

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY

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

MEETING NOTICE

TO: Howard Siegel, IDA Chairman and Treasurer/ Chief Financial Officer
Kathleen Lara, IDA Vice Chairperson
Carol Roig, IDA Secretary
Philip Vallone, IDA Assistant Secretary
Scott Smith, IDA Assistant Treasurer
Paul Guenther, IDA Member
Sean Brooks, IDA Member
Ira Steingart, IDA Member & Chief Executive Officer
Joseph Perrello, IDA Member
Chairman and Members of the Sullivan County Legislature
Josh Potosek, Sullivan County Manager
Walter Garigiano, Esq., IDA Counsel
FROM: Jennifer Flad, Executive Director
DATE: August 29, 2024

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

Date: Wednesday, September 4, 2024
Time: 9:30 AM
Location: Legislative Hearing Room, Sullivan County Government Center, 100 North Street, Monticello, New York 12701

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

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

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY

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

**SPECIAL MEETING AGENDA
WEDNESDAY, SEPTEMBER 4, 2024**

I. CALL TO ORDER

II. ROLL CALL

III. BILLS AND COMMUNICATIONS

IV. NEW BUSINESS

Resolution: Appointing Fay Hospitality Catskills LLC as Agent of the Agency for the Purpose of Acquiring, Constructing, Reconstructing, Renovating, Rehabilitating, Installing and Equipping the Project; Making Certain Findings and Determinations; and Authorizing the Execution and Delivery of an Agent and Project Agreement; Authorizing the Agency to Execute the Lease to Agency, Leaseback to Company, Payment in Lieu of Tax Agreement, and Related Documents (re: Villa Roma Resort and Conference Center, Town of Delaware)
Any and All Other Business Before the Board

V. PUBLIC COMMENT AND ADJOURN

##

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY**548 Broadway, Monticello, NY 12701****845-428-7575****SCHEDULE OF PAYMENTS: September 4, 2024**

No.	Vendor	Description	Amount
1	Blustein Shapiro Frank & Barone LLP	NY Delaware V LLC, NY Thompson II LLC & Rosemond Solar LLC - Ownership transfer review (<i>pass through</i>)	\$ 120.00
2	Charter Communications	Phone and Internet Services September 2024	\$ 284.95
3	Elan Financial	SC Clerk Office, GoDaddy, Zoom, Adobe, Asure, Leatherstocking Cooperative Insurance Co., NYSDOS UCC Terminations	\$ 10,496.30
4	FP Mailing Solutions	Postage meter rental 7/1/24 - 11/11/24	\$ 159.30
5	Mike Preis Inc	Cyber Policy Renewal , Excess Umbrella Policy Renewal, Package Policy Renewal	\$ 15,143.28
6	New Southern Tier Title Agency	Office Rent: October 2024	\$ 3,700.00
7	Shepstone Management Company	Cost benefit analysis - Fay Hospitality Catskills (<i>pass through</i>)	\$ 1,267.50
8	Sullivan County Democrat	Legal Notice & Affidavit - Fay Hospitality Catskills LLC (<i>pass through</i>)	\$ 104.00
9	USDA Rural Development	RMAP Loan Payment September 2024	\$ 2,370.41
10	Utica National Insurance Group	Workers Comp Policy Renewal Premium	\$ 721.00
11	Walter F. Garigiano, P.C.	September 2024 Retainer	\$ 250.00
TOTAL			\$ 34,616.74
I certify that the payments listed above were audited by the Board of the IDA on September 4 , 2024 and allowed in the amounts shown. You are hereby authorized and directed to pay each of the claimants in the amount opposite its name.			
			<u>9/4/2024</u>
Signature			Date

Expenses Approved and Paid Since Last Regular Meeting 8/12/24)

No.	Vendor	Description	Amount
1	DG Equipment	Sullivan Catskill Regional Food Hub Procurement (approved Board resolution 4/10/23)	\$ 11,976.00
			\$ -
TOTAL			\$ 11,976.00

Other Expenses and Items Paid Since Last Regular Meeting 8/12)—no approval required

No.	Vendor	Description	Amount
1	Payroll Expenses	Payroll Check Dates: 8/23/24	\$ 11,069.09
2			
3			
TOTAL			\$ 11,069.09

SEE REVERSE FOR PILOT DISTRIBUTION INFORMATION

2024 PILOT Redistributions 9/4/24	Sullivan County	Town of Bethel	Town of Liberty	Town of Thompson	Liberty School	Liberty Library	Monticello School	Total Refunds to Projects
NY Liberty I						\$ 0.06		\$ 0.06

Connell Foley LLP
875 Third Avenue
21st Floor
New York, NY 10022
P 212.307.3700 F 212.542.3790

George C. D. Duke
Partner
Direct Dial 212.542.3772
GDuke@connellfoley.com

August 6, 2024

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
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 previously submitted an application to the County of Sullivan Industrial Development Agency (the "Agency") under cover letter dated July 7, 2023, seeking financial assistance for its proposed purchase and renovation of the well-known Villa Roma Resort and Conference Center ("Villa Roma"). The Agency approved this application and adopted Resolution No. 28-23 on August 14, 2023 (the "Approval Resolution"), wherein the Agency, among other things, appointed Fay as its agent to acquire, construct, reconstruct, renovate, rehabilitate, install and equip the Project¹ on behalf of the Agency, authorized an agent and project agreement between the Agency and Fay, authorized the Agency to execute a lease to the Agency, leaseback to Fay, payment in lieu of tax agreement, and related documents with respect to the Project.

