

RESOLUTION

A meeting of the Sullivan County Resort Facilities Local Development Corporation ("SCRFLDC") was convened in public session at the Sullivan County Government Center, 100 North Street, Monticello, New York on August 11, 2025 at 9:00 a.m. local time.

The meeting was called to order by Chairman Howard Siegel, and, upon roll being called, the following members of SCRFLDC were:

	<u>PRESENT</u>	<u>ABSENT</u>	<u>VIDEO</u>
Howard Siegel	[√]	[]	[]
Kathleen Lara	[√]	[]	[]
Philip Vallone	[]	[]	[√]
Scott Smith	[√]	[]	[]
Paul Guenther	[]	[]	[√]
Sean Brooks	[√]	[]	[]
Ira Steingart	[√]	[]	[]
Joseph Perrello ¹	[]	[√]	[]
Edward T. Sykes	[√]	[]	[]

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, General Counsel

Shawn M. Griffin, Bond Counsel

The following resolution was duly offered by Philip Vallone, and seconded by Paul Guenther, to wit:

Resolution No. 07 - 2025

RESOLUTION AUTHORIZING THE ENGAGEMENT OF
MONTREIGN OPERATING COMPANY, LLC ("MOC") TO MANAGE
THE RESORT (AS DEFINED)

WHEREAS, pursuant to Section 1411 of the Not-for-Profit Corporation Law ("N-PCL") of the State of New York (the "State"), as amended (hereinafter collectively referred to as the "Act"), and pursuant to its Certificate of Incorporation filed on April 25, 2025 (the "Certificate"), SCRFLDC was established as a not-for-profit local development corporation of the State with the authority and power to own, lease and sell personal and real property for the purposes of, among other things, acquiring, constructing and equipping certain projects exclusively in furtherance of the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for

¹ Arrived after roll call but prior to any resolutions being considered for adoption.

such jobs, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest; and

WHEREAS, SCRFLDC intends to enter into a sublease with Montreign Operating Company, LLC (as sublessor, "MOC") of approximately 185.54 acres of real property located generally at 888 Resorts World Drive, Monticello, County of Sullivan, New York, excluding any areas which are regulated by the New York State Gaming Commission (the "*Non-Gaming Resort Area*") and intends to purchase certain buildings, improvements and personal property located thereon or therein necessary for the operation of: (i) the sale of food, beverages (both alcoholic and non-alcoholic) and other refreshments from fixed concession stands, in-room dining, food courts, banquet rooms, buffets, restaurants, bars, booths, kiosks, mobile stands, and vending machines and any other food service functions; (ii) the provision of lodging and all services related to lodging from the 18-story all-suite hotel; (iii) the provision of valet parking services and other parking revenue; (iv) rental, license or lease of convention rooms, meeting rooms and group facilities; (v) catering and event services; (vi) the sale of retail merchandise; (vii) the operation of the 2,500-seat Epicenter multipurpose venue; (viii) the operation of the Awana Spa; (ix) the provision of the fitness center/swimming pools; and (x) the provision of tours and travel services ("Non-Gaming Resort Area Business"); and

WHEREAS, SCRFLDC is the sublessee from Empire Resorts Real Estate I, LLC, a New York limited liability company ("ERREI"), of approximately 215.35 acres of real property located generally at 95 Chalet Road, Monticello, County of Sullivan, New York, and intends to purchase certain buildings, improvements and personal property located thereon or therein necessary for the operation and management of the "Monster" golf course, a 7,650-yard, par 72 golf course located at the Golf Course Area, including, without limitation, a comfort station including restrooms and light snacks, an approximately 12,800 square foot maintenance building and related structures supporting course usage, snack food and beverage facilities, parking services, and any and all other features, services and amenities from time to time provided at the Golf Course Area for the use or enjoyment of guests, patrons and customers or the public at large ("Golf Business"); and

WHEREAS, SCRFLDC is the sublessee from Empire Resorts Real Estate II, LLC, a New York limited liability company ("ERREII"), of approximately 19.12 acres of real property located generally at 750 Resorts World Drive, Monticello, County of Sullivan, New York, and intends to purchase certain buildings, improvements and personal property located thereon or therein necessary for the operation and management of the 99-room modern lifestyle hotel located at the EV (Alder Hotel) Area, including, without limitation, the rental of rooms, suites and other accommodations for transient occupancy by guests, patrons and customers, the provision of all amenities available at or associated with a hotel, including food and beverage facilities and services (including the sale and serving of alcoholic beverages), parking services, and any and all other features, services and amenities from time to time provided at the EV (Alder Hotel) Area for the use or enjoyment of guests, patrons and customers or the public at large ("EV (Alder Hotel) Business" and together with the Non-Gaming Resort Area Business and the Golf Business, the "Resort"); and

WHEREAS, MOC has substantial expertise in the operation and management of integrated first-class resorts and marketing and promotional activities in connection therewith; and

WHEREAS, MOC is currently operating and managing the Non-Gaming Resort Area Business, the Golf Business and the EV (Alder Hotel) Business and is intimately familiar with such businesses; and

WHEREAS, SCRFLDC has determined it to be in its best interest to avail itself through MOC of the experience, expertise and capabilities available to MOC in the management and operation of the Resort; and

WHEREAS, SCRFLDC desires to have MOC manage and operate the Resort, and MOC is willing to undertake such actions necessary to perform such services for the account of SCRFLDC pursuant to the terms of a management contract which shall constitute a "*Qualified Management Contract*" in compliance with applicable requirements of Section 141 of the Internal Revenue Code, as amended, and Rev. Proc. 97-13, 1997-5 I.R.B. 18, and Rev. Proc. 2017-13, and shall be interpreted in accordance with such requirements.

