

RESOLUTION

A reconvened meeting of County of Sullivan Industrial Development Agency ("Agency") was convened in public session at the Sullivan County Government Center, 100 North Street, Village of Monticello, Sullivan County, New York on September 18, 2015 at 3:00 p.m. local time.

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

	<u>PRESENT</u>	<u>ABSENT</u>
Ira Steingart	[√]	[]
Edward T. Sykes	[√]	[]
Suzanne Loughlin	[]	[√]
Charles Barbuti, Jr.	[√]	[]
Sean Rieber	[√]	[]
Howard Siegel	[√]	[]
Carol Roig	[√]	[]
Paul Guenther	[√]	[]

The following persons were also present:

Steve White, Chief Executive Officer

Jennifer C.S. Brylinski, Agency Executive Director

Jeanne McKean, Agency Project Manager

Walter F. Garigliano, Esq., Agency General Counsel

The following resolution was duly offered by Charles Barbuti, Jr., and seconded by Edward T. Sykes, to wit:

Resolution No. 23 - 15

RESOLUTION OF THE AGENCY (I) APPOINTING VERIA LIFESTYLE INC. ("COMPANY") AS AGENT OF THE AGENCY FOR THE PURPOSE OF CONSTRUCTING, INSTALLING AND EQUIPPING THE PROJECT (AS HEREINAFTER DEFINED); (II) MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT (AS HEREINAFTER DEFINED); (III) AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGENT AGREEMENT, LEASE TO AGENCY, LEASEBACK TO COMPANY, PAYMENT IN LIEU OF TAX AGREEMENT ("PILOT AGREEMENT") AND ANY AND ALL RELATED DOCUMENTS WITH RESPECT TO THE LEASE/LEASEBACK TRANSACTION BETWEEN THE AGENCY AND THE COMPANY; AND (IV) AUTHORIZING THE EXECUTION AND DELIVERY OF AN OMNIBUS AMENDMENT OF PROJECT DOCUMENTS

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, the Company submitted an application to the Agency on September 25, 2013 ("2013 Application"), requesting that the Agency undertake a certain project in one or more phases, (the "Master Development Project") for the benefit of the Company consisting of: (i) the acquisition by the Agency of a leasehold interest in approximately 22 parcels of land containing in the aggregate approximately 1,310 acres (the "Premises") located in the Town of Thompson ("Town"), Sullivan County ("County"), State, which comprise what was formerly known as Kutsher's Country Club, Camp Anawana, Camp Sherwood, Old Liberty Road Sewer Treatment Plant, Fair Hills Bungalow Colony and Kutsher's Country Club Golf Course, all as more particularly identified in the MDAA (collectively, the "2013 Land") and the existing building, buildings, structure or structures located thereon (collectively, the "Existing Improvements"), (ii) the demolition of certain of the Existing Improvements (the "Building Improvements"), (iii) the construction, reconstruction, renovation and/or repair of sewer, water and other infrastructure to address deferred maintenance and to ready the 2013 Land for development (the "Infrastructure Improvements"), and (iv) the acquisition and installation by the Company in and around the Existing Improvements, the Building Improvements and the Infrastructure Improvements of certain items of equipment and other tangible personal property (the "2013 Project"); and

WHEREAS, on or about November 11, 2013, the Agency and the Company entered into a Master Development and Agent Agreement ("MDAA") authorizing the Company to proceed with certain work limited in scope to soil erosion and sediment control, clearing and grubbing, earthwork, construction of new roads and improvements and enhancements to existing roads, constructed wetlands, landscaping, sanitary sewer, water, storm sewer, electric power, telephone service, cable tv, internet connectivity, demolition of existing structures, and all other related facility, equipment, improvements and infrastructure costs as set forth in the 2013 Application together with a Lease to Agency, Leaseback to Company, Payment in Lieu of Tax Agreement and related documents (collectively, the "2013 Transaction Documents"); and