¹ The 'Project' as referenced herein includes the purchase, 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, as well as investment for upgrade to the golf course irrigation system.

The Approval Resolution expired on February 29, 2024. As such the Agency's Board Members have instructed that we submit a new application which will enable the Agency to conduct an updated cost-benefit analysis prior to confirming that it still wishes to undertake this Project.

Fay remains committed to the Villa Roma Project for a Closing September 6, 2024, and is sufficiently capitalized to move ahead with the Closing on September 6, 2024, and hereby submits a new application ("Application"), seeking financial assistance from the Agency, and we respectfully remind the Agency of the many benefits this Project brings to the local community and economic vitality of Sullivan County. While the Project remains substantively similar, the investment has marginally increased, as set forth below, and in greater detail in the attached Application. Therefore, the Agency's assistance is essential to this Project's success.

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 remains 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.

As a further inducement to expand investment in Sullivan County, Fay desires to enter into agreements with the Agency² to assist with its purchase, financing and renovation of the Property, to retain and ultimately expand its resort offerings and create new employment opportunities. Fay plans on investing over \$24.9M in the Project. Fay is investing over \$3M in connection with its purchase of Villa Roma. In addition to a \$17.15M investment to purchase the Villa Roma, Fay plans to invest an additional \$3.92M to undertake immediate Property facility improvements (upgrade, renovate and repair), and upgrade of the golf course irrigation system (the "Project"). As further inducement to Fay to make its investment in Sullivan County and to make the Project a reality, the financial assistance required from the CSIDA includes a limited real estate tax abatement, a sales and use tax exemption, and a mortgage recording tax exemption (collectively, the "Financial Assistance").

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

a. The Project – The Project will include purchase of the Villa Roma Property, the immediate improvements to the hotel, including to its 139 hotel rooms, the public spaces, the meeting spaces, the club forum and indoor pool, the club house, the recreation and fitness center,

²Portions 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. Notwithstanding this, historic amounts owed by Current Owner/Seller to CSIDA pursuant to terminated agreements, in amount of \$6,522.35 (\$5,668.47 + \$853.88) will be reflected under this Project Title Closing Statement, payable by Current Owner/Seller payable to CSIDA, at Closing from the proceeds of the Sale.

the Club House catering center, the spa and the ski chalet, and improvement to the Golf Course Irrigation System.

b. The Location - The Project is located within the Planned Unit Development (PUD) zoning district in the Town of Delaware, which allows for the flexibility to provide 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 total anticipated capital investment in the Project will be approximately \$24.9M. 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 250 full time employees and approximately 70 seasonal employees. In addition, approximately 30 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 on September 6, 2024. The approx. \$3.2M for the PIP improvements to the Project will commence within six to twelve months after closing. The continued \$677K upgrade of the golf course irrigation system will commence at Closing.

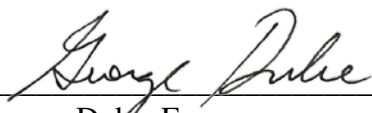
e. Existing Approvals - The Applicant has or will have all existing zoning and facility approvals as a condition of closing. So, no delays are expected to commence the facility repairs and renovations, other than ministerial building permits.

We understand IDA has waived application fees for submission of this Application, however, that the standard \$5,000 escrow deposit is required, to cover IDA expenses associated with the preparation of its cost-benefit analysis, the notice of public hearing, and for related expenses. This will be provided directly to the Agency by our co-counsel, Steven Vegliante, Esq.

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,

CONNELL FOLEY LLP

By: 
George Duke, Esq.

Connell Foley LLP
875 Third Avenue
21st Floor
New York, NY 10022
P 212.307.3700 F 212.542.3790

George C. D. Duke
Partner
Direct Dial 212.542.3772
GDuke@connellfoley.com

August 14, 2024

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
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:

We submit this letter on behalf of Fay Hospitality Catskills LLC ("Fay" or the "Applicant") to clarify and amend the application submitted to the County of Sullivan Industrial Development Agency (the "Agency") on August 6, 2024 (the "Application"), as follows.

