail sales on-site are estimated on the basis that \$5 million in new investment would, at \$250 per square foot, ordinarily purchase the equivalent of 20,000 sf of retail space and, at \$200 per square foot of sales, this should increase annual taxable sales by \$4 million.



- 7) It is assumed room revenue will represent 50% of new sales taxable sales or \$2 million and that room tax at 5% will also apply this share of revenue.

## Fay Hospitality Catskills LLC Benefit/Cost Analysis

- 8) Cash flow streams from benefits and costs are net present valued using a discount rate of 1.55% ([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.
- 9) Current ad valorem real property tax rates within the Town of Delaware, Sullivan County, are as follows:

Tax Rates		
Tax Category	Rate (Before Equalization)	% of Assessed Value
Medicaid	2.594723	0.26%
NYS Welfare Mandates	1.327000	0.13%
Other NYS Mandates	2.501036	0.25%
County Levy	2.814346	0.28%
<b>County Total</b>	<b>9.237105</b>	<b>0.92%</b>
Town to Highway	6.40914	0.64%
<b>Town Total</b>	<b>6.409140</b>	<b>0.64%</b>
<b>School Tax Rate*</b>	<b>14.990337</b>	<b>1.50%</b>
<b>Combined Total</b>	<b>30.636582</b>	<b>3.06%</b>

\* Estimated for 2022

# Fay Hospitality Catskills LLC

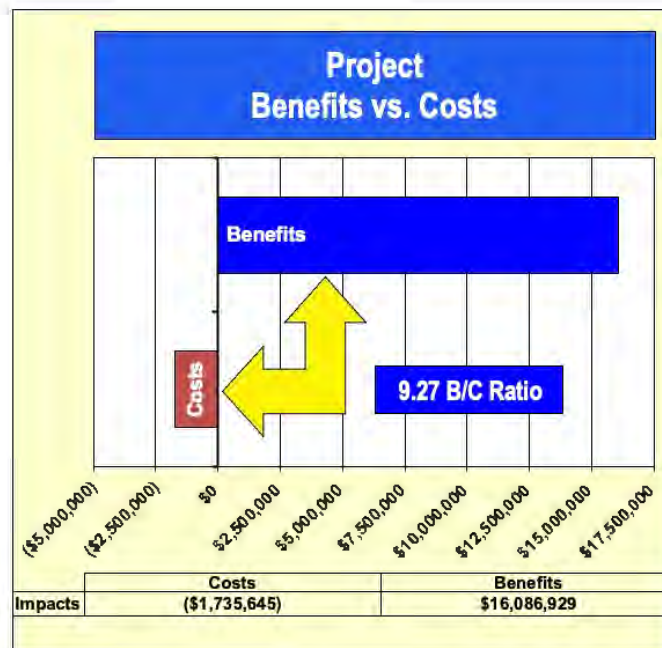
## Benefit/Cost Analysis

### Conclusion:

This project will generate estimated costs of \$1,857,801 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 \$1,764,368.

The project benefits consist of real property taxes associated with improvements (\$1,986,370), construction payroll gains (\$3,200,000), sales taxes from those payroll gains (\$182,694), sales taxes from operations (\$7,058,081) and room taxes (\$2,259,505) that, altogether, at net present value, total \$14,322,561 combined over the analysis period.

This yields a positive benefit/cost ratio of 9.27. Netting out the construction payroll gains, the ratio is 6.64.



# Fay Hospitality Catskills LLC

## Benefit/Cost Analysis

Project Cost/Benefit Analysis	
<b>Costs (2022-2044)</b>	
Sales Tax Abatements (County)	\$192,000
Sales Tax Abatements (State)	\$192,000
Mortgage Tax Abatements	\$219,000
Real Property Tax Reductions Net of 485-b Benefits	\$1,254,801
<b>Sub-Total (Value of All Abatements) =</b>	<b>\$1,857,801</b>
Net Present Value of Abatements	\$1,735,645
Additional School Costs	\$0
Variable Highway & Other Municipal Costs	\$0
<b>Total Costs (Net Present Value)=</b>	<b>\$1,735,645</b>
<b>Benefits (Net Present Value, 2022-2044)</b>	
Property Taxes Related to Improvements	\$1,986,370
Sales Taxes (General - From Gains in Buying Power)	
County	\$91,347
State	\$91,347
Sales Taxes (From Operations)	
County	\$3,545,500
State	\$3,545,500
Room Taxes	\$2,259,505
<b>Sub-Total (Taxes/Charges) =</b>	<b>\$11,519,569</b>
Personal Income Gains Related to New Jobs	\$3,200,000
Personal Income Gains Related to Multiplier Effects	\$1,367,360
<b>Sub-Total (Income Gains) =</b>	<b>\$4,567,360</b>
<b>Total Benefits =</b>	<b>\$16,086,929</b>
Gross Excess Benefits Over Costs =	\$14,351,284
<b>Gross Benefits to Costs Ratio =</b>	<b>9.27</b>
<b>B/C Ratio Net of Income Gains =</b>	<b>6.64</b>

# Fay Hospitality Catskills LLC

## Benefit/Cost Analysis

Economic Analysis of Project and Requested Tax Abatement Program													
FISCAL YEAR	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
DESCRIPTION	1	2	3	4	5	6	7	8	9	10	11		
Construct / Startup													
Sales Tax Abatement	\$384,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Mortgage Tax Abatement	\$219,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Real Property Tax Abatement	\$0	\$78,889	\$89,381	\$112,066	\$124,307	\$118,890	\$113,037	\$106,726	\$99,934	\$92,639	\$84,816		
Highway/Other Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
School Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Real Property Taxes on New Property Value	\$0	\$0	\$0	\$0	\$0	\$18,291	\$37,679	\$58,214	\$79,948	\$102,933	\$127,225		
Total Real Property Taxes Without Project	\$442,598	\$455,875	\$469,552	\$498,147	\$513,092	\$528,485	\$544,339	\$560,669	\$577,489	\$594,814	\$612,658		
Total Real Property Taxes With Project	\$442,598	\$455,875	\$469,552	\$498,147	\$513,092	\$528,485	\$544,339	\$560,669	\$577,489	\$594,814	\$612,658		
Personal Income - Construction Employment	\$3,200,000	\$0	\$0	\$0	\$0	\$546,775	\$582,018	\$618,884	\$657,437	\$697,747	\$739,883		
Personal Income Benefits	\$1,367,360	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Indirect Income Benefits	\$182,694	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Added Sales Tax (General)	\$62,002	\$320,000	\$320,000	\$339,488	\$349,673	\$360,163	\$370,968	\$382,097	\$393,560	\$405,366	\$417,527		
Added Sales Tax (Operations)	\$0	\$103,000	\$106,090	\$109,273	\$112,551	\$115,927	\$119,405	\$122,987	\$126,677	\$130,477	\$134,392		
Room Tax													