WHEREAS, on August 25, 2015, the Company presented an application to the Agency, a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project consisting of the (a) 131 room wellness center resort with amenities including, but not limited to diagnostic, holistic treatment, educational components and various exercise facilities ("Building"); (b) an 18 hole championship golf course; (c) an indoor swimming pool; and (d) a museum celebrating natural wellness, nature cure and Ayurveda practices on currently vacant parcels comprising 391 acres and identified on the Town tax map as Section 9, Block 1, Lots 1.1, 1.2 and 7 ("Land") located along Anawana Lake Road in the County, State; (ii) acquisition and installation thereon and therein of certain furniture, fixtures, machinery and equipment ("Equipment"); (iii) construction of improvements to the Building, the Land and the Equipment (collectively, the Building, 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, the total financial assistance being contemplated by the Agency is greater than \$100,000; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of constructing, installing and equipping the Project; (ii) negotiate and enter into a Lease to Agency pursuant to which the Agency takes a leasehold interest in the Project (“Lease Agreement”), a Leaseback to Company pursuant to which the Agency leases the Project back to the Company (“Leaseback Agreement”) and PILOT Agreement with the Company; (iii) hold a leasehold interest in the Land, the improvements and personal property thereon which constitute the Project (once the Lease Agreement, Leaseback Agreement and PILOT Agreement have been negotiated); and (iv) provide financial assistance to the Company in the form of (a) sales tax exemption for purchases related to the of the Project; (b) a mortgage tax exemption for financing related to the Project; and (c) a real property tax abatement on increased value resulting from improvements to the Land through the PILOT Agreement. The Lease Agreement, Leaseback Agreement and PILOT Agreement are collectively referred to herein as the “2015 Transaction Documents”; and

WHEREAS, on May 27, 2015, the Town of Thompson Planning Board (“Planning Board”) adopted a resolution granting Preliminary Site Plan Approval to authorize construction of up to 110 hotel rooms at the Project; and

WHEREAS, on September 9, 2015, the Planning Board adopted a resolution amending the Preliminary Site Plan Approval to grant the Company a modification to the Preliminary Site Plan Approval for an increase from 110 to 135 rooms and all prior conditions in the May 27, 2015 approval remain in effect; and

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

WHEREAS, the Agency as an Involved Agency during the environmental review of the Project has determined that the “Negative Declaration” issued by the Planning Board is appropriate and has determined that all of the provisions of SEQRA that are required to be complied with as a condition precedent to its consideration and determination of this application have been satisfied; 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 construction, installation and equipping of 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 the County, State by providing the contemplated financial assistance and undertaking the Project; and

WHEREAS, the Chief Executive Officer has negotiated the Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents with the Company; and

WHEREAS, contemporaneously with the Effective Date of the Agent Agreement, Lease Agreement, Leaseback Agreement and PILOT Agreement between the Agency and the Company, the Agency and the Company shall enter into an Omnibus Amendment of the 2013 Transaction Documents to amend the project description to remove the Land from the project description; to proportionally reduce the annual rent as contemplated by Section 2.6 of the Leaseback Agreement and reduce the TVSP as established in Section 1.3(a) of the PILOT Agreement, the same to be effective as of the Effective Date of the 2015 Transaction Documents; and

WHEREAS, the Lease Agreement, Leaseback Agreement, PILOT Agreement and related 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 the representations made by the Company to the Agency, the Agency hereby determines that:

- (A) The construction, installation and equipping of the Project consists of the construction, installation and equipping of the Project; and
- (B) The Project is a Type I Action under the SEQRA. Based upon the review by the Agency and representations made by the Company to the Agency in connection with the Project, the Agency hereby finds that in accordance with findings made by the Planning Board as Lead Agency, all provisions of SEQRA, that are required to be complied with as a condition precedent the approval of Financial Assistance to the Company have been satisfied.