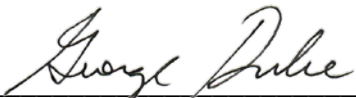
1. The Application as submitted on August 6, 2024 requested a mortgage tax exemption in the amount of \$104,000. However, upon further review, Fay determined that the actual amount of CapEx financing to be secured by mortgages has yet to be finalized, and the actual mortgage recording tax (MRT) exemption may be as high as \$110,000. Accordingly, we request that the Agency acknowledge our request to revise the requested MRT exemption to \$110,000.
2. Please note that the Application lists Villa Roma Resort and Conference Center, Inc. ("VRRCC Inc.") as present owner of the site. Villa Roma Country Club Inc. ("VRCC Inc."), Callicoon Development Corp. ("CD Corp."), and Passante Realty Corp. ("Passante") had each owned some of the parcels. However, owners of all parcels pursuant to the purchase and sale agreement will be VRRCC Inc. only, as

successor by merger to VRCC Inc., successor by merger to CD Corp., and successor by merger to Passante Realty Corp. Ownership of all parcels in VRRCC Inc. has been verified and certified by the title company in its title commitment, and we attach the proposed Deed for the Transaction Closing on 6 September 2024, agreed by all parties and approved by the Title Company. We will request copies of the merger agreements from the Seller's attorney and provide them under separate cover once received.

Please let us know if you require additional information in support of this Application.

Very truly yours,

CONNELL FOLEY LLP

By:  _____
George Duke, Esq.

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 LLC¹

Address: C/O FAY US INVESTMENTS CORP. 1185 AVENUE OF THE AMERICAS, 3RD FLOOR, NEW YORK, NY 10036

Phone No.: US: +1-347-399-3574 ; UK: +44 (0) 77258 86335

Telefax No.: NONE

Email Address: sandeep.wadhwa@fayinvestment.com

Fed Id. No.: XXXXXXXXXX

Contact Person: SANDEEP WADHWA, PRESIDENT

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

Principal Owners (Shareholders/Members/Owners):

Fay Hospitality Catskills LLC (Buyer Entity);
Fay Villa Roma LLC (Holding Entity);
Fay US Investment Corp & VRZS LLC (Sponsor Entities);
Fay Investment and Asset Management Ltd (UK) (Parent Entity);
Sandeep Wadhwa;
Shamila Jafri; and
Steve Mabus

See Attachment "A", referenced below, for a more detailed explanation of ownership structure and percentages.

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

¹ 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: GEORGE C. D. DUKE (GD), CONNELL FOLEY LLP; and
STEVEN VEGLIANTE (SV), ATTORNEY AT LAW

Address: GD: 875 Third Avenue, 21st Floor, New York, NY 10022
SV: 449 BROADWAY, MONTICELLO, NY 12701

Phone No.: GD: 212-542-3772; and SV: 845-434-6688 .

Telefax No.: GD: 212-542-3790 / SV: 845-436-7788

Email Address: GDuke@connellfoley.com; and Steven@vegliantelaw.com

II. REQUESTED FINANCIAL ASSISTANCE

Estimated Value

Real Property Tax Abatement (estimated)	<u>\$TBD</u>
Mortgage Tax Exemption	<u>\$104,000.00</u>
Sales and Use Tax Exemption	<u>\$390,000.00</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

Gas NO

Electric Y

Storm Sewer Y

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

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

(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:

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? YES – ANCILLARY TO THE OPERATION OF A 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 (NOTE: Sellers have completed certain work detailed in Attachment E. Remaining work to be completed by Applicant.)

COSTS AND BENEFITS OF THE PROJECT

- G.) Costs = Financial Assistance

Estimated Sales and Use Tax Exemption	<u>\$390,000.00</u>
Estimated Mortgage Tax Exemption	<u>\$104,000.00</u>
Estimated Property Tax Abatement	\$TBD
Estimated Interest Savings IRB Issue	\$N/A

Benefits= Economic Development

Jobs created	<u>0</u>
Jobs retained	<u>250</u>
Private funds invested	<u>\$24,994,388.00</u>
Other Benefits	<u>N/A</u>

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

Construction:	<u>30</u>
Permanent:	<u>250</u>
Retained (at current facility):	<u>250</u>

Project Costs (Estimates)²

Land and Existing Buildings	<u>\$ 17,152,266.00 (Incl. Purchase Equity - \$6,070,403)</u>
Other Equity - Soft Costs	<u>\$ 3,924,388.00</u>
CAPEX	<u>\$ 3,917,734.00</u>
Total	<u>\$ 24,994,388.00</u>

In addition to the above estimated capital costs of the project, which must include all costs of real property and equipment acquisition and building construction or reconstruction, you must include details on the amounts to be financed from private sector sources, an estimate of the percentage of project costs financed from public sector sources and an estimate of both the amount to be invested by the Applicant and the amount to be borrowed to finance the Project.