Economic Analysis of Project and Requested Tax Abatement Program													
FISCAL YEAR	2036	2037	2038	2039	2040	2041	2042	2043	2044				
DESCRIPTION	12	13	14	15	16	17	18	19	20	Actual	NPV		
Sales Tax Abatement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$384,000	\$384,000		
Mortgage Tax Abatement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$219,000	\$219,000		
Real Property Tax Abatement	\$65,521	\$44,991	\$23,170	\$0	\$0	\$0	\$0	\$0	\$0	\$1,254,801	\$1,132,645		
Highway/Other Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
School Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Real Property Taxes on New Property Value	\$152,882	\$179,963	\$208,533	\$238,654	\$245,814	\$253,188	\$260,784	\$268,607	\$276,665	\$2,509,378	\$1,986,370		
Total Real Property Taxes Without Project	\$631,038	\$649,969	\$669,468	\$689,552	\$710,239	\$731,546	\$753,493	\$776,097	\$799,380	\$12,692,141	\$10,743,124		
Total Real Property Taxes With Project	\$783,920	\$829,933	\$878,001	\$928,206	\$966,053	\$994,734	\$1,014,276	\$1,044,705	\$1,076,046	\$15,201,519	\$12,729,494		
Personal Income - Construction Employment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,200,000	\$3,200,000		
Personal Income Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,367,360	\$1,367,360		
Indirect Income Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$182,694	\$182,694		
Added Sales Tax (General)	\$430,053	\$442,955	\$456,243	\$469,931	\$484,029	\$498,550	\$513,506	\$528,911	\$544,779	\$8,419,400	\$7,091,000		
Added Sales Tax (Operations)	\$138,423	\$142,576	\$146,853	\$151,259	\$155,797	\$160,471	\$165,285	\$170,243	\$175,351	\$2,687,037	\$2,259,505		
Room Tax													

## RESOLUTION

A recessed meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on May 16, 2022, at 10:00 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 most recently amended on [April 15, 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	[       ]	[       ]
Philip Vallone	[       ]	[       ]

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. \_\_-22

***RESOLUTION OF THE AGENCY APPOINTING FAY HOSPITALITY CATSKILLS LLC (“COMPANY”) AS ITS AGENT FOR THE PURPOSE OF ACQUIRING, 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, 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 23, 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, renovation, rehabilitation, installation and equipping of the existing Villa Roma Resort and Conference Center including but not limited to (a) a resort hotel including 139 guest rooms with amenities ("Resort Hotel"); (b) an 18 hole golf course with driving range ("Golf Course"); (c) a golf clubhouse and pro shop ("Golf Clubhouse"); (d) a ski area ("Ski Area"); and (e) multiple pool areas, restaurants, a fitness center, and numerous other recreational facilities ("Related Facilities," and together with the Resort Hotel, the Golf Course, the Golf Clubhouse, and the Ski Area, the "Resort and Conference Center") situate on fourteen (14) parcels of real estate consisting of approximately 434 acres located at Villa Roma Road, County Road 164, and Polster Road, Town of Delaware ("Town"), County of Sullivan ("County"), State of New York and identified on the Town tax map as Section 5, Block 1, Lot 26.2; Section 20, Block 1, Lots 7.1, 8.2, 8.3, 9.1, 9.4, 9.6, 9.8, 9.9, 9.10, 11.3, 11.4, 12.6, and 14.2 ("Land"); (ii) acquisition, construction and installation thereon and therein of certain furniture, fixtures, machinery, equipment and tools ("Equipment"); (iii) construction of improvements to the Resort and Conference Center, the Land and the Equipment (collectively, the Resort and Conference Center, 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 and related documents 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 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; and (c) a mortgage tax exemption for financing related to the Project; and

**WHEREAS**, the Company received a commitment for a loan from CORFinancial Corp. as Agent for DTW Senior Debt Fund in the original principal amount of \$21,900,000 to be used for acquisition, renovation, rehabilitation, installation and equipping of the Project ("Loan"); and

**WHEREAS**, the Loan is to be secured by a first mortgage on the Land; and

**WHEREAS**, the total financial assistance being contemplated by the Agency is greater than \$100,000 and therefore the proposed action was subject to a public hearing; and



**WHEREAS**, the Agency determined that the Application which involves the renovation and rehabilitation of 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 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 renovation and rehabilitation of existing buildings;
- (B) The Project is a Type II action under SEQR 6 NYCRR 617.5(c)(1) 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 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. A public hearing on due notice was held on May 6, 2022 at 8:30 a.m., local time, at the Town of Delaware Municipal Building, 104 Main Street, Hortonville, New York 12745 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 acquiring, constructing, 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 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 Executive Director, 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 November 30, 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 \$4,800,000 which result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$384,000. 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) while the terms of the PILOT Agreements are not consistent with the Agency's Uniform Tax Exemption Policy a deviation therefrom has been approved by the Agency.

Section 9. The Chairperson or Executive Director 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 or Executive Director of the Agency shall approve, the execution thereof by the Chairperson or Executive Director 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 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
Philip Vallone	<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 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 May 16, 2022 at 10:00 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	[ ]	[ ]
Philip Vallone	[ ]	[ ]

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
Philip Vallone	[ ] 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 16<sup>th</sup> day of May, 2022.

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Carol Roig, Secretary

## RESOLUTION

A recessed meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on May 16, 2022, at 10:00 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 most recently amended on [April 15, 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	[     ]	[     ]
Philip Vallone	[     ]	[     ]

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. \_\_-22

***RESOLUTION (I) AUTHORIZING EXECUTION OF A FIRST AMENDED LEASE SUBORDINATION AGREEMENT (“FALSA”) IN FAVOR OF THE BANCORP BANK (“BANCORP”) AND EMPIRE STATE CERTIFIED DEVELOPMENT CORPORATION (“ESCDC”) IN CONNECTION WITH FINANCING OF THE CATSKILL HOSPITALITY HOLDING LLC (“CHH”) AND CATSKILL HOSPITALITY OPERATING LLC (“CHO” AND TOGETHER WITH CHH, COLLECTIVELY, THE “COMPANY”) PROJECT; AND (II) AUTHORIZING THE CHAIRPERSON OR EXECUTIVE DIRECTOR TO EXECUTE AND DELIVER THE FALSA AND ALL RELATED DOCUMENTS NECESSARY TO EFFECUATE THE FOREGOING***

***WHEREAS***, the Agency was created by Chapter 560 of the Laws of 1970 of the State of New York, as amended, pursuant to Title I of Article 18-A of the General Municipal Law of the

State of New York (collectively, the "Act") as a body corporate and politic and as a public benefit corporation of the State of New York; and

**WHEREAS**, on April 5, 2016, the Company presented an application ("Application") to the Agency, a copy of which is on file with the Agency, requesting the Agency's assistance with respect to a certain project consisting of the: (i) acquisition, construction, installation and equipping of an approximately 56,000 square foot building intended to be used as a limited service hotel ("Building") situate on one (1) parcel of real estate consisting of approximately 6.59± acres located along Golden Ridge Road, Town of Thompson ("Town"), County of Sullivan ("County"), State of New York and identified on the Town tax map as a portion of Section 13, Block 3, Lot 38.1 ("Land"); (ii) acquisition, construction and equipping of the Building; (iii) acquisition, 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 June 20, 2016, by Resolution #22-16, the Agency authorized the Company to act as its agent for the purposes of acquiring, constructing, installing and equipping the Facility and conferred on the Company certain financial assistance consisting of: (a) an exemption from all New York State and local sales and use tax for the purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, installation or equipping of the Facility, (b) an exemption from mortgage recording tax, and (c) a partial abatement from real property taxes conferred through a certain payment in lieu of tax agreement requiring the Company to make payments in lieu of taxes ("PILOT") for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption, the mortgage recording tax exemption, and the partial abatement from real property taxes, are hereinafter collectively referred to as the "Financial Assistance"). Provision of Financial Assistance is subject to the Company entering into the Agent and Project Agreement; and

