

**ESSEX COUNTY INDUSTRIAL DEVELOPMENT
AGENCY & ESSEX COUNTY CAPITAL RESOURCE CORPORATION**

Joint Application for Financial Assistance

The County of Essex Industrial Development Agency (the “Agency”) is a body corporate and politic of the State of New York (the “State”), established in 1974 under section 914-a of the State General Municipal Law, and operating pursuant to the provisions of Article 18-A of the State General Municipal Law. The Essex County Capital Resource Corporation (“ECCRC”) is a not for profit corporation, established in 2010 under section 1411 of the State Not-for-Profit Corporation Law. The Agency provides several forms of financial assistance under State law and pursuant to the Agency’s “uniform tax exemption policy”, including tax-exempt revenue bond financing, PILOT agreements, and “straight lease” agreements. ECCRC provides tax-exempt financing for economic development projects which fulfill public purpose and reduce the burden of government.

In order to be considered for the financial assistance the Agency may provide, the applicant should complete the Application in duplicate, sign and date the Application, and return the completed Application to the Agency together with a processing fee of \$1,000, or \$1,500, as appropriate.

Please answer all the questions in Parts A through D either by filling in the blanks, completing the answer in the space provided in the Application, or by attachment. Please refer to section IV of Part D of the Application for a statement of costs and fees applicable to providing financial assistance. All information submitted in the Application will be kept confidential. No Application will be considered until a fully completed and executed Application, in duplicate, is received by the Agency, together with applicable processing fees.

PART A
Applicant and Project Information

Applicant Name	Saranac Lake Resort Owner, LLC
Address	1936 Saranac Ave Suite 2-132 Lake Placid, NY 12946
Telephone	(315) 725-7269
Fax	N/A
Email	jacob@eghotelgroup.com
Contact Name	Jacob Wright

<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Corporation
<input checked="" type="checkbox"/> Partnership	<input type="checkbox"/> Not-For-Profit Corporation (see Part C)
<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Other

Federal ID #	EIN # 82-5049923
If corporation, what is State of incorporation?	Delaware
Is the corporation authorized to do business in New York state? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	

If a not-for-profit corporation, is the corporation qualified under IRS code section 501(c) 3? YES NO

List names and addresses of principal shareholders or board members in case of not-for-profit:
N/A

List at least 3 financial references including address and telephone # and contact:

1. Tom Firth 5550 Friendship Blvd Chevy Chase, MD 20815 240-380-1757
2. Christopher Jordan 1750 H St., NW, Suite 500 Washington DC 20006 202-303-3009
3. Nicholas Tracy 5550 Friendship Blvd Chevy Chase, MD 20815 240-380-1768

Attorney Firm	Bond Schoeneck and King Attorneys
Address	One Lincoln Center Syracuse, NY 13202
Telephone	(315) 218-8164
Fax	(315) 218-8100
Email	fpatyi@bsk.com
Contact Name	Frank Payti

Accounting Firm	The Bonadio Group
Address	6 Wembley Ct Albany, NY 12205
Telephone	518-464-4080
Fax	518-464-4087
Email	fdiscenza@bonadio.com
Contact Name	Frank P. Discenza

Type of Assistance Requested:

Tax-Exempt Revenue Bond Financing*	<input type="checkbox"/>
Taxable Bond Financing	<input type="checkbox"/>
Not-For-Profit Financing (see Part C)	<input type="checkbox"/>
Pollution Control Bond Financing	<input type="checkbox"/>
Straight Lease Back Transaction	<input type="checkbox"/> PILOT Agreement <input checked="" type="checkbox"/> Sales Tax Exemption Mortgage Recording Tax Exemption

*Please note that for any proposed project for which tax-exempt financing is requested, the applicant will be required to complete a detailed "tax questionnaire" to determine eligibility under the Internal Revenue Code for tax-exempt financing.

If applicant is seeking PILOT Agreement, please indicate PILOT schedule:

<input type="checkbox"/> Schedule A Year 1 = 100% exemption Year 2 = 100% exemption Year 3 = 50% exemption Year 4 = 45% exemption Year 5 = 40% exemption Year 6 = 35% exemption Year 7 = 30% exemption Year 8 = 20% exemption Year 9 = 10% exemption Year 10 = 5% exemption	<input type="checkbox"/> Schedule B Year 1 = 50% exemption Year 2 = 45% exemption Year 3 = 40% exemption Year 4 = 35% exemption Year 5 = 30% exemption Year 6 = 25% exemption Year 7 = 20% exemption Year 8 = 15% exemption Year 9 = 10% exemption Year 10 = 5% exemption
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Please note:

1. Projects with a lesser economic impact based on an economic assessment will be eligible for Schedule B, (i.e. If project does not include a high level of commitment for: permanent payroll level in terms of number of jobs created, and/or number of potential spin off jobs, and/or high investment in total project, or a local business impact, and/or community investment).
2. Agency staff will calculate the amount of savings from the proposed PILOT Agreement based on the anticipated tax rates and assessed value of property at time of application and based on proposed expansion (if applicable) for each year of PILOT and for the term of the PILOT. Copy will be attached.

Identify and describe any other real property tax exemption other than that requested from the Agency the project will utilize:

N/A

Agency staff will calculate the amount of savings from the proposed PILOT Agreement based on the anticipated tax rates and assessed value of property at time of application and based on proposed expansion (if applicable) for each year of PILOT and for the term of the PILOT.

If applicant is seeking usage of the Essex County IDA sales tax exemption as part of the assistance for this project, please provide an estimate of the total sales tax to be saved (i.e. equipment purchase, construction, etc.)

800,000

\$

If applicant is seeking usage of the Essex County IDA mortgage recording tax exemption as part of the assistance for this project, please provide an estimate of the total to be saved

130,000

\$

Provide a general description of the proposed project, indicating (1) location, (2) dimensions of the building or facility, (3) type of construction of the building or facility, (4) intended use of the building or facility and (5) describe any and all tenants and any/all end users:

The Saranac Lake Resort will be a LEED certified hotel in the village of Saranac Lake, NY. The property is situated on Lake Flower, which connects to Saranac Lake.