(CAPITAL STACK REQUIRED)

<u>CAPITAL STACK</u>	<u>SOURCE</u>	<u>USE</u>
Purchase Price		17,152,266.00
Prorations		45,288.00
CAPEX - Soft PIP (Chatwal Loan)		3,241,023.00
CAPEX - Golf Course Irrigation (GCI Financing)		676,711.00
WCR / IR / VR Exp		3,879,100.00
Term Funding - Senior Loan	7,152,151.00	
Seller Financing - Subordinate Loan	3,500,000.00	
Purchase Equity (Less TS \$250k)	6,500,115.00	
Other Equity - Soft Costs	3,924,388.00	
CAPEX - Chatwal Loan - Subordinate Loan	3,241,023.00	
CAPEX - GCI Financing - Subordinate Loan	676,711.00	
TOTALS	24,994,388.00	24,994,388.00

² For Other CAPEX - Soft PIP / Property Improvement Plan Est. Costs see Attachment D.

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 - 250

JOBS CREATED (TEMPORARY CONSTRUCTION) - 30

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

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

Approximately 12-24 Months

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.

\$41,319.50 (Average - Not Incl. Benefits and/or tips, where applicable)

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

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 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.

FAY HOSPITALITY CATSKILLS LLC

Sandeep

By: SANDEEP WADHWA, PRESIDENT

Date: July 31, 2024

نسخة طبق الأصل - للاستخدام خارج دولة الإمارات
البرشاء لخدمات الكاتب العدل الخاص
عبدالرحمن محمد الشرهان - كاتب عدل خاص
31 JUL 2024
TRUE COPY - FOR USE OUTSIDE UAE
ALBARSHA PRIVATE NOTARY SERVICES
ABDUL RAHMAN AL SHARHAN - NOTARY PUBLIC

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

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

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

SANDEEP WADHWA

Subscribed and affirmed to me under penalties of perjury
this ____ day of July, 2024.

(Notary Public)

نسخة طبق الأصل - للاستخدام خارج دولة الإمارات
البرشاء لخدمات الكاتب العدل الخاص
عبدالرحمن محمد الشرهان - كاتب عدل خاص
31 JUL 2024
TRUE COPY - FOR USE OUTSIDE UAE
ALBARSHA PRIVATE NOTARY SERVICES
ABDUL RAHMAN AL SHARHAN - NOTARY PUBLIC

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

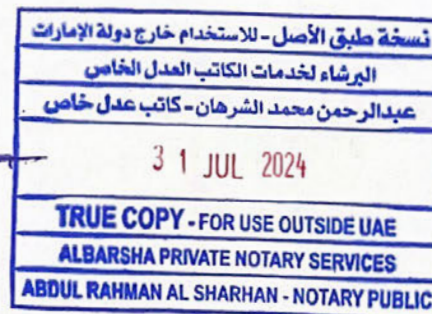
Sandeep

By: SANDEEP WADHWA, PRESIDENT

Date: July 31, 2024

Sworn to before me this
_____ day of July, 2024.

Notary Public



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 462 acres at 356 Villa Roma Road, Callicoon, New York. 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, 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 in the area. To this end, Fay has already invested circa \$3.379 M of expenses in connection with the Villa Roma transaction, at transaction closing Fay will invest a further \$500 K to fund working capital and interest reserves, and will pay a purchase price for the Villa Roma property in the sum of \$17.15 M, after purchase Fay will further invest circa total of \$3.92 M in facility improvements, made up of (i) circa \$3.24 M investment towards immediate repair and renovation of the hotel, the 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 (ii) circa \$677 K towards upgrade of the golf course irrigation system (the “Project”). Together this will mean that Fay will have invested an overall total of circa \$24.99 M in 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 250 employees, including approximately 230 hotel staff, and 20 administrative and facilities staff. The jobs retained will continue to benefit the region.

Administrative: \$26,176 - \$114,435

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

Maintenance: \$45,059 – \$62,733

(Maintenance, Greenskeeper, Water/Sewer and Technicians)

Hotel:

\$30,826 - \$42,723

(Management, Administration, Reservations and Accounting/Billing)

\$23,795 - \$30,285

(Maids and Laundry Handlers)

\$23,795 - \$28,554

(Maitre'd and Bellman)

\$29,203 - \$40,019

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

\$28,554 – \$60,850

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

Ski: \$28,554 - \$56,372

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

Other Recreation: Golf, Tennis and Pool: \$28,554 - \$43,264

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

Benefits: Health insurance and paid time off.

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law will be held by the County of Sullivan Industrial Development Agency ("Agency") on Tuesday, September 3, 2024, at 9:30 a.m. local time, at the Town of Delaware Municipal Building, 104 Main Street, Hortonville, New York, 12745, in connection with the following matter:

Fay Hospitality Catskills LLC ("Company") has submitted an application ("Application"), a copy of which is on file with the Agency, requesting the Agency's assistance with respect to a certain project consisting of the: (i) acquisition, construction, reconstruction, renovation, rehabilitation, installation and equipping of 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.