**WHEREAS**, on September 12, 2016, by Resolution #32-16, the Agency approved the execution and delivery of one or more mortgages in favor of Jeff Bank in an aggregate amount not to exceed \$8,223,500; and

**WHEREAS**, the Company was unable to close on the anticipated straight lease transaction with the Agency due to issues associated with Project financing; and

**WHEREAS**, on February 27, 2017, by Resolution #09-17, the Agency authorized taking title to the Land from the present owner as nominee of the Company; and

**WHEREAS**, the Agency took title to the Land by Bargain & Sale Deed, dated March 13, 2017 which Deed was recorded on March 22, 2017 in the Sullivan County Clerk's Office as Instrument Number 2017-2254; and

**WHEREAS**, on or about March 17, 2017, the Company and the Agency entered into the following:



1. Agent and Project Agreement; and
2. Environmental Compliance and Indemnification Agreement; and

**WHEREAS**, on August 23, 2017, by Resolution #42-17, the Agency approved the execution and delivery of three (3) or more mortgages in favor of Bancorp in an aggregate amount not to exceed \$12,000,000; and

**WHEREAS**, in order to obtain Project financing, the Company requested that title to the Land be re-conveyed by the Agency to the Company; and

**WHEREAS**, by Quitclaim Deed, dated August 10, 2018 the Agency conveyed legal title to the Land to the Company, which Deed was recorded on August 16, 2018 in the Sullivan County Clerk's Office as Instrument Number 2018-5714; and

**WHEREAS**, on August 1, 2018, the Agency and the Company entered into the following documents:

1. Amended and Rested Agent and Project Agreement, dated August 1, 2018;
2. Environmental Compliance and Indemnification Agreement, dated August 1, 2018;
3. Bill of Sale to Agency, dated August 1, 2018;
4. Bill of Sale to Company, dated August 1, 2018;
5. Lease to Agency and memorandum thereto, dated August 1, 2018;
6. Leaseback to Company and memorandum thereto, dated August 1, 2018; and
7. Payment in Lieu of Tax Agreement, dated August 1, 2018 ("PILOT Agreement");

(Items 1-7 collectively referred to as the "2018 Transaction Documents")  
; and

**WHEREAS**, on or about August 10, 2018, the Company borrowed \$5,345,379 as evidenced by a Promissory Note payable to Bancorp ("TPL Loan"); and

**WHEREAS**, the TPL Loan was secured by a Mortgage and Security Agreement ("TPL Mortgage") and an Assignment of Leases and Rents ("TPL ALR") and was to be disbursed as contemplated by a Building Loan Agreement ("TPL BLA"); and

**WHEREAS**, on or about August 10, 2018, the Company borrowed \$3,207,227 as evidenced by a Promissory Note payable to Bancorp ("Interim Loan"); and

**WHEREAS**, the Interim Loan was secured by a Mortgage and Security Agreement ("Interim Mortgage") and an Assignment of Leases and Rents ("Interim ALR") and was to be disbursed as contemplated by a Building Loan Agreement ("Interim BLA"); and

**WHEREAS**, on or about August 10, 2018, the Company borrowed \$205,000 as evidenced by a Note payable to Bancorp ("SBA Loan" and together with the TPL Loan and Interim Loan, the "2018 Project Financing"); and

**WHEREAS**, the SBA Loan was secured by a Mortgage and Security Agreement (“SBA Mortgage”) and an Assignment of Leases and Rents (“SBA ALR”); and

**WHEREAS**, at the time of the Application and the execution of the PILOT Agreement, it was anticipated that the Project would be completed and open for business by the end of 2018; and

**WHEREAS**, as a result of delays in development of the Project, the Company requested the Agency delay each applicable year of the exemptions contemplated by the PILOT Agreement; and

**WHEREAS**, on February 10, 2020, the Agency adopted Resolution #04-20 authorizing an amendment of the PILOT Agreement to delay the exemptions for one year, it then being anticipated the Project would be completed in 2020, but after the March 1, 2020 taxable status date; and

**WHEREAS**, it is the Agency’s intent to provide the benefits contemplated by the Agency’s Tourism Destination Uniform Tax Exemption Policy (“TDUTEP”) over the operating life of the Project; and

**WHEREAS**, the Company and the Agency entered into an Omnibus Amendment to Project Documents (“Omnibus Amendment”), effective as of February 10, 2020, to delay each applicable year of the exemption contemplated by the PILOT Agreement by one year and to provide for a PILOT payment equal to what taxes would have been if the Agency was not involved in the Project for the payment due February 1, 2020; and

**WHEREAS**, in July 2020, the Company notified the Agency that the development of the Project would be further delayed; and

**WHEREAS**, by resolution #37-20, adopted on August 10, 2020 the Agency authorized a Second Amended Payment in Lieu of Tax Agreement to further delay each applicable year of the exemption contemplated by the PILOT Agreement for one (1) additional year; and

**WHEREAS**, the Company and the Agency entered into a Second Omnibus Amendment to Project Documents (“Second Omnibus Amendment”), effective as of August 10, 2020, to delay each applicable year of the exemption contemplated by the Omnibus Amendment by an additional one-year period and to provide for a PILOT payment equal to what taxes would have been if the Agency was not involved in the Project for the payment due February 1, 2021; and

**WHEREAS**, by letter from Brijesh Patel, dated January 8, 2021, the Company notified the Agency that the Project will not be completed until July 2021 (after the 2021 taxable status day of March 1, 2021) and that an additional one-year delay of each applicable year of the exemption contemplated by the Second Omnibus Amendment was requested; and

**WHEREAS**, by Resolution No. 04-21, the Agency authorized a Third Omnibus Amendment of Project Documents to further delay each applicable year of the exemption contemplated by the PILOT Agreement for one additional year and to provide for a PILOT

payment computed on a Total Value Subject to PILOT of \$900,000 for the payment due February 1, 2022; and

**WHEREAS**, the Company and the Agency entered into a Third Omnibus Amendment to Project Documents (“Third Omnibus Amendment”), effective as of February 8, 2021, to delay each applicable year of the exemption contemplated by the PILOT Agreement by an additional one-year period and to provide for a PILOT payment computed on a base value of \$900,000 Dollars for the payment due February 1, 2022; and

**WHEREAS**, the various delays associated with development of the Project had resulted in cost overruns estimated to be \$1,109,242 so that as of June 2021 the Project cost was estimated to be \$11,800,000; and