The Property is fully approved and permitted for the construction of The Saranac Lake Resort, which is comprised of a 93-key hotel with 3,000 square feet of meeting space, a full-service spa, fitness center, banquet facilities, two food and beverage outlets and a 36-slip marina.

■ Attach photograph of site or existing facility

■ Attach copy of preliminary plans for proposed project

If the proposed project is a manufacturing facility, briefly describe the proposed manufacturing process:

N/A

Will the completion of the project 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 applicant located within the state? YES NO

If the proposed project is a commercial facility, briefly describe the proposed retail sales operation contemplated:

Sales of hotel rooms and restaurant product.

If proposed project has economic activities that would be deemed retail, please indicate if customers personally visit the project site for either of the following:

Retail Sale YES NO

Services YES NO

If the proposed project is a dormitory, healthcare, senior housing or education which a non-for-profit corporation must engage in, briefly describe the proposed project:

N/A

If the proposed project is a pollution control facility, briefly describe the type of pollution to be abated, and existing orders of environmental agencies to abate pollution:

N/A

On-Site Utilities:

Water	Municipal: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Municipal: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Sewer	Other:	Other:
Electric	Supplier:	
Natural Gas	Supplier:	

Indicate the current legal owner of the building or site or the proposed project:
Saranac Lake Resort Owner, LLC

Indicate any existing or proposed leases for the proposed project and provide a copy of such lease:

NO

Indicate any purchase option agreement relating to the proposed project and provide a copy of the purchase option agreement:

N/A

Indicate any litigation or controversy regarding (1) title to the site or building to be acquired, constructed or improved, (2) conditions on or under the site including environmental or hazardous waste conditions, (3) the financial condition of the Applicant or any entity controlling the Applicant or any entity which the Applicant control, and (4) the general operations of the Applicant.

Phase 1 and Phase 2 environmental study has been completed. The site is clean except for heating oil tanks that will be mitigated shortly.

If the applicant is or is controlled by a corporation or by a person or entity which is a majority shareholder in a corporation listed on a national stock exchange, please provide a copy of the annual report (including certified financial statements) of such corporation for its two (2) most recent fiscal years.

Annual Report (including financials) attached N/A

Employment:

CURRENT	YEAR 1	YEAR 2
full-time employees:	projected FT additional:	projected FT additional:
part-time employees:	projected PT additional:	projected PT additional:
seasonal employees:	projected S additional:	projected S additional:
TOTAL:0	TOTAL:71	TOTAL:71

CATEGORY OF JOBS TO BE RETAINED	AVERAGE SALARY	AVERAGE FRINGE BENEFITS
Management	\$0	\$0
Professional	\$0	\$0
Administrative	\$0	\$0
Production	\$0	\$0
Independent Contractor	\$0	\$0
Other:	\$0	\$0

CATEGORY OF JOBS TO BE CREATED	AVERAGE SALARY	AVERAGE FRINGE BENEFITS
Management	\$ 80,000	\$ 20,000
Professional	\$ 80,000	\$ 20,000
Administrative	\$ 50,000	\$ 15,000
Production	\$ 0	\$ 0
Independent Contractor	\$ 0	\$ 0
Other:	\$	\$

Indicate labor market area in which the project is located and where employees may reside and commute to work (county or town):

Essex and Franklin Counties

Current Annual Payroll	\$ 0
Estimated Payroll for Year 1	\$
Estimated Payroll for Year 2	\$

Will any construction jobs to created or retained as a result of this project? If so, how many?	Approx 52
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Project Costs:

Land	\$2,300,000
Improvements to Land (other than site work)	\$612,000
Site Work:	
Materials	\$ 1,100,000
Labor	\$
Building Construction:	
Materials	\$ 10,612,000
Labor	\$
Machinery & Building Fixtures	\$1,288,000
Equipment	\$
Legal Fees (excluding financing costs)	\$
Architect & Engineering Fees	\$
Financing Costs (including transaction legal counsel)	\$ 300,000
Working Capital	\$

Other:	\$
TOTAL	\$20,382,000

Project Financing:

Total Amount to be Financed	\$9,885,000	\$
Term of Financing		
Indicate the name, address, telephone, fax, email and contact person of the financial institution where the applicant is seeking financing: Stonehill, One Alliance Center 3500 Lenox Road, Suite 625 Atlanta, GA 30326, (404) 497-4116, mcrosswy@stonehillsc.com, Mathew Crosswy		
Has the applicant received a written commitment from the financial institution to finance the proposed project? <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Commitment Letter attached		
Would the applicant like the Agency's assistance in obtaining a financial institution to assist in the financing of the proposed project? <input type="checkbox"/> YES* <input checked="" type="checkbox"/> NO <small>*If so, an additional \$500 processing fee is payable to the Agency</small>		

Source of Funds:

Bank Financing	\$9,885,000
Equity	\$7,497,000
Tax Exempt Bond Issuance	\$0
Taxable Bond Issuance	\$0
State or Federal Grants	\$3,000,000
Tax Credits	\$0
Other:	\$0
TOTAL	\$20,382,000

Indicate source of owner equity in project: Cash and money from investors

Indicate any contribution of funds from an equity offering or venture capital funding for the proposed project:
 \$5,485,000

For a manufacturing facility only, please indicate the dollar value of “capital expenditures” (as determined in accordance with the provisions of the Internal Revenue Code) that the applicant or entity related to or controlled by the applicant, has expended within the County of Essex during the past three (3) calendar years?
 N/A

Indicate the proposed date for commencement of construction or acquisition of the proposed project, assuming financing of the proposed project is available to meet the applicant’s schedule	Acquisition of the land has already occurred. Construction should begin in August 2018
Indicate a schedule for the application of proceeds of financing and other moneys to acquire, construct, and equip the proposed project to completion	The equity has closed and we should receive the first debt tranche
Indicate the date on which the completed project is expected to be first placed in service	1/1/20

Indicate whether or not the Project would be likely to occur without the assistance of the Agency, and, if it could, please provide a statement indicating why the Project should be undertaken by the Agency.

