

**RESOLUTION**

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

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

	<u>PRESENT</u>	<u>ABSENT</u>
Suzanne Loughlin	[ √ ]	[   ]
Edward T. Sykes	[ √ ]	[   ]
Carol Roig	[ √ ]	[   ]
Howard Siegel	[ √ ]	[   ]
Scott Smith	[   ]	[ √ ]
Paul Guenther	[ √ ]	[   ]
Sean Brooks	[   ]	[ √ ]
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, General Counsel  
William A. Frank, Special Transaction Counsel

The following resolution was duly offered by Paul Guenther, and seconded by Edward T. Sykes, to wit:

Resolution No. 30 - 22

***RESOLUTION OF THE AGENCY: I) AUTHORIZING ACCEPTANCE OF THE AMENDMENT OF THE APPLICATION FOR AGENCY BENEFITS DATED MARCH 15, 2022 SUBMITTED BY FSH LODGE AT NEVERSINK, LLC AND 7491 STATE ROUTE 55 PROPERTY CO., LLC, (COLLECTIVELY, THE “COMPANY”); II) AMENDING AGENCY RESOLUTION NO. 15-22 ADOPTED ON APRIL 11, 2022; III) AUTHORIZING AMENDMENT OF THE AGENT AND PROJECT AGREEMENT DATED JUNE 1, 2022; AND IV) AUTHORIZING EXECUTION AND DELIVERY OF ONE OR MORE MORTGAGES TO SECURE A LOAN FROM WALDEN SAVINGS BANK IN THE ORIGINAL AMOUNT NOT TO EXCEED \$7,750,000.00 RELATING TO THE COMPANY’S PROJECT***

**WHEREAS**, by Title 1 of Article 18-A of the General Municipal Law of the State of New York ("State"), as amended, and Chapter 560 of the Laws of 1970 of the State, as amended and codified as Section 960 of the General Municipal Law (collectively, the "Act"), the Agency was created with the authority and power to own, lease and sell property as authorized by the Act; and

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

**WHEREAS**, on or about April 11, 2022, by duly adopted Resolution No. 15-22, the Agency approved the Application and the Agency agreed to undertake the Project; and

**WHEREAS**, pursuant to Resolution No. 15-22, the Agency (i) designated the Company as its agent for the purpose of reconstructing, renovating, rehabilitating, installing and equipping the Project; (ii) negotiated and entered into an Agent and Project Agreement dated as of June 1, 2022; (iii) authorized the negotiation and entry into the Lease, the Leaseback and the PILOT Agreement with the Company (collectively with the Agent and Project Agreement, the "Transaction Documents"); (iv) agreed to hold a leasehold interest in the Land, the improvements and personal property thereon which constitute the Project; and (v) agreed to provide financial assistance to the Company in the form of (a) sales tax exemption for purchases related to the reconstruction, renovation, rehabilitation, installation and equipping of the Project; (b) a real property tax abatement on increased value resulting from improvements to the Land through the PILOT Agreement, which Agreement shall include language permitting the Company to seek enhanced benefits, in accordance with the Agency's recently amended Tourism Industry Program in the event that the Company or any entity acting on the Company's behalf, applies to the appropriate governmental authorities and receives all necessary approvals to construct market rate workforce housing at a location at or within twenty-five (25) miles of the Project site, with said location to be determined at a future date, and such market rate workforce housing is actually constructed; and (c) a mortgage tax exemption for financing related to the Project; and

**WHEREAS**, subsequent to the adoption of Agency Resolution No. 15-22, the Company made application to Walden Savings Bank ("Walden") for financing in connection with the Project and by Commitment Letter dated June 15, 2022, Walden agreed to loan FSH Holding, LLC for the benefit of the Project the sum of \$7,738,498.00 (the "Loan") in the form of a twelve month

construction phase of advances which will thereafter convert to permanent financing upon completion of the construction phase of the Project; and