**WHEREAS**, to assist the Company to complete the Project, Bancorp and The U.S. Small Business Administration (collectively, “Lenders”) agreed to increase the TPL Loan by \$554,621 to \$5,900,000 and to increase the Interim Loan by \$332,773 to \$3,540,000. As a condition of the additional loans, the Lenders required the Company to increase its equity contribution to the Project by \$221,848 to \$2,360,000; and

**WHEREAS**, the Lenders expressed a preference to redocument the TPL Loan and Interim Loan and requested that the Agency join in execution of two Mortgages and related documents to secure a TPL Loan of \$5,900,000 and an Interim Loan of \$3,540,000; and

**WHEREAS**, by Resolution No. 22-21, duly adopted on June 14, 2021, the Agency authorized additional financing for the Project. Resolution No. 22-21 was amended by Resolution No. 25-21, duly adopted on July 12, 2021; and

**WHEREAS**, on July 30, 2021, the Company and Agency executed and delivered mortgages and related documents to secure the TPL Loan and Interim Loan, as follows:

#### TPL Loan

- a) Mortgage (New Money) and Security Agreement, dated as of July 30, 2021, executed by CHH and the Agency to Bancorp in the amount of \$554,621.00, and recorded in the Sullivan County Clerk’s Office on August 3, 2021 as Instrument No. 2021-7841;
- b) which Mortgage was consolidated by a Mortgage Consolidation, Extension and Modification and Security Agreement dated as of July 30, 2021, executed by CHH and Agency to Bancorp, in the consolidated amount of \$5,900,000 and recorded in the Sullivan County Clerk’s Office on August 3, 2021 as Instrument No. 2021-7842;

#### Interim Loan

- a) Mortgage (New Money) and Security Agreement, dated as of July 30, 2021, executed by CHH and the Agency to Bancorp in the amount of \$332,773, and recorded in the Sullivan County Clerk’s Office on August 3, 2021 as Instrument No. 2021-7843;
- b) which Mortgage was consolidated by a Mortgage Consolidation, Extension and Modification and Security Agreement dated as of July 30, 2021, executed by CHH and

Agency to Bancorp, in the consolidated amount of \$3,540,000 and recorded in the Sullivan County Clerk's Office on August 3, 2021 as Instrument No. 2021-7844.

**WHEREAS**, the terms of the TPL Loan and Interim Loan required loan proceeds to be disbursed not later than 60 months from the date of approval of the Authorization ("Authorization Date"); and

**WHEREAS**, due to additional delays the loan proceeds were not disbursed within the 60-month period from the Authorization Date; and

**WHEREAS**, the Lenders have authorized extension of the 60-month period to allow proceeds to be disbursed no later than 64 months after the Authorization Date; and

**WHEREAS**, the Interim Loan will be paid off by funding provided by ESCDC, which is in the aggregate amount of \$3,619,000 including the principal of the Interim Loan with financial closing costs of \$79,000 ("ESCDC Loan"); and

**WHEREAS**, as a condition of ESCDC making the ESCDC Loan, the Lenders require the Agency to execute and deliver a FALSA; and

**WHEREAS**, the Agency desires to authorize execution of the FALSA.

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

Section 1. The Chairperson or Executive Director of the Agency, each acting individually, are hereby authorized, on behalf of the Agency, to execute and deliver a FALSA in favor of Bancorp and ESCDC.

Section 2. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 3. These Resolutions shall take effect immediately.

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

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
Philip Vallone	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

and therefore, the resolution was declared 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 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 May 16, 2022 at 10:00 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	[ ]	[ ]
Philip Vallone	[ ]	[ ]

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
Philip Vallone	[ ] 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 16<sup>th</sup> day of May, 2022.

---

Carol Roig, Secretary

## RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency ("Agency") was convened on June 14, 2021, at 11:00 a.m. local time via teleconference as authorized by New York Governor Andrew Cuomo's Executive Order No. 202.108.

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	[    ✓    ]	[        ]
Craig Fleischman	[        ]	[    ✓    ]
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  
Deborah Nola, Accounting and Financial Analyst  
Walter F. Garigliano, Agency General Counsel

The following resolution was duly offered by Sean Brooks, and seconded by Paul Guenther, to wit:

Resolution No. 22 - 21

***RESOLUTION (I) AUTHORIZING ADDITIONAL FINANCING FOR THE CATSKILL HOSPITALITY HOLDING LLC ("CHH") AND CATSKILL HOSPITALITY OPERATING LLC ("CHO" AND TOGETHER WITH CHH, COLLECTIVELY, THE "COMPANY") PROJECT; AND (II) AUTHORIZING THE CHAIRMAN, CHIEF EXECUTIVE OFFICER OR EXECUTIVE DIRECTOR TO EXECUTE AND DELIVER ONE OR MORE MORTGAGES AND ALL RELATED DOCUMENTS NECESSARY TO EFFECUATE THE FOREGOING***

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



**WHEREAS**, on April 5, 2016, the Company presented an application ("Application") to the Agency, a copy of which is on file with the Agency, requesting the Agency's assistance with respect to a certain project consisting of the: (i) acquisition, construction, installation and equipping of an approximately 56,000 square foot building intended to be used as a limited service hotel ("Building") situate on one (1) parcel of real estate consisting of approximately 6.59± acres located along Golden Ridge Road, Town of Thompson ("Town"), County of Sullivan ("County"), State of New York and identified on the Town tax map as a portion of Section 13, Block 3, Lot 38.1 ("Land"); (ii) acquisition, construction and equipping of the Building; (iii) acquisition, 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 June 20, 2016, by Resolution #22-16, the Agency authorized the Company to act as its agent for the purposes of acquiring, constructing, installing and equipping the Facility and conferred on the Company certain financial assistance consisting of: (a) an exemption from all New York State and local sales and use tax for the purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, installation or equipping of the Facility, (b) an exemption from mortgage recording tax, and (c) a partial abatement from real property taxes conferred through a certain payment in lieu of tax agreement requiring the Company to make payments in lieu of taxes ("PILOT") for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption, the mortgage recording tax exemption, and the partial abatement from real property taxes, are hereinafter collectively referred to as the "Financial Assistance"). Provision of Financial Assistance is subject to the Company entering into the Agent and Project Agreement; and

**WHEREAS**, on September 12, 2016, by Resolution #32-16, the Agency approved the execution and delivery of one or more mortgages in favor of Jeff Bank in an aggregate amount not to exceed \$8,223,500; and

**WHEREAS**, the Company was unable to close on the anticipated straight lease transaction with the Agency due to issues associated with Project financing; and

**WHEREAS**, on February 27, 2017, by Resolution #09-17, the Agency authorized taking title to the Land from the present owner as nominee of the Company; and

**WHEREAS**, the Agency took title to the Land by Bargain & Sale Deed, dated March 13, 2017 which Deed was recorded on March 22, 2017 in the Sullivan County Clerk's Office as Instrument Number 2017-2254; and

**WHEREAS**, on or about March 17, 2017, the Company and the Agency entered into the following:

1. Agent and Project Agreement; and
2. Environmental Compliance and Indemnification Agreement; and

**WHEREAS**, on August 23, 2017, by Resolution #42-17, the Agency approved the execution and delivery of three (3) or more mortgages in favor of The Bancorp Bank in an aggregate amount not to exceed \$12,000,000; and