The hotel and amenities provides an environmentally sound way for people to enjoy the area and all that it has to offer. In addition, it creates jobs and services for the area to help people appreciate the Adirondacks.

The project cost have increased from 15.7 MM when started to now over 20 MM. This assistance will be critical to helping facilitate this increase.

Environmental Compliance Review

Has the applicant retained an environmental engineer to assist with the environmental review compliance procedures relating to the proposed project?

YES NO

If so, please provide the name, address, telephone, fax, email and contact person of the firm:

OSPA Engineering Services, 800 Route 146, Bldg. 200, Suite 280 Clifton Park, NY 12065, (516) 636-9956, mosterhout@ospaengineering.com, Melanie Osterhout

If not, would the applicant like the Agency's assistance in obtaining the services of an environmental engineer? YES* NO

*If so, an additional \$500 processing fee is payable to the Agency

If an environmental assessment form or a draft environmental impact statement has been prepared by the applicant, please attach a copy of the completed form to the Application.

Attached

To the knowledge of the applicant, has there ever been any toxic or hazardous waste materials located or stored on the site of the proposed project site, or has any activity ever been conducted on the site of the proposed project which could be expected to generate toxic or hazardous waste material? YES NO

For a proposed project located in the Adirondack Park, has the applicant received the permission of the Adirondack Park Agency to acquire and construct the proposed project? YES NO

If not, when does the applicant expect to receive such permission?

Attach copy of APA permit if applicable

PART C

Is the company a not-for-profit corporation qualified under Section, 501(c) 3 of the Internal Revenue Code? YES NO

no

If yes, attach copy of IRS designation letter

Does the project fulfill a public purpose for Essex County or a municipality within Essex County?

This project provides several public purposes and services for Essex County. It provides sustainable lodging and provides food services for those in the area and guests. In addition, the plan includes a semi-public deck on the water for families and citizens to enjoy.

What are the economic development aspects of the project?

The project is designed to provide services particularly food and lodging in a sustainable and environmentally conscious way. The open spaces and access to the outdoors are designed to increase the well being of visitors and those in the community. In addition, there is a focus on proper employee pay, training and development that we believe will have a positive impact to the area.

Are there serious policy or potential issues which may preclude the project being financed by a municipality or Essex county?

No

- As recommended by the Office of the State Comptroller, the Agency will require the inclusion of recapture provisions in project agreements to allow the Agency to recoup, in coordination with the NYS Department of Finance and Taxation and pursuant to Agency policies, some or all of previously granted benefits if job creation/retention goals or other terms of the agreements are not met. By signing this application, the applicant acknowledges that:

- the submission of any knowingly false or misleading information may lead to immediate termination or recapture of tax benefits;
- the applicant is in compliance with the anti-pirating provisions of Section 862 (1) of the General Municipal Law.
- the owner, occupant or operator to receive financial assistance is in substantial compliance with state, local and federal tax, worker protection and environmental laws.
- the Agency will conduct a cost/benefit analysis to determine whether the project will (i) create or retain employment, (ii) stimulate private sector investment, (iii) be completed in a timely fashion, and (iv) provide additional revenues for municipalities and school districts.
- upon completion, the Agency a least annually will assess the progress of the project in achieving job retention and/or expansion and investment in Essex County.

PART D
Certification

Jacob Wright (name of chief executive officer of company) deposes and says that he/she is the President (title) of Saranac Lake Resort Owner, LLC (name of Applicant); that he/she has read the foregoing Application and knows the contents thereof, that the same is true to his/her knowledge.

The grounds for deponent’s belief relative to all matters in the Application which are not stated upon his/her own personal knowledge, are investigations which deponent has caused to be made concerning to subject matter of the Application, as well as information acquired by deponent in the course of his/her duties as an officer of and from the books and papers of said corporation or other entity.

As an officer of the applicant deponent acknowledges and agrees that the applicant shall be and is responsible for all costs incurred by the County of Essex Industrial Development Agency (the “Agency”) and legal counsel for the Agency, whether or not the application, the proposed project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion.

By executing and submitting this application, the applicant covenants and agrees to

pay the following fees to the Agency, the same to be paid at the times indicated:

- (a) The sum of \$1,000 as a non-refundable processing fee, plus the sum of \$500 if Agency assistance in retaining professionals if requested, to be paid upon submission of the Application;
- (b) The sum of:
 - 0.75% on the first \$10 million of project financing
 - 0.50% on the next \$11 million to \$20 million
 - 0.25% on the next \$21 million to \$30 million
 - 0.125% on the next \$31 millionfor which the Essex County IDA provides financial assistance, to be paid at transaction closing;
- (c) An amount equal to \$2,500 payable to the Agency's bond/transaction counsel for the preparation and review of the inducement resolution, the environmental compliance resolution, TEFRA hearing proceedings and the "tax questionnaire" assuming no further activity occurs after completion of inducement proceedings, to be paid within ten (10) business days of the receipt of bond/transaction counsel's invoice;
- (d) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel (Briggs Norfolk) and bond/transaction counsel (Squires Sanders), and (2) other consultants retained by the Agency in connection with the proposed project; with all such charges to be paid by the applicant at the closing or, if the closing does not occur, within ten (10) business days of receipt of the Agency's invoices therefore (Please note that the applicant is entitled to receive a written estimate of fees and costs of the Agency's general counsel and bond/transaction counsel prior to inducement);
- (e) The cost incurred by the Agency and paid by the applicant, including bond/transaction counsel and the Agency's general counsel's fees and the processing fees, may be considered as a costs of the project and included in the financing of costs of the proposed project.