Section 3. The Agency has determined that the proposed financial assistance exceeds the sum of \$100,000.00 and therefore a public hearing on due notice was held on September 14, 2015 at 10:45 a.m. the Legislative Hearing Room at the Sullivan County Government Center, 100 North Street, Monticello, New York at which 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) take a leasehold interest in the Land and to take title to the improvements and personal property constituting the Project; (ii) appoint the Company as its agent for purposes of constructing, installing and equipping the Project, and (iii) lease the Land, improvements and personal property constituting the Project to the Company pursuant to the Leaseback Agreement and subject to the PILOT Agreement;
- (C) The Agency has the authority to take the actions contemplated therein under the Act; and
- (D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in the County and otherwise furthering the purposes of the Agency as set forth in the Act.

Section 5. Subject to the Company executing an Agent Agreement in form and substance approved by the Chief Executive Officer of the Agency, the Agency hereby authorizes the Company to proceed with the construction, installation and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency to construct, 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 construction, 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 construction, 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 construction, 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 construction, installation and equipping of the Project, all with the same powers and with the same validity as the Agency could do if acting on its own behalf. The aforesaid appointment of the Company as agent of the Agency to construct, install and equip the Project shall expire on October 31, 2015 if the Lease Agreement, Leaseback Agreement and PILOT Agreement have not been executed and delivered.

Section 6. The Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents which were negotiated by the Chief Executive Officer, are hereby approved as to form and substance on condition that: (i) the payments under the Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy or the procedures for deviation have been compiled with.

Section 7. The Chairman, Vice Chairman or Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents in the form presented at this meeting all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman or Chief Executive Officer of the Agency shall approve, the execution thereof by the Chairman, Vice Chairman or Chief Executive Officer of the Agency to constitute conclusive evidence of such approval.

Section 8. The Chairman, Vice Chairman or Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rent, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or prepared on advice of counsel to the Agency ("Financing Documents"); and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Financing Documents and to attest the same, provided that in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 9. 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 10. 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 11. The Chief Executive Officer, Executive Director or Counsel to the Agency, each acting individually, are 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 12. This resolution shall take effect immediately.

THE MEMBERS VOTED ON THE FOREGOING RESOLUTION AS FOLLOWS:

Ira Steingart	<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
Suzanne Loughlin	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Charles Barbuti, Jr.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Sean Rieber	<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
Carol Roig	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input 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

and therefore, the resolution was declared duly adopted.

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

I, the undersigned Secretary (Assistant) 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 in public session on the 18th day of September, 2015 at 3:00 p.m. at the Sullivan County Government Center, 100 North Street, Village of Monticello, County, State, at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Ira Steingart	[<input checked="" type="checkbox"/>]	[]
Edward T. Sykes	[<input checked="" type="checkbox"/>]	[]
Suzanne Loughlin	[]	[<input checked="" type="checkbox"/>]
Charles Barbuti, Jr.	[<input checked="" type="checkbox"/>]	[]
Sean Rieber	[<input checked="" type="checkbox"/>]	[]
Howard Siegel	[<input checked="" type="checkbox"/>]	[]
Carol Roig	[<input checked="" type="checkbox"/>]	[]
Paul Guenther	[<input checked="" type="checkbox"/>]	[]

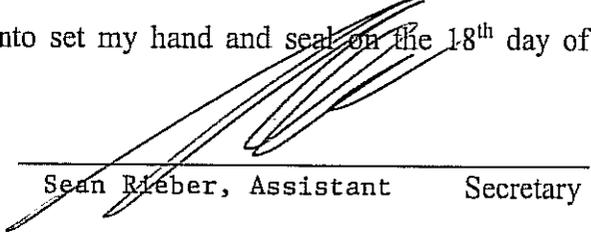
3. The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

Ira Steingart	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Suzanne Loughlin	[] Yes	[] No	[<input checked="" type="checkbox"/>] Absent	[] Abstain
Charles Barbuti, Jr.	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Sean Rieber	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[<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 103a and 104 of the Public Officers 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 103a 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 18th day of September, 2015.



Sean Rieber, Assistant Secretary