**WHEREAS**, in order to obtain Project financing, the Company requested that title to the Land be re-conveyed by the Agency to the Company; and

**WHEREAS**, by Quitclaim Deed, dated August 10, 2018 the Agency conveyed legal title to the Land to the Company, which Deed was recorded on August 16, 2018 in the Sullivan County Clerk's Office as Instrument Number 2018-5714; and

**WHEREAS**, on August 1, 2018, the Agency and the Company entered into the following documents:

1. Amended and Rested Agent and Project Agreement, dated August 1, 2018;
2. Environmental Compliance and Indemnification Agreement, dated August 1, 2018;
3. Bill of Sale to Agency, dated August 1, 2018;
4. Bill of Sale to Company, dated August 1, 2018;
5. Lease to Agency and memorandum thereto, dated August 1, 2018;
6. Leaseback to Company and memorandum thereto, dated August 1, 2018; and
7. Payment in Lieu of Tax Agreement, dated August 1, 2018 ("PILOT Agreement");

(Items 1-7 collectively referred to as the "2018 Transaction Documents")  
; and

**WHEREAS**, on or about August 10, 2018, the Company borrowed \$5,345,379 as evidenced by a Promissory Note payable to The Bancorp Bank ("TPL Loan"); and

**WHEREAS**, the TPL Loan was secured by a Mortgage and Security Agreement ("TPL Mortgage") and an Assignment of Leases and Rents ("TPL ALR") and was to be disbursed as contemplated by a Building Loan Agreement ("TPL BLA"); and

**WHEREAS**, on or about August 10, 2018, the Company borrowed \$3,207,227 as evidenced by a Promissory Note payable to The Bancorp Bank ("Interim Loan"); and

**WHEREAS**, the Interim Loan was secured by a Mortgage and Security Agreement ("Interim Mortgage") and an Assignment of Leases and Rents ("Interim ALR") and was to be disbursed as contemplated by a Building Loan Agreement ("Interim BLA"); and

**WHEREAS**, on or about August 10, 2018, the Company borrowed \$205,000 as evidenced by a Note payable to The Bancorp Bank ("SBA Loan" and together with the TPL Loan and Interim Loan, the "2018 Project Financing"); and

**WHEREAS**, the SBL Loan was secured by a Mortgage and Security Agreement ("SBA Mortgage") and an Assignment of Leases and Rents ("SBA ALR"); and

**WHEREAS**, at the time of the Application and the execution of the PILOT Agreement, it was anticipated that the Project would be completed and open for business by the end of 2018; and

**WHEREAS**, as a result of delays in development of the Project, the Company requested the Agency delay each applicable year of the exemptions contemplated by the PILOT Agreement; and

**WHEREAS**, on February 10, 2020, the Agency adopted Resolution #04-20 authorizing an amendment of the PILOT Agreement to delay the exemptions for one year, it then being anticipated the Project would be completed in 2020, but after the March 1, 2020 taxable status date; and

**WHEREAS**, it is the Agency's intent to provide the benefits contemplated by the Agency's Tourism Destination Uniform Tax Exemption Policy over the operating life of the Project; and

**WHEREAS**, the Company and the Agency entered into an Omnibus Amendment to Project Documents ("Omnibus Amendment"), effective as of February 10, 2020, to delay each applicable year of the exemption contemplated by the PILOT Agreement by one year and to provide for a PILOT payment equal to what taxes would have been if the Agency was not involved in the Project for the payment due February 1, 2020; and

**WHEREAS**, in July 2020, the Company notified the Agency that the development of the Project would be further delayed; and

**WHEREAS**, by resolution #37-20, adopted on August 10, 2020 the Agency authorized a Second Amended Payment in Lieu of Tax Agreement to further delay each applicable year of the exemption contemplated by the PILOT Agreement for one (1) additional year; and

**WHEREAS**, on or about August 10, 2020, the Agency and the Company entered into a Second Omnibus Amendment to further delay each applicable year of the exemption contemplated by the PILOT Agreement by an additional one-year period and to provide for a PILOT payment equal to what taxes would have been if the Agency was not involved in the Project for the payment due February 1, 2021; and

**WHEREAS**, the Company and the Agency entered into a Second Omnibus Amendment to Project Documents ("Second Omnibus Amendment"), effective as of August 10, 2020, to delay each applicable year of the exemption contemplated by the Omnibus Amendment by an additional one-year period and to provide for a PILOT payment equal to what taxes would have been if the Agency was not involved in the Project for the payment due February 1, 2021; and

**WHEREAS**, by letter from Brijesh Patel, dated January 8, 2021, the Company notified the Agency that the Project will not be completed until July 2021 (after the 2021 taxable status day of March 1, 2021) and that an additional one-year delay of each applicable year of the exemption contemplated by the Second Omnibus Amendment was requested; and

**WHEREAS**, by Resolution No. 04-21, the Agency authorized a Third Omnibus Amendment of Project Documents to further delay each applicable year of the exemption contemplated by the PILOT Agreement for one additional year and to provide for a PILOT payment computed on a Total Value Subject to PILOT of \$900,000 for the payment due February 1, 2022; and

**WHEREAS**, the Company and the Agency entered into a Third Omnibus Amendment to Project Documents ("Third Omnibus Amendment"), effective as of February 8, 2021, to delay each applicable year of the exemption contemplated by the PILOT Agreement by an additional one-year period and to provide for a PILOT payment computed on a base value of \$900,000 Dollars for the payment due February 1, 2022; and

**WHEREAS**, the various delays associated with development of the Project has resulted in cost overruns estimated to be \$1,109,242 so that as of the date hereof the Project cost is estimated to be \$11,800,000; and

**WHEREAS**, to assist the Company to complete the Project, The Bancorp Bank and The U.S. Small Business Administration (collectively, "Lenders") have agreed to increase the TPL Loan by \$554,621 to \$5,900,000 and to increase the Interim Loan by \$332,773 to \$3,540,000. As a condition of the additional loans, the Lenders have required the Company to increase its equity contribution to the Project by \$221,848 to \$2,360,000; and

**WHEREAS**, the Lenders have expressed a preference to redocument the TPL Loan and Interim Loan and requested that the Agency join in execution of two Mortgages and related documents to secure a TPL Loan of \$5,900,000 and an Interim Loan of \$3,540,000; and

**WHEREAS**, the Agency desires to authorize its Chairman, Chief Executive Officer or Executive Director, each acting individually, to execute and deliver one or more Mortgages and related documents to secure a TPL Loan of \$5,900,000 and an Interim Loan of \$3,540,000.

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

Section 1. The Chairman, Chief Executive Officer or Executive Director of the Agency, each acting individually, are hereby authorized, on behalf of the Agency, to execute and deliver two Mortgages and related documents to secure a TPL Loan of \$5,900,000 and an Interim Loan of \$3,540,000.

Section 2. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 3. These Resolutions shall take effect immediately.

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

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

and therefore, the resolution was declared duly adopted.