The applicant further covenants and agrees that the applicant is liable for payment to the Agency of all charges referred to in section above, as well as all other actual costs and expenses incurred by the Agency in handling the application and pursuing the proposed project notwithstanding the occurrence of any of the following:

- (a) The applicant's withdrawal, abandonment, cancellation or failure to pursue the Application;

- (b) The inability of the Agency or the applicant to procure the services of one or more financial institutions to provide financing for the proposed project;
- (c) The applicant's failure, for whatever reason, to undertake and/or successfully complete the proposed project; or
- (d) The Agency's failure, for whatever reason, to issue tax-exempt revenue bonds in lieu of conventional financing.

Saranac Lake Resort Owner, LLC
 (name of corporation or entity)

[Signature]
 (name of officer)

Authorized Rep
 (title)

NOTARY

Sworn to before me this 20th day of July, 2018

Mary B. McAllister
 (Signature)

MARY B. McALLISTER
 Notary Public, State of New York
 Reg. No. 01MC4717144
 Qualified in St. Lawrence County
 Commission Expires June 30, 2021

PART E

As a condition to issuing financial assistance for the proposed project, the County of Essex Industrial Development Agency (the "Agency") is required by the Office of the New York State Comptroller ("OSC") to obtain the following supplementary information on an annual basis from the applicant during the term of project:

1. Outstanding balance at beginning and end of the year and principal payments made during the year for tax-exempt and taxable bond financing (if applicable)
2. Current interest rate (for adjustable rate bonds, the interest rate at year end)
3. PILOT payments including real estate tax exemptions for county, local (city, town, village, fire district) and school district taxes.
4. Annual Sales Tax Filings: In accordance with Section 874(8) of the NY General Municipal Law, the applicant understands and agrees, that if project receives any sales tax exemptions as part of the financial assistance from the Agency, in accordance the applicant agrees to file with the NYS Department

of Taxation and Finance, the annual form (ST-340) describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant. Copy of the report will be sent to the Agency.

5. Employment Reporting: The applicant understands and agrees that if the project receives any financial assistance from the Agency, at least annually or otherwise requested by the Agency, reports regarding the number of people employed at the project site, salary, fringe benefits, etc. will be sent to the Agency within 30 days of request. Report will include copies of latest NYS-45 report.

The information requested above is required by February 15th of each succeeding year and should be submitted in writing to the Agency at its office at PO Box 217, 7566 Court Street, Elizabethtown, New York 12932. Failure to provide requested reports shall be an event of default of the terms and conditions of the agreement.

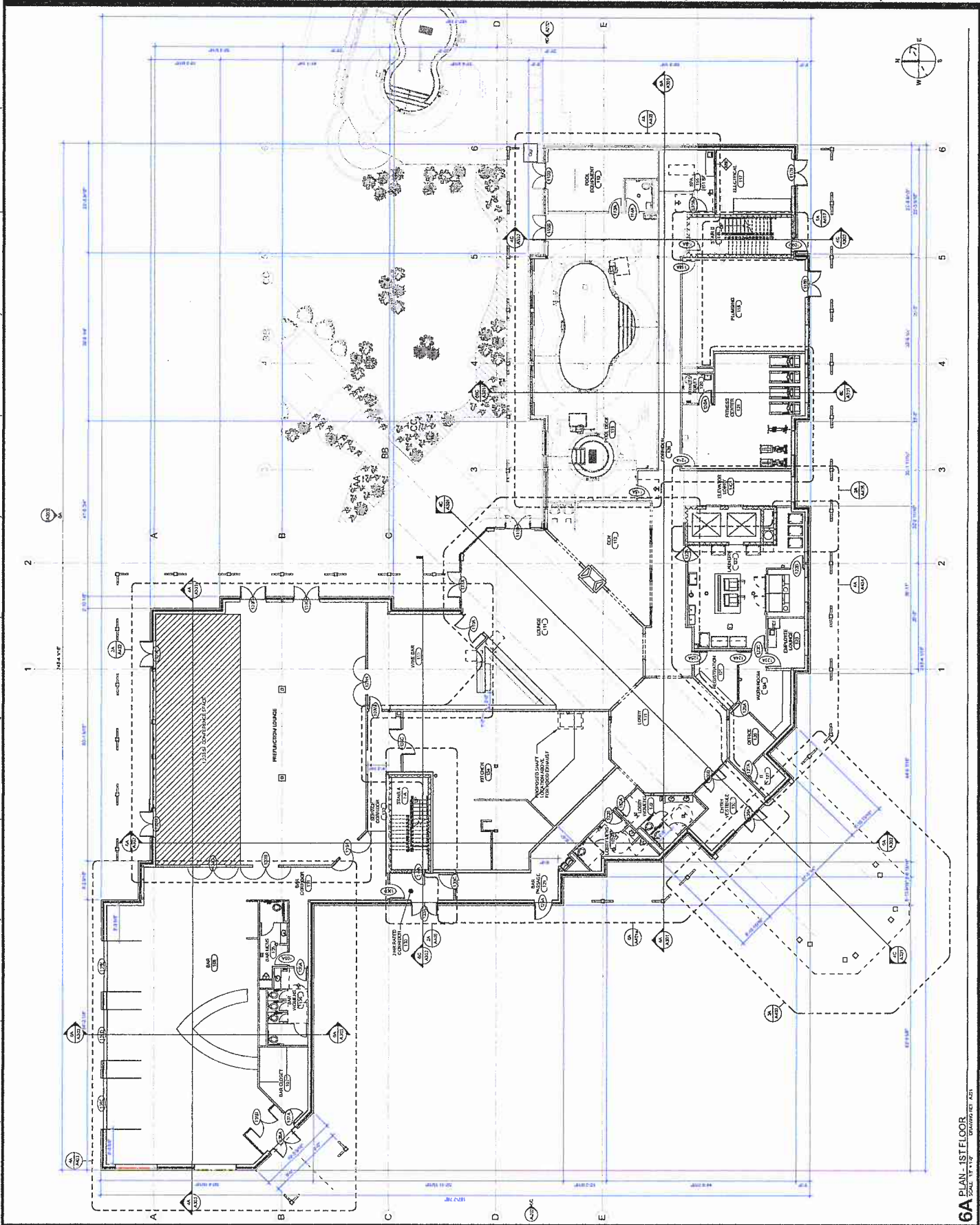
The applicant, through its signing officer, certifies that it has reviewed, understands and will comply with the above, as required by OCS.