NOW, THEREFORE, BE IT RESOLVED as follows:

- Section 1. SCRFLDC enter into a management contract pursuant to which MOC is appointed and engaged to operate and manage the Resort on SCRFLDC's behalf and direction during an initial operating term of 20 years in accordance with an annually adopted budget; pursuant to operating standards hereinafter established; and for the compensation hereinafter detailed.
- Section 2. The management contract shall provide that MOC shall have discretion and control, free from interference, interruption or disturbance, in all matters relating to the maintenance, operation, management and supervision of the Resort, including, without limitation, charges for rooms and commercial space, credit policies, food and beverage services, other Resort services, employment policies, receipts, maintenance of bank accounts, procurement of inventories, supplies and services, promotion and publicity and, in general, all activities necessary for the maintenance, operation, management and supervision of the Resort.
- Section 3. The management contract shall require operation and management of the Resort aligned with the operational and physical standards of the Resort as of the commencement date of the management contract, which standards may be subject to modification by SCRFLDC in joint consultation in connection with (i) MOC's other resort management business as such operational standards are modified, revised, or amended from time to time, or (ii) as the market surrounding the Resort requires to compete with the operational quality of other first-class integrated gaming and resort establishments of similar size and location with a goal towards maximizing net profits to SCRFLDC and subject at all times to the Annual Budget.
- Section 4. That the management contract shall provide for compensation of MOC by a base monthly management fee of \$208,333.33 (subject to CPI adjustment) together with such annual performance bonuses as are from time-to-time established.

Section 5. The annual budget and capital expenditures budget for the remainder of the 2025 calendar year as annexed hereto is hereby adopted.

Section 6. The officers, employees and agents of SCRFLDC are hereby authorized and directed for and in the name and on behalf of SCRFLDC to do all acts and things required and to execute and deliver all such certificates, instruments, documents, and 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 on behalf of SCRFLDC desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by SCRFLDC with all the terms, covenants and provisions of the documents for and on behalf of SCRFLDC.

Section 7. 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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Kathleen Lara	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Philip Vallone	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Scott Smith	<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
Sean Brooks	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Ira Steingart	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Joseph Perrello	<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

The resolutions were thereupon duly adopted.

STATE OF NEW YORK :
:SS
COUNTY OF SULLIVAN :

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

1. I have compared the foregoing copy of a resolution of the Sullivan County Resort Facilities Local Development Corporation ("SCRFLDC") with the original thereof on file in the office of SCRFLDC, and that the same is a true and correct copy of such resolution and of the proceedings of SCRFLDC in connection with such matter.
2. Such resolution was passed at a meeting of SCRFLDC duly convened in public session on August 11, 2025 at 9:00 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>	<u>VIDEO</u>
Howard Siegel	[<input checked="" type="checkbox"/>]	[]	[]
Kathleen Lara	[<input checked="" type="checkbox"/>]	[]	[]
Philip Vallone	[]	[]	[<input checked="" type="checkbox"/>]
Scott Smith	[<input checked="" type="checkbox"/>]	[]	[]
Paul Guenther	[]	[]	[<input checked="" type="checkbox"/>]
Sean Brooks	[<input checked="" type="checkbox"/>]	[]	[]
Ira Steingart	[<input checked="" type="checkbox"/>]	[]	[]
Joseph Perrello	[<input checked="" type="checkbox"/>]	[]	[]
Edward T. Sykes	[<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:

Howard Siegel	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Kathleen Lara	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Philip Vallone	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Sean Brooks	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Ira Steingart	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Joseph Perrello	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain

and therefore, the resolution was declared duly adopted.

I FURTHER CERTIFY that (i) all members of SCRFLDC 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 11th day of August, 2025.



Kathleen Lara, Secretary

SCHEDULE A

2025 STUB BUDGET

Annual Budget and Capital Expenditure Budget

Sept-Dec 2025

Revenue:

Rooms	11,718,168
Food & Beverage	5,977,552
Golf	757,144
Other Revenue	10,531,941
Revenue	<u>28,984,804</u>

Expenses:

Cost of Sales	2,295,535
Direct Expenses	7,500,210
SG&A	1,213,806
Other Expenses	<u>1,220,890</u>
Expenses	12,330,441
Non-operational expenses	<u>15,000,000</u>

Free Cash Flow after debt service, rent and
management fees

1,654,364