STATE OF NEW YORK :  
:SS  
COUNTY OF SULLIVAN :

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

1. I have compared the foregoing copy of a resolution of the Agency with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.
2. Such resolution was passed at a meeting of the Agency duly convened via teleconference on June 14, 2021 at 11:00 a.m., at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[ <input checked="" type="checkbox"/> ]	[ ]
Edward T. Sykes	[ <input checked="" type="checkbox"/> ]	[ ]
Carol Roig	[ <input checked="" type="checkbox"/> ]	[ ]
Craig Fleischman	[ ]	[ <input checked="" type="checkbox"/> ]
Howard Siegel	[ <input checked="" type="checkbox"/> ]	[ ]
Scott Smith	[ ]	[ <input checked="" type="checkbox"/> ]
Paul Guenther	[ <input checked="" type="checkbox"/> ]	[ ]
Sean Brooks	[ <input checked="" type="checkbox"/> ]	[ ]

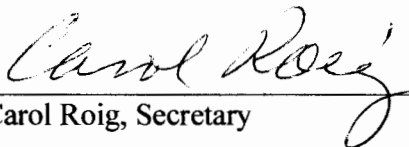
3. The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

Suzanne Loughlin	[ <input checked="" type="checkbox"/> ] Yes	[ ] No	[ ] Absent	[ ] Abstain
Edward T. Sykes	[ <input checked="" type="checkbox"/> ] Yes	[ ] No	[ ] Absent	[ ] Abstain
Carol Roig	[ <input checked="" type="checkbox"/> ] Yes	[ ] No	[ ] Absent	[ ] Abstain
Craig Fleischman	[ ] Yes	[ ] No	[ <input checked="" type="checkbox"/> ] Absent	[ ] Abstain
Howard Siegel	[ <input checked="" type="checkbox"/> ] Yes	[ ] No	[ ] Absent	[ ] Abstain
Scott Smith	[ ] Yes	[ ] No	[ <input checked="" type="checkbox"/> ] Absent	[ ] Abstain
Paul Guenther	[ <input checked="" type="checkbox"/> ] Yes	[ ] No	[ ] Absent	[ ] Abstain
Sean Brooks	[ <input checked="" type="checkbox"/> ] Yes	[ ] No	[ ] Absent	[ ] Abstain

and therefore, the resolution was declared duly adopted.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 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 teleconference as authorized by New York Governor Andrew Cuomo's Executive Order No. 202.108, and (iv) there was a quorum present throughout.

***IN WITNESS WHEREOF***, I have hereunto set my hand and seal on the 14<sup>th</sup> day of June, 2021.

  
Carol Roig, Secretary

## RESOLUTION

A recessed meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on May 16, 2022, at 10:00 a.m. local time via teleconference as authorized by Chapter 417 of the Laws of 2021, which took effect on September 2, 2021 and was most recently amended on [April 15, 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	[     ]	[     ]
Philip Vallone	[     ]	[     ]

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. \_\_-22

***RESOLUTION OF THE AGENCY AUTHORIZING EXECUTION AND DELIVERY OF ONE OR MORE MORTGAGES TO SECURE A LOAN FROM M&T BANK IN THE ORIGINAL PRINCIPAL AMOUNT OF \$3,100,000 RELATING TO THE SVG 26 LLC (“COMPANY”) 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 August 12, 2009, the Catskill Distilling Company, Ltd (“CDC”), Redford, LLC (“Redford”) and the Agency entered into a sale/leaseback transaction wherein the Agency acquired a fee interest in certain real property in the Town of Bethel (“Town”), County of Sullivan (“County”), State and identified on the Town tax map as Section 26, Block 1, Lot 6 and



Section 22, Block 1, Lot 62 (“CDC Project Land”) to facilitate the construction and equipping of a distillery, office, barrel storage house and restaurant/saloon (“CDC Project”); and

**WHEREAS**, the Agency took title to Bethel Section 22, Block 1, Lot 62 by Bargain and Sale Deed from Redford to the Agency dated August 12, 2009, which Deed was recorded in the Office of the Clerk of Sullivan County on August 14, 2009 in Deed Liber 3603 at page 365; and

**WHEREAS**, the Agency took title to Bethel Section 26, Block 1, Lot 6 by Bargain and Sale Deed from Redford to the Agency dated August 12, 2009, which Deed was recorded in the Office of the Clerk of Sullivan County on August 14, 2009 in Deed Liber 3603 at page 371; and

**WHEREAS**, on or about May 1, 2018, Redford merged into CDC; and

**WHEREAS**, on November 19, 2019, CDC filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, initiating a bankruptcy proceeding in the United States Bankruptcy Court for the Southern District of New York (“Bankruptcy Proceeding”); and

**WHEREAS**, on July 31, 2020, CDC and the Company entered into an Asset Purchase Agreement pursuant to the terms of which the Land and other assets of CDC were to be acquired by the Company (“APA”); and

**WHEREAS**, on May 3, 2021, the Company presented an application (“Application”) to the Agency, a copy of which is on file at the office of the Agency, requesting that the Agency consider (i) the continuation of financial assistance to the Company on the same terms as contemplated by the various agreements in place between the Agency and CDC at the time of commencement of the Bankruptcy Proceeding and (ii) the Agency enter into a lease/leaseback involving the CDC Project Land and three (3) additional parcels of property identified on the Town tax map as Section 22, Block 1, Lot 56, Section 22, Block 1, Lot 59 and Section 22, Block 1, Lot 60 which were required to be mortgaged by Sachem Capital Corp. (“Sachem Capital”), the lender providing financing to the Company to complete the transactions contemplated by the APA (the “Leased Premises”); and

**WHEREAS**, on or about May 24, 2021, the Agency and CDC entered into a Project Termination Agreement pursuant to which the CDC Project transaction documents between the Agency and CDC were terminated; and

**WHEREAS**, the Agency transferred the CDC Project Land to CDC and CDC transferred the Leased Premises to the Company; and

**WHEREAS**, in order to induce the Company to purchase and operate the CDC Project, on or about May 24, 2021, the Agency entered into a lease/leaseback transaction involving a lease of the Leased Premises from the Company to the Agency and a leaseback of the Leased Premises from the Agency to the Company; and

**WHEREAS**, the “Consideration” for the purchase of the CDC assets in the Bankruptcy Proceeding included 1) cash consideration of \$3,088,316.79; 2) conversion of non-insider debt to membership interest in the Company totaling 11.37% of total membership interest; and 3)

conversion of insider debt to membership interest in the Company totaling 12.55% of total membership interest; and

**WHEREAS**, a loan from Sachem Capital together with other equity and debt financing raised by the Company funded the cash consideration portion of the purchase price, which is being refinanced by a \$3,100,000 loan (“Loan”) from M&T Bank; and

**WHEREAS**, M&T Bank will make the Loan pursuant to the U.S. Small Business Administration (“SBA”) 7(a) Program; and

**WHEREAS**, the Loan is conditioned upon, among other collateral, a first mortgage lien on the Leased Premises; and

**WHEREAS**, the Agency desires to authorize execution of one or more mortgages in favor of M&T Bank as security for the Loan.

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

Section 1. The Chairperson or Executive Director of the Agency, each acting individually, are hereby authorized, on behalf of the Agency, to execute and deliver one or more mortgages in favor of M&T Bank in an original principal amount not to exceed \$3,100,000.