Saranac Lake Resort Owner, LLC
(Company)

By: Joel Wright / Authorized Rep.
(Name and Title)

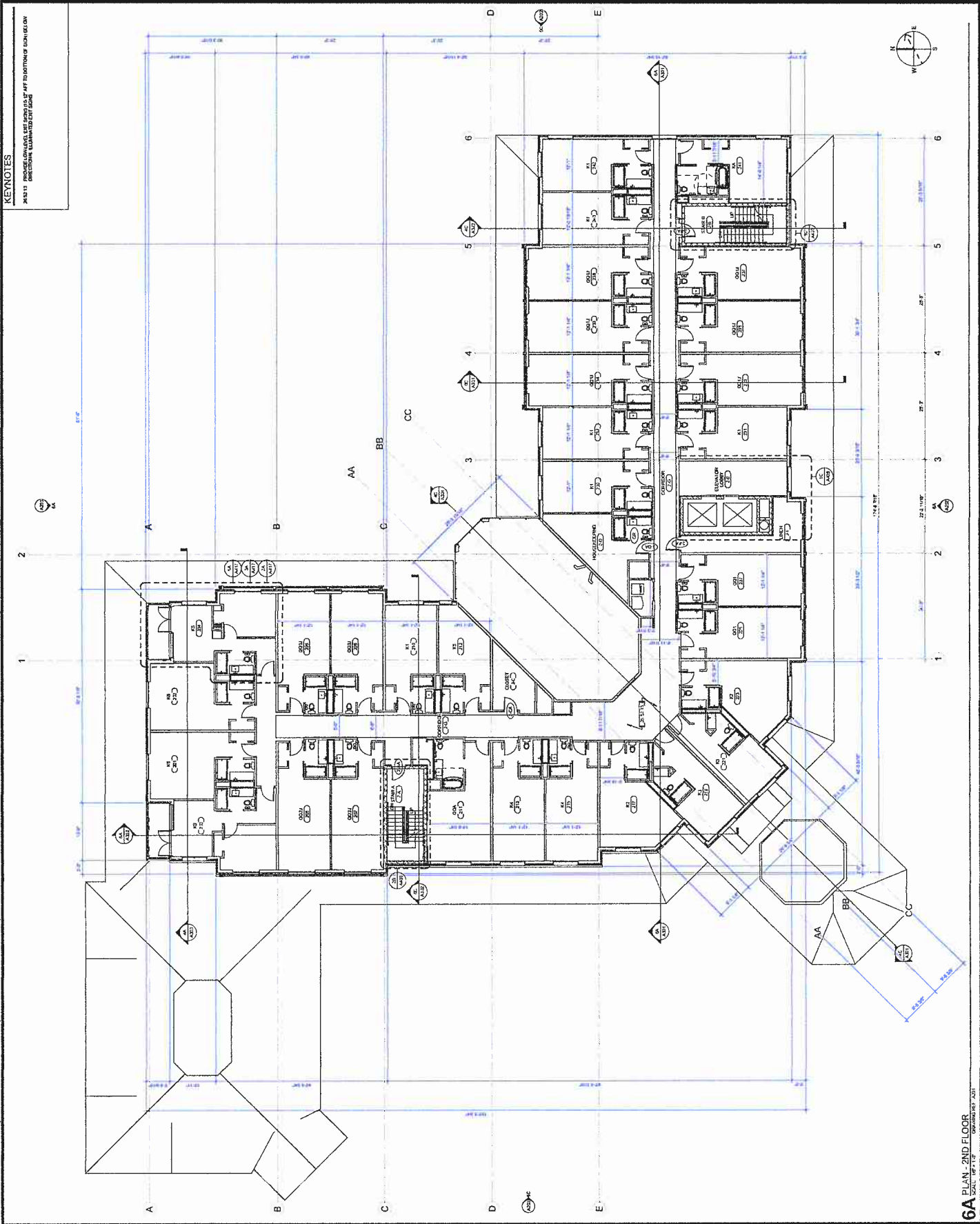
Date: 7-20-18

NOT FOR CONSTRUCTION



6A PLAN - 1ST FLOOR