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

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

Dated: August 20, 2024

By: COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY

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

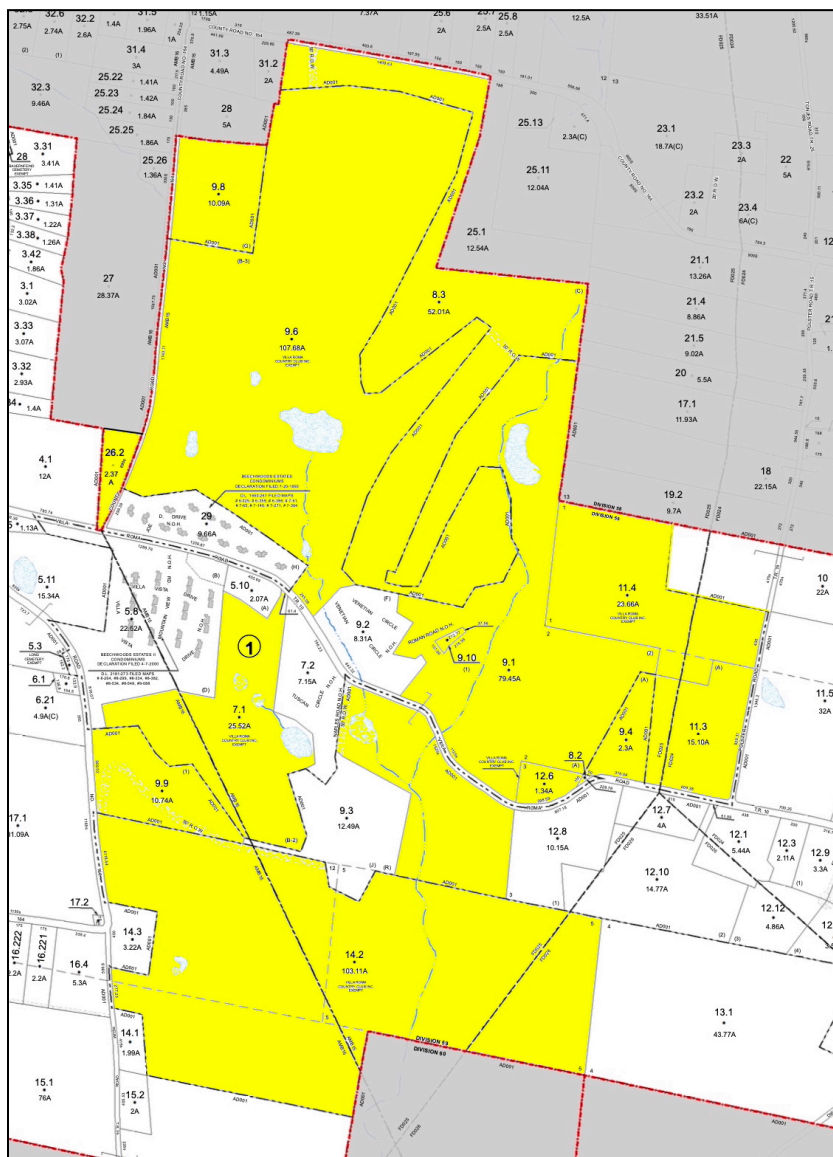
mail@shepstone.net

August, 2024

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 434.46 acres of land located in the Town of Delaware. The following tax map parcels are involved:



Villa Roma Parcels		
S/B/L	Acres	Assessed Value
5-1-26.2	2.37	\$ 72,600
20-1-7.1	25.52	\$ 223,200
20-1-8.2	0.39	\$ 2,000
20-1-8.3	52.01	\$ 200,000
20-1-9.1	79.83	\$4,033,480
20-1-9.4	2.3	\$ 20,000
20-1-9.6	107.68	\$1,405,230
20-1-9.8	10.09	\$ 71,000
20-1-9.9	10.74	\$ 46,700
20-1-9.10	0.32	\$ 300,000
20-1-11.3	15.1	\$ 76,000
20-1-11.4	23.66	\$ 267,840
20-1-12.6	1.34	\$ 13,400
20-1-14.2	103.11	\$ 158,100
Totals	434.46	\$6,889,550

Fay Hospitality Catskills LLC Benefit/Cost Analysis

The project involves the revitalization and upgrading of the resort. It involves an applicant estimated \$3,920,000 in rehabilitation costs related to real property improvements of which \$2,352,000 is believed to be taxable as real property. Another \$2,523,000 will be spent on otherwise sales-taxable material purchases. It is anticipated the additional real property involved will have an equalized assessed value of \$1,960,000 at the current equalization rate.



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

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

Methods and Assumptions:

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

- 1) This new construction project involves an estimated \$2,352,000 in otherwise sales taxable material purchases. Additionally, an estimated \$2,523,000 of the purchase price is allocated to otherwise taxable personal property for a total of \$4,875,000 in expenditures on otherwise taxable items.
- 2) It is assumed, for purposes of this analysis, that all project construction activities will occur in 2024-2025 with real property tax abatement beginning in 2026. 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 Town of Delaware equalization rate for 2023 is 50.00%, which is down from 58.00% in 2023, 68.74% in 2022 and 88.50% in 2021. The PILOT schedule, before equalization and applying current tax rates is as follows.