Section 2. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 3. These Resolutions shall take effect immediately.

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

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
Philip Vallone	[ ] Yes	[ ] No	[ ] Absent	[ ] Abstain

and therefore, the resolution was declared 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 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 May 16, 2022 at 10:00 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	[ ]	[ ]
Philip Vallone	[ ]	[ ]

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
Philip Vallone	[ ] 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 16<sup>th</sup> day of May, 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: The Center For Discovery, Inc.

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Address: P. O. Box 840

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Phone No.: (845) 794-1400

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Telefax No.: \_\_\_\_\_

Email Address: cdalessandro@tcfd.org

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Fed Id. No.: 141395426

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Contact Person: Claude D'Alessandro

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

Principal Owners (Shareholders/Members/Owners): \_\_\_\_\_

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Directors/Managers: (See Attached)

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Officers: Patrick H. Dollard – President & CEO, Claude D'Alessandro – CFO

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

N/A

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Form of Entity:

  X   Corporation (Not-For-Profit)

Date of incorporation: October 26, 1950

State of incorporation: New York

Partnership

General \_\_\_\_\_ or Limited \_\_\_\_\_

Number of general partners \_\_\_\_\_

If applicable, number of limited partners \_\_\_\_\_

Date of formation: \_\_\_\_\_

Jurisdiction formation: \_\_\_\_\_

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

Date of organization: \_\_\_\_\_

State of organization: \_\_\_\_\_

\_\_\_\_\_ 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.)

#### APPLICANT'S COUNSEL

Name: Claude D'Alessandro

Address: P. O. Box 840

Phone No.: (845) 794-1400

Telefax No.: (845) 794-8939

Email Address: cdalessandro@tcfd.org

#### II. REQUESTED FINANCIAL ASSISTANCE

	<u>Estimated Value</u>
Real Property Tax Abatement (estimated)	\$
Mortgage Tax Exemption	\$ 95,025
Sales and Use Tax Exemption	\$
Issuance by the Agency of Tax Exempt Bonds	\$

III. PROJECT INFORMATION See Attached Schedule for Property Information

A.) Project Location:

Project Address: \_\_\_\_\_  
Tax Map Number(s): \_\_\_\_\_  
Located in the Village of: \_\_\_\_\_  
Located in Town of \_\_\_\_\_  
Located in the School District of \_\_\_\_\_  
Located in Hamlet of \_\_\_\_\_

(i) Are Utilities on Site?

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

(ii) Present legal owner of the site: All The Center For Discovery, Inc.

(iii) \_\_\_\_\_

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

(iii) Zoning of Project Site: Current: \_\_\_\_\_ Proposed: \_\_\_\_\_

(iv) Are any variances needed: \_\_\_\_\_

(v) Principal Use of Project upon completion: \_\_\_\_\_

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.

Refinancing of existing bridge loan financing and to pay closing costs of the 2011 Sullivan County Funding Corporate Tax Exempt Bonds

G.) COSTS AND BENEFITS OF THE PROJECT

Costs = Financial Assistance

Estimated Sales Tax Exemption	\$ _____
Estimated Mortgage Tax Exemption	\$95,025 _____
Estimated Property Tax Abatement	\$ _____
Estimated Interest Savings IRB Issue	\$ _____

Benefits= Economic Development N/A

Jobs created	\$ _____
Jobs retained	\$ _____
Private funds invested	\$ _____
Other Benefits	\$ _____



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

Construction: \_\_\_\_\_

Permanent: \_\_\_\_\_

Retained (at current facility): \_\_\_\_\_

Project Costs (Estimates)

Land and Existing Buildings \$ \_\_\_\_\_

Soft Costs (5%) \$ \_\_\_\_\_

Other \$ \_\_\_\_\_

Total \$ \_\_\_\_\_

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.

\_\_\_\_\_ N/A \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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.

\_\_\_\_\_ N/A \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_ N/A \_\_\_\_\_  
\_\_\_\_\_

- 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.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 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)

N/A

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H.) State whether there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Agency, or, if the project could be undertaken without financial assistance provided by the Agency, a statement indicating why the project should be undertaken by the Agency

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#### IV. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A) Job Listings. In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B) First Consideration for Employment. In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C) Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.
- D) Annual Employment Reports. The Applicant understands and agrees that, if the

Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

E.) Absence of Conflicts of Interest. The Applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described.

F.) The Applicant represents that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

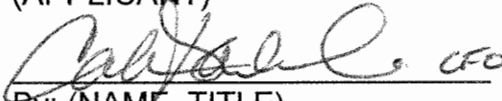
G.) The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

H.) The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.

I.) The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Agency will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

(APPLICANT)

  
By: (NAME, TITLE)

Date: 5/11/22

(APPLICANT)

\_\_\_\_\_  
By: (NAME, TITLE)

Date: \_\_\_\_\_

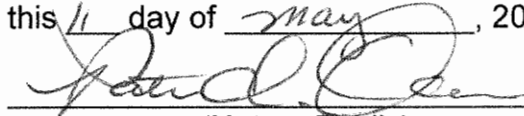
STATE OF NEW YORK    )  
COUNTY OF SULLIVAN   ) ss.:

Claude D'Alessandro, being first duly sworn, deposes and says:

1. That I am the CFO of The Center for Discovery (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.

  
(NAME)

Subscribed and affirmed to me under penalties of perjury  
this 11 day of May, 2022.

  
(Notary Public)

PATRICIA I. OOMEN  
Notary Public, State of New York  
Reg. No. 4974579  
Qualified in Orange County  
Commission Expires November 19, 2022

## 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)

*Robt. J. Allen, CFO*

By: (NAME, TITLE)

Date: 5/11/22

(APPLICANT)

By: (NAME, TITLE)

Date: \_\_\_\_\_

Sworn to before me this 15 day of May, 2022.  
*Patricia I. Oomen*

Notary Public

PATRICIA I. OOMEN  
Notary Public, State of New York  
Reg. No. 4974579  
Qualified in Orange County  
Commission Expires November 19, 2022

**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**



Health. Wellness. And Wonders.

## 2022 BOARD OF DIRECTORS

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Morgan Stanley Wealth Management

**Edward Giancontieri, Vice Chairperson**

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Founder & Managing Partner, Dubilier & Company