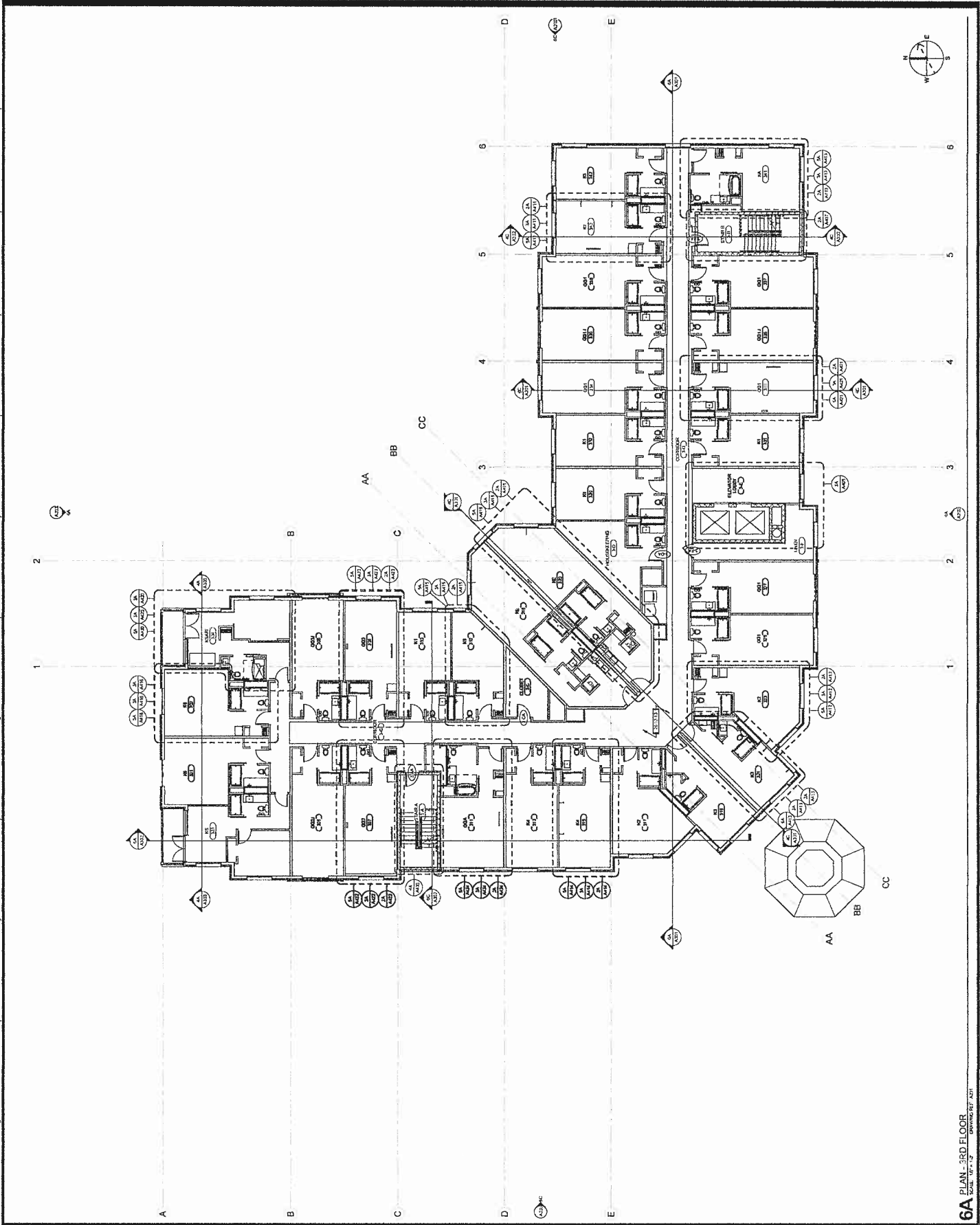
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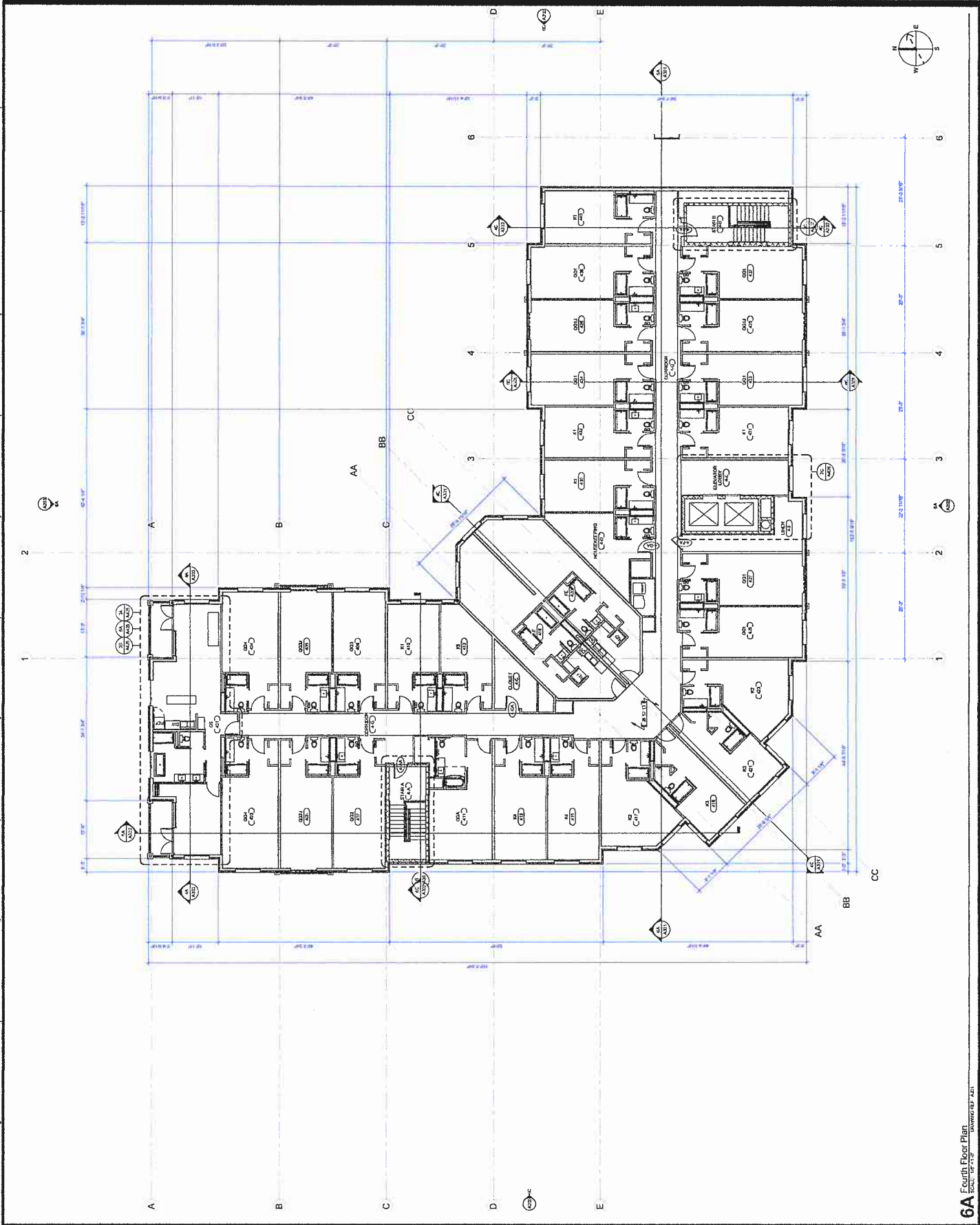
KEYNOTES:
1. ALL DIMENSIONS UNLESS OTHERWISE SPECIFIED
2. ALL DIMENSIONS UNLESS OTHERWISE SPECIFIED