*WHEREAS*, the Loan is conditioned upon, among other collateral, a first mortgage lien upon the Land, which is subject to the Lease and Leaseback; and

*WHEREAS*, the Agency desires to authorize execution of one or more mortgages and related documents in favor of Walden as security for the Loan; and

*WHEREAS*, Sections II and III(G) of the Application for Agency benefits both state that the requested mortgage recording tax exemption related to the lender financing component of the Project would not exceed \$68,000.00 and Paragraph 4(e) of the Agent and Project Agreement reflects the aforesaid mortgage recording tax exemption limit; and

*WHEREAS*, without an Agency exemption, the Sullivan County mortgage recording tax associated with the Loan would exceed the originally authorized exemption amount and may reach the sum of \$77,385.00 necessitating the amendment of: i) the Application; ii) Agency Resolution No. 15-22; and iii) the Agent and Project Agreement; and

*WHEREAS*, Paragraph 7(a) of the Agent and Project Agreement requires that all insurance policies to be procured and maintained by the Company in connection with the Project shall have deductible amounts not exceeding \$2,500.00; and

*WHEREAS*, the Company has requested that given the scope and size of the Project, it is reasonable for such policies to include deductible amounts not exceeding \$10,000.00 and the Agency is of the opinion that \$10,000.00 deductibles under such policies are acceptable; and

*WHEREAS*, given the overall benefits of the Project as set forth in the findings section of Resolution No. 15-22, the Agency has determined that it is in the public interest to (i) accept the amendment of the Application; ii) Amendment of the Agency Resolution No. 15-22; and iii) the Agent and Project Agreement to increase the originally authorized mortgage recording tax exemption limit and modify insurance deductibles.

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

Section 1. The Application is hereby deemed to be amended such that Sections II and III(G) thereof reflect a requested mortgage recording tax exemption amount not to exceed \$77,385.00 and that the remainder of said Application shall remain as originally submitted.

Section 2. Agency Resolution No. 15-22, which was duly adopted on April 11, 2022 shall be deemed to be amended to approve a mortgage recording tax exemption not to exceed \$77,385.00 and the remainder of said Resolution shall remain as originally adopted.

- Section 3. Paragraph 4(e) of the Agent and Project Agreement dated as of June 1, 2022 shall be amended to reflect that: i) the mortgage recording tax exemption associated with the Project shall not exceed \$77,385.00; and ii) all insurance policies to be procured and maintained by the Company in connection with the Project shall have deductible amounts not exceeding \$10,000.00; and the remainder of said agreement shall remain unchanged.
- Section 4. 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 and related Loan documents in favor of Walden in an original principal amount not to exceed \$7,750,000.00, subject to review of the form and content of said documents by Special Transaction Counsel.
- Section 5. 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 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 6. 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 7. 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 8. A copy of this resolution, together with the attachments thereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.
- Section 9. 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 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
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 type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Philip Vallone	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

The resolution was thereupon duly adopted.

STATE OF NEW YORK :  
:SS  
COUNTY OF SULLIVAN :

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

- 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.
- Such resolution was passed at a meeting of the Agency duly convened via video conference call on July 11, 2022 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"/> ]	[        ]
Howard Siegel	[ <input checked="" type="checkbox"/> ]	[        ]
Scott Smith	[        ]	[ <input checked="" type="checkbox"/> ]
Paul Guenther	[ <input checked="" type="checkbox"/> ]	[        ]
Sean Brooks	[        ]	[ <input checked="" type="checkbox"/> ]
Philip Vallone	[ <input checked="" type="checkbox"/> ]	[        ]

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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
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	[    ] Yes	[    ] No	[ <input checked="" type="checkbox"/> ] Absent	[    ] Abstain
Philip Vallone	[ <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 videoconference as authorized by Chapter 417 of the Laws of 2021 as extended, and (iv) there was a quorum present throughout.

*IN WITNESS WHEREOF*, I have hereunto set my hand and seal on the 11<sup>th</sup> day of July, 2022.

  
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Carol Roig, Secretary