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**Arthur Thompson, CFA®**

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**Allison Vella, Director**

Director of Admissions, Saint David's School

**The Center For Discovery, Inc.**

**Property Locations/FA #'s**

As of April 30, 2022

Street Address	Hamlet/ Village	Township	School District	S - B - L	Utilities (See Legend)	Project Zoning		Variance Required	Project Use
						Current	Proposed		
102 Wawanda Ave.	Liberty	Liberty	Liberty	102.-6-2	W/S-E-S	COM-1	Same	No	ICF
1034 Old Liberty Road	Monticello	T	Monticello	2.-1-31.3	W/S-E-S	RR	Same	No	ICF
1074 Old Liberty Road	Monticello	T	Monticello	2.-1-37.3	E	RR	Same	No	Agriculture
37 Rapp Road	Monticello	T	Monticello	7.-1-11.2	W/S-E-S	RR-1	Same	No	ICF
7-9 Holmes Road	Monticello	T	Monticello	7.-1-13.3	W/S-E-S	RR-1	Same	No	Utility
29-31 Holmes Road	Monticello	T	Monticello	7.-1-13.4	W/S-E-S	RR-1	Same	No	ICF
500 Old Route 17	Monticello	T	Monticello	7.-1-25.2	W/S-E-S	RR	Same	No	ICF
516 Old Route 17	Monticello	T	Monticello	7.-1-25.3	W/S-E-S	RR	Same	No	IRA
15-104 Tekene Road	Monticello	T	Monticello	7.-1-26.1	W/S-E-S	RR-1	Same	No	ICF
4-18 Unami Circle	Monticello	T	Monticello	7.-1-26.11	W/S-E-S	RR	Same	No	ICF
11 Tekene Road	Monticello	T	Monticello	7.-1-26.16	W/S-E-S	RR-1	Same	No	Residential
606 Old Route 17	Monticello	T	Monticello	7.-1-27.1	W/S-E-S	HC	Same	No	Clinic
641 Old Route 17	Monticello	T	Monticello	7.-1-27.2	W/S-E-S	HC-2	Same	No	Support
589-597 Old Route 17	Monticello	T	Monticello	7.-1-28	W/S-E-S	HC	Same	No	Offices
495-507 Old Route 17	Monticello	T	Monticello	7.-1-39.1	W/S-E-S	COM-1	Same	No	Support/Offices
49 Kinnebrook Road &	Monticello	Thompson	Monticello	7.-1-39.5	W/S-E-S	RR-1	Same	No	Assorted Use
141 Benmoche Road			Monticello	7.-1-39.2	W/S-E-S	RR-1	Same	No	Assorted Use
284 Old Route 17	Monticello	T	Monticello	12.-1-12	E-S	RR-1	Same	No	ICF
86 Discovery Ridge Road	Hurleyville	F	Fallsburg	32.-1-8.1	W/S-E-S	R1	Same	No	Education
76-82 Mitteer Road	Hurleyville	F	Fallsburg	32.-1-8.3	W/S-E-S	R1	Same	No	IRA
104 Mitteer Road	Hurleyville	F	Fallsburg	32.-1-8.4	W/S-E	R1	Same	No	Agriculture



## RESOLUTION

A recessed meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on May 16, 2022, at 10:00 a.m. local time via teleconference as authorized by Chapter 417 of the Laws of 2021, which took effect on September 2, 2021 and was most recently amended on [April 15, 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	[     ]	[     ]
Philip Vallone	[     ]	[     ]

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. \_\_-22

***RESOLUTION APPROVING A LEASE/LEASEBACK TRANSACTION BETWEEN THE CENTER FOR DISCOVERY, INC. (“COMPANY”) AND THE AGENCY RELATED TO NINETEEN (19) PARCELS OF REAL PROPERTY AS FURTHER DESCRIBED HEREIN AND AUTHORIZING THE AGENCY TO EXECUTE AND DELIVER ONE OR MORE MORTGAGES IN FAVOR OF TD BANK SECURING A LOAN TO THE COMPANY IN AN ORIGINAL PRINCIPAL AMOUNT NOT TO EXCEED NINE MILLION FIFTY THOUSAND (\$9,050,000) DOLLARS***

***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 May 11, 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 Company and Agency enter into a lease/leaseback transaction involving nineteen (19) parcels of real property, as follows:

Towns	Section, Block & Lot
Liberty	102.-6-2
Thompson	2.-1-31.3
Thompson	2.-1-37.3
Thompson	7.-1-11.2
Thompson	7.-1-13.3
Thompson	7.-1-13.4
Thompson	7.-1-25.2
Thompson	7.-1-25.3
Thompson	7.-1-26.11
Thompson	7.-1-27.1
Thompson	7.-1-27.2
Thompson	7.-1-28
Thompson	7.-1-39.1
Thompson	7.-1-39.5
Thompson	7.-1-39.2
Thompson	12.-1-12
Fallsburg	32.-1-8.1
Fallsburg	32.-1-8.3
Fallsburg	32.-1-8.4

(“Land”); and

**WHEREAS**, it is contemplated that the Agency will (i) negotiate and enter into an Environmental Compliance and Indemnification Agreement, Lease to Agency (“Lease”) and Leaseback to Company (“Leaseback”) with the Company (collectively, the “Transaction Documents”); (ii) acquire a leasehold interest in the Land together with the buildings and improvements thereon; and (iii) provide financial assistance to the Company in the form of a mortgage recording tax exemption for financing to the Company to be secured by a mortgage on the Land; and

**WHEREAS**, the total financial assistance being contemplated by the Agency is under One Hundred Thousand (\$100,000) Dollars.

**WHEREAS**, the Agency has determined that the Application involves a financial transaction only, which is a Type II Action under SEQR, so no further action is required; and

**WHEREAS**, the Agency has, to the extent relevant, 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 assist the Company to continue to provide and advance job opportunities, health, general prosperity and economic welfare of the people of Sullivan County, New York by providing the contemplated financial assistance; and

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

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

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

Section 1. The Company has presented to the Agency an Application in form acceptable to the Agency.

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 proposed financial assistance involves one of multiple loans related to a comprehensive amendment of the Company's obligations under bonds issued by Sullivan County Funding Corporation ("SCFC") in 2011 and 2017 (the "SCFC 2011 and 2017 Bonds")
- (B) The Project is a Type II action under SEQR 6 NYCRR 617.5(c)(29) 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 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 is under One Hundred Thousand (\$100,000) Dollars and therefore no public hearing on the

Application is required.

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 (ii) lease the Land back to the Company pursuant to the Lease and the Leaseback; and (iii) mortgage the Agency's leasehold interest to TD Bank as security for a loan in the original principal amount of Nine Million Fifty Thousand (\$9,050,000) Dollars which is a loan related to a comprehensive amendment of the Company's obligations under the SCFC 2011 and 2017 Bonds;
- (C) The Agency has the authority to take the actions contemplated herein under the Act; and
- (D) The action to be taken by the Agency will assist the Company in continuing its mission of serving the needs of persons with developmental disabilities and continuing to provide employment opportunities in the County and otherwise furthering the purposes of the Agency as set forth in the Act.

Section 5. 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 Company pay all costs associated with preparation of a Project Termination Agreement and related documents at the end of the term of the Lease and Leaseback.

Section 6. The Chairperson or Executive Director of the Agency (either acting individually) 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 or Executive Director of the Agency shall approve, the execution thereof by the Chairperson or Executive Director to constitute conclusive evidence of such approval.

Section 7. The Chairperson or Executive Director of the Agency (either acting individually) is hereby authorized on behalf of the Agency, to execute and deliver one or more mortgages in favor of TD Bank to secure a loan in the original principal amount not to exceed Nine Million Fifty Thousand (\$9,050,000) Dollars.

Section 8. 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 9. 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 that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 10. The Executive Director 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 11. 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
Philip Vallone	<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 May 16, 2022 at 10:00 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
Philip Vallone	[ ] 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 16<sup>th</sup> day of May, 2022.

---

Carol Roig, Secretary