6A PLAN - 2ND FLOOR
SCALE: 1/8" = 1'-0"

NOT FOR CONSTRUCTION

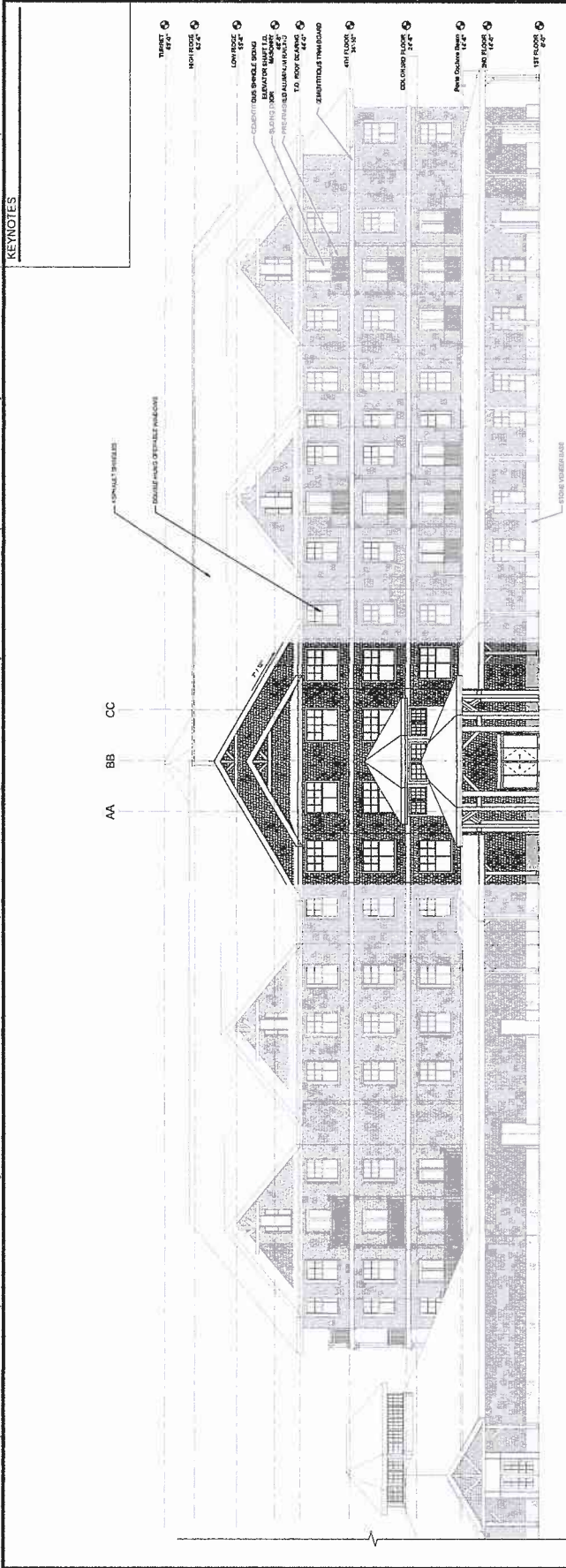


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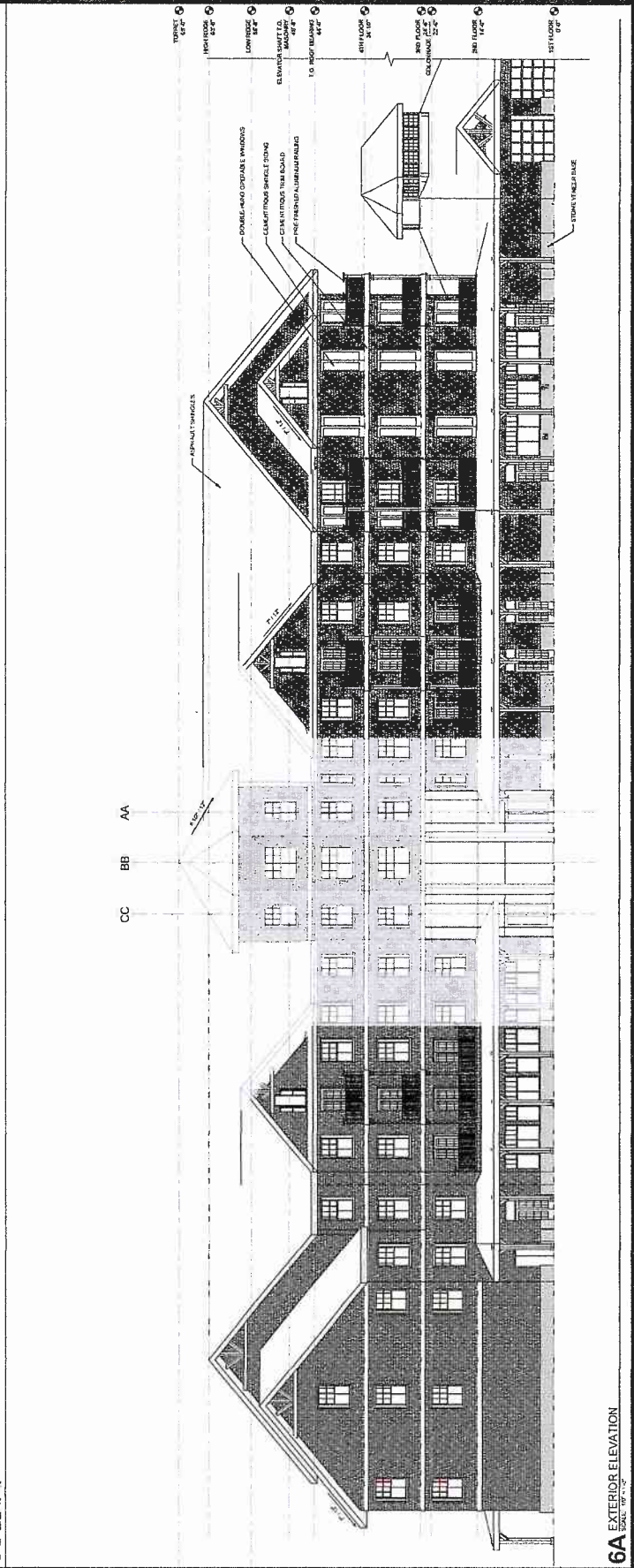