Tourist Industry Program Real Property Tax General Abatement Schedule		
Year	% Abated	PILOT %
1	100.00%	0.00%
2	100.00%	0.00%
3	100.00%	0.00%
4	100.00%	0.00%
5	100.00%	0.00%
6	90.00%	10.00%
7	80.00%	20.00%
8	70.00%	30.00%
9	60.00%	40.00%
10	50.00%	50.00%
11	40.00%	60.00%
12	30.00%	70.00%
13	20.00%	80.00%
14	10.00%	90.00%
15	0.00%	100.00%

- 3) The application to the IDA indicates there will be a \$11,000,000 mortgage to which mortgage tax abatement will apply.
- 4) There are expected to be 30 full-time equivalent (FTE) construction jobs created at an average salary of \$65,000 for the period. Some 250 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

- 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 new investment should support the equivalent of 20,000 square feet of retail space, at \$250 per square feet, 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 2.97% ([current average interest rate on the public debt](#)). Net present value figures include actual costs of abatements and other costs for the construction/start-up period (2024-2025) plus discounted values for 2026-2045, 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	% of Assessed Value
Medicaid	0.24%
NYS Welfare Mandate	0.16%
Other NYS Mandates	0.28%
County Levy	0.27%
County Total	0.95%
Town to Highway	0.72%
Town Total	0.72%
School Tax Rate	1.55%
Combined Total	3.22%

The school tax rate is the latest available. There is no library tax but there is an ambulance tax and fire tax that have not been considered.

Fay Hospitality Catskills LLC

Benefit/Cost Analysis

Conclusion:

This project will generate estimated costs of \$1,157,744 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 \$1,007,793.

The project benefits consist of real property taxes associated with taxable real property improvements (\$1,106,606), construction payroll gains (\$1,950,000), multiplier effects (\$833,235), sales taxes from those payroll gains (\$111,329), sales taxes from operations (\$6,097,900) and room taxes (\$1,947,699) that, altogether, at net present value, total \$112,046,800 combined over the analysis period.

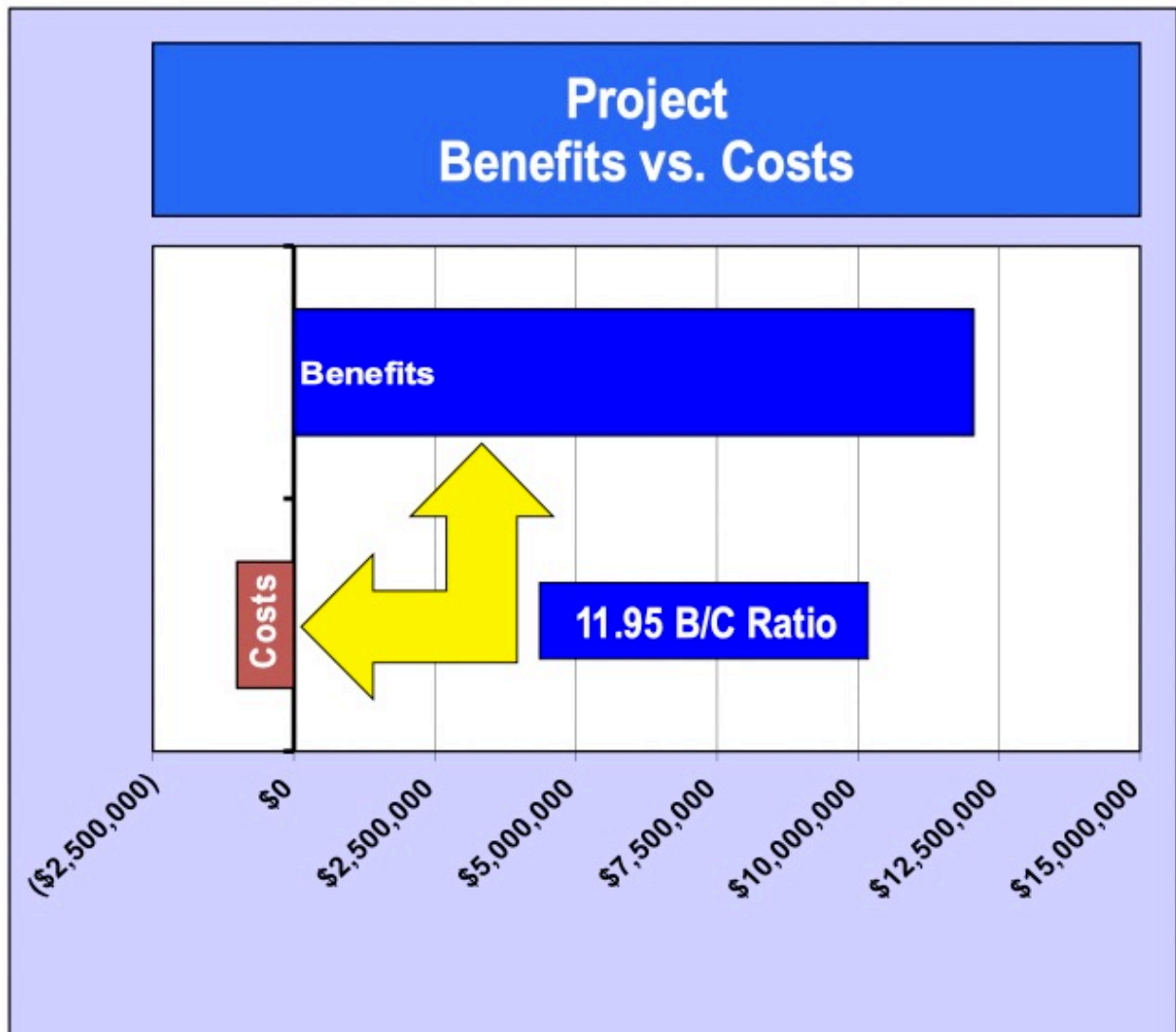
This yields a positive benefit/cost ratio of 11.95. Netting out the construction payroll gains, the ratio is 9.19.