6A Fourth Floor Plan 09/17/18 BASKERVILL

NOT FOR CONSTRUCTION

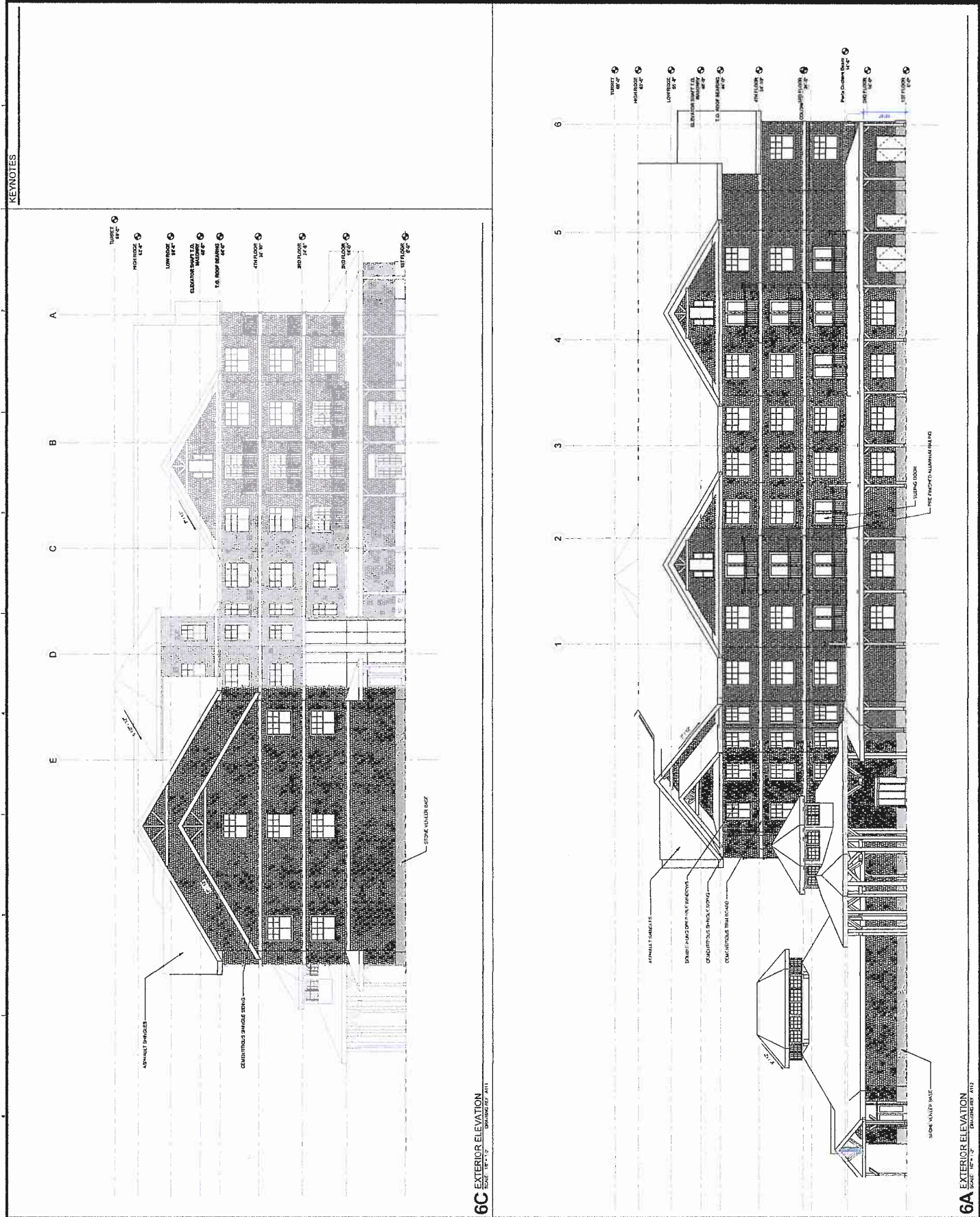


6C EXTERIOR ELEVATION



6A EXTERIOR ELEVATION

NOT FOR CONSTRUCTION



KEYNOTES

- TURRET 8'-0"
- ROOFLINE 12'-0"
- LOWWALL 8'-0"
- CEILINGLINE TO WINDOW 12'-0"
- 1st FLOOR FINISH 10'-0"
- 2nd FLOOR 12'-0"
- 3rd FLOOR 14'-0"
- 4th FLOOR 16'-0"
- 5th FLOOR 18'-0"

6C EXTERIOR ELEVATION
 SIDE VIEW

- TURRET 8'-0"
- ROOFLINE 12'-0"
- LOWWALL 8'-0"
- ELEVATION TO TURRET 12'-0"
- 1st FLOOR FINISH 10'-0"
- 2nd FLOOR 12'-0"
- 3rd FLOOR 14'-0"
- 4th FLOOR 16'-0"
- 5th FLOOR 18'-0"

6A EXTERIOR ELEVATION
 FRONT VIEW