Fay Hospitality Catskills LLC

Benefit/Cost Analysis

Project Cost/Benefit Analysis	
Costs (2024-2045)	
Sales Tax Abatements (County)	\$94,080
Sales Tax Abatements (State)	\$94,080
Mortgage Tax Abatements	\$110,000
Real Property Tax Reductions Net of 485-b Benefits	\$859,584
Sub-Total (Value of All Abatements) =	\$1,157,744
Net Present Value of Abatements	\$1,007,793
Additional School Costs	\$0
Variable Highway & Other Municipal Costs	\$0
Total Costs (Net Present Value)=	\$1,007,793
Benefits (Net Present Value, 2024-2045)	
Property Taxes Related to Improvements	\$1,106,606
Sales Taxes (General - From Gains in Buying Power)	
County	\$55,665
State	\$55,665
Sales Taxes (From Operations)	
County	\$3,048,968
State	\$3,048,968
Room Taxes	\$1,947,699
Sub-Total (Taxes/Charges) =	\$9,263,571
Personal Income Gains Related to New Jobs	\$1,950,000
Personal Income Gains Related to Multiplier Effects	\$833,235
Sub-Total (Income Gains) =	\$2,783,235
Total Benefits =	\$12,046,806
Gross Excess Benefits Over Costs =	\$11,039,013
Gross Benefits to Costs Ratio =	11.95
B/C Ratio Net of Income Gains =	9.19

Fay Hospitality Catskills LLC Benefit/Cost Analysis



Fay Hospitality Catskills LLC

Benefit/Cost Analysis

Benefit/Cost Analysis of Tax Abatements													
DESCRIPTION	FISCAL YEAR	Construct / Startup	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Sales Tax Abatement		\$188,160	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mortgage Tax Abatement		\$110,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Property Tax Abatement		\$0	\$54,042	\$61,230	\$68,800	\$76,769	\$85,155	\$81,444	\$77,435	\$73,111	\$68,459	\$63,461	\$58,102
Highway/Other Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Property Taxes on New Property Value		\$0	\$0	\$0	\$0	\$0	\$0	\$12,530	\$25,812	\$39,879	\$54,767	\$70,513	\$87,153
Total Real Property Taxes Without Project		\$773,458	\$796,661	\$820,561	\$845,178	\$870,533	\$896,649	\$923,549	\$951,255	\$979,793	\$1,009,187	\$1,039,462	\$1,070,646
Total Real Property Taxes With Project		\$773,458	\$796,661	\$820,561	\$845,178	\$870,533	\$896,649	\$923,549	\$951,255	\$979,793	\$1,009,187	\$1,039,462	\$1,070,646
Personal Income - Construction Employment		\$1,950,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Personal Income - Indirect Income Benefits		\$833,235	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect Income Benefits		\$111,329	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Added Sales Tax (General)		\$37,783	\$320,000	\$320,000	\$329,600	\$339,488	\$349,673	\$360,163	\$370,968	\$382,097	\$393,560	\$405,366	\$417,527
Room Tax		\$0	\$100,000	\$103,000	\$106,090	\$109,273	\$112,551	\$115,927	\$119,405	\$122,987	\$126,677	\$130,477	\$134,392

Benefit/Cost Analysis of Tax Abatements													
DESCRIPTION	FISCAL YEAR	2037	2038	2039	2040	2041	2042	2043	2044	2045	TOTALS		
		12	13	14	15	16	17	18	19	20	Actual	NPV	
Sales Tax Abatement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$188,160	\$188,160	
Mortgage Tax Abatement		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$110,000	\$110,000	
Real Property Tax Abatement		\$44,884	\$30,820	\$15,872	\$0	\$0	\$0	\$0	\$0	\$0	\$859,584	\$709,633	
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		\$104,729	\$123,281	\$142,852	\$163,487	\$188,391	\$173,443	\$178,646	\$184,006	\$189,526	\$1,719,015	\$1,106,606	
Total Real Property Taxes Without Project		\$1,102,765	\$1,135,848	\$1,169,924	\$1,205,022	\$1,241,172	\$1,278,407	\$1,316,760	\$1,356,262	\$1,396,950	\$22,180,043	\$16,290,017	
Total Real Property Taxes With Project		\$1,207,495	\$1,259,130	\$1,312,776	\$1,368,508	\$1,409,563	\$1,451,850	\$1,495,406	\$1,540,268	\$1,586,476	\$23,899,058	\$17,396,623	
Personal Income - Construction Employment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,950,000	\$1,950,000	
Personal Income - Indirect Income Benefits		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$833,235	\$833,235	
Indirect Income Benefits		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$111,329	\$111,329	
Added Sales Tax (General)		\$430,053	\$442,955	\$456,243	\$469,931	\$484,029	\$498,550	\$513,506	\$528,911	\$544,779	\$8,395,180	\$6,097,937	
Room Tax		\$138,423	\$142,576	\$146,853	\$151,259	\$155,797	\$160,471	\$165,285	\$170,243	\$175,351	\$2,687,037	\$1,947,699	

RESOLUTION

A special meeting of the County of Sullivan Industrial Development Agency (“Agency”) was convened on September 4, 2024, at 9:30 a.m. local time, at the Sullivan County Government Center, 100 North Street, Monticello, New York 12701.

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

	<u>PRESENT</u>	<u>ABSENT</u>
Howard Siegel	[]	[]
Kathleen Lara	[]	[]
Carol Roig	[]	[]
Philip Vallone	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]
Ira Steingart	[]	[]
Joseph Perrello	[]	[]

The following persons were also present:
Jennifer M. Flad, Executive Director
Ira Steingart, Chief Executive Officer
Julio Garaicoechea, Project Manager
Bethanii Padu, Economic Development Coordinator
Walter F. Garigliano, Agency General Counsel

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

Resolution No. __ - 24

RESOLUTION OF THE AGENCY APPOINTING FAY HOSPITALITY CATSKILLS LLC (“COMPANY”) AS ITS AGENT FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, RECONSTRUCTING, RENOVATING, REHABILITATING, INSTALLING AND EQUIPPING THE PROJECT (HEREINAFTER DEFINED); MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGENT AND PROJECT AGREEMENT BETWEEN THE AGENCY AND THE COMPANY; AUTHORIZING THE AGENCY TO EXECUTE THE LEASE TO AGENCY (“LEASE”), LEASEBACK TO COMPANY (“LEASEBACK”), PAYMENT IN LIEU OF TAX AGREEMENT (“PILOT AGREEMENT”) AND RELATED DOCUMENTS WITH RESPECT TO THE ACQUISITION, RENOVATION, REHABILITATION, INSTALLATION AND EQUIPPING OF THE PROJECT

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 or about August 6, 2024, 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 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 462 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 acquiring, constructing, 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 acquiring, constructing, 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 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 SEQRA 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. A Cost-Benefit Analysis;

; 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 September 3, 2024, at 9:30 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 March 31, 2025, 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 \$4,875,000 which result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$390,000. 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 Agreement are not consistent with the Agency's

Uniform Tax Exemption Policy a deviation therefrom has been approved by the Agency.

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

Section 10. The officers, employees and agents of the Agency are hereby authorized and directed in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of this resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

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

Section 12. The Executive Director 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:

Howard Siegel	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Kathleen Lara	<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
Philip Vallone	<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
Ira Steingart	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Joseph Perrello	<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 in public session on September 4, 2024, at 9:30 a.m. at the Sullivan County Government Center, 100 North Street, Village of Monticello, Sullivan County, New York. at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Howard Siegel	[]	[]
Kathleen Lara	[]	[]
Carol Roig	[]	[]
Philip Vallone	[]	[]
Scott Smith	[]	[]
Paul Guenther	[]	[]
Sean Brooks	[]	[]
Ira Steingart	[]	[]
Joseph Perrello	[]	[]

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

Howard Siegel	[] Yes	[] No	[] Absent	[] Abstain
Kathleen Lara	[] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[] Yes	[] No	[] Absent	[] Abstain
Philip Vallone	[] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[] Yes	[] No	[] Absent	[] Abstain
Sean Brooks	[] Yes	[] No	[] Absent	[] Abstain
Ira Steingart	[] Yes	[] No	[] Absent	[] Abstain
Joseph Perrello	[] 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 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103(a) and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the 4th day of September, 2024.

Carol Roig, Secretary