

**RESOLUTION AUTHORIZING ASSIGNMENT AND ASSUMPTION
HUDSON RIVER VALLEY LLC – d/b/a 300 GRANT AVE LLC**

A regular meeting of Ulster County Industrial Development Agency (the “Agency”) was convened in public session at the Karen Binder Library, 6th Floor, Ulster County Office Building, 244 Fair Street, Kingston, New York on November 22, 2017 at 8:00 a.m., local time.

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

PRESENT:

John Morrow	Chairman
Randall Leverette	Vice Chairman
Robert Kinnin	Secretary
Michael Bernholz	Treasurer
John Livermore	Assistant Treasurer
James Malcolm	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Christopher J. Rioux	Chief Financial Officer
Evelyn Heinbach	Office of Economic Development
Bernadette Andreassen	Office of Economic Development
A. Joseph Scott, III, Esq.	Agency Counsel

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

Resolution No. ____

**RESOLUTION CONSENTING TO AND AUTHORIZING THE EXECUTION AND
DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT TO THE ASSIGNMENT
AND ASSUMPTION OF THE HUDSON RIVER VALLEY LLC PROJECT.**

WHEREAS, Ulster County Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 787 of the 1976 Laws of New York, as amended, (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial, manufacturing, and warehousing facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, in March, 1998, the Agency, the Town of Ulster (the “Town”) and Hudson River Valley, LLC (the “Original Company”) entered into a payment in lieu of tax agreement dated as of March 1, 1998 (the “Original PILOT Agreement”) with respect to the undertaking by the Original Company of a project (the “Project”); and

WHEREAS, the Project consisted of: (A) (1) the acquisition of a leasehold interest in a parcel of real estate containing approximately 39.264 acres located at 300 Grant Avenue in the Town of Ulster, Ulster County, New York (the "Land"), together with the existing building located thereon which contains approximately 208,000 square feet of space (the "Facility") and known as IBM Building 941, (2) the reconstruction of the Facility and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to be operated by KRNH, Inc., d/b/a Hudson River Valley Care Center (the "Tenant") as a residential health care facility for the care and rehabilitation of traumatically brain injured patients and related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of its revenue bonds; (C) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, deed transfer taxes, mortgage recording taxes and real property taxes (collectively with the bonds, the "Financial Assistance"); and (D) the sale of the Project Facility to the Original Company; and

WHEREAS, the Agency and the Original Company also entered into an installment sale agreement dated as of March 1, 1998 (the "Installment Sale Agreement") to provide for the undertaking of the Project; and

WHEREAS, the Original Company has advised the Agency that the Original Company now desires to convey the Project Facility and its interests in the Issuer Documents (as defined in the Installment Sale Agreement) to 300 Grant Ave LLC, a New York limited liability company duly authorized to do business in the State of New York (the “New Company”) and, in connection with such conveyance, provide for the assignment of the Issuer Documents from the Original Company to the New Company, as described in an application (the “Application”) completed by the New Company and delivered to the Agency; and

WHEREAS, the Installment Sale Agreement provides that the Original Company is prohibited from selling, leasing, transferring or otherwise conveying any part of the Project Facility without the prior written consent of the Agency; and

WHEREAS, in connection with the conveyance of the Project Facility, the Original Company and the New Company have requested (the “Request”) that the Agency execute documents providing for the following (the “Conveyance and Assignment Documents”): (A) the consent by the Agency of the conveyance of the Project Facility and the assignment and assumption of the Issuer Documents from the Original Company to the New Company, and (B) the potential granting of an additional mortgage and security interest on the Project Facility and any related loan documents; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations adopted pursuant

thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations" and collectively with the SEQR Act, "SEQRA"), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to proceed with the execution and delivery of the Conveyance and Assignment Documents; and

WHEREAS, pursuant to SEQRA, the Agency has reviewed the Request in order to make a determination as to whether the execution and delivery of the Conveyance and Assignment Documents is subject to SEQRA, and it appears that the Request is not an "Action" under SEQRA;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. Based upon an examination of the Request, the Agency hereby makes the following determinations:

(A) Pursuant to SEQRA, the approval of the Request is not an "Action" under SEQRA and therefore is not subject to SEQRA review by the Agency.

(B) The Agency will **not** be granting any mortgage recording tax exemption relating to the Request.

(C) That since compliance by the Agency with the Request will not result in the Agency providing more than \$100,000 of additional "financial assistance" (as such quoted term is defined in the Act) to the New Company, Section 859-a of the Act does not require a public hearing to be held with respect to the Request.

(D) As described in the Application, the New Company is a related party to the current operator of the Project Facility. The Project is operated as a residential health care facility for the care and rehabilitation of traumatically brain injured patients and related activities, and the New Company intends to continue such operations. The assignment of the Project Facility (and the Issuer Documents) from the Original Company to the New Company will not result in any change in the use, occupancy or employment levels at the Project Facility.

Section 2. The Agency hereby approves the Request and consents to (A) the assignment to, and assumption by, the New Company of all of the Original Company's interest in the Project Facility, pursuant to the Conveyance and Assignment Documents, including but not limited to the benefits of the Installment Sale Agreement and the Payment in Lieu of Tax Agreement, and (B) the assumption by the New Company of all obligations of the Original Company pursuant to the Conveyance and Assignment Documents; provided, however, that such consent is contingent upon satisfaction of the following conditions: (1) receipt of confirmation that all real property taxes and payments in lieu of taxes required by the Project have been satisfied; (2) receipt of confirmation from Agency Counsel that no modifications shall result from the Conveyance and Assignment Documents that result in any new tax relief for the Project (such as an extension of the term, increase in abatement or change in the Payment in Lieu of Tax Agreement); (3) receipt by the Agency or Agency Counsel of evidence that the New Company is authorized to do business in New York State; (4) the written consent by any holder of any mortgage on the Project Facility, if required; (5) compliance with the terms and conditions contained in the Conveyance and Assignment Documents and the Issuer Documents; (6) approval by Agency and Agency Counsel of the form of the documents to be executed by the Agency in connection with the Request, including the Conveyance and Assignment Documents; (7) receipt of confirmation in form subject to the satisfaction of the Agency that the Town, the Kingston City School District and Ulster County have consented to the Request, (8) receipt by the Agency of its administrative fee relating to the Request, in an

amount equal to \$_____, and all fees and expenses incurred by the Agency with respect to the Request, including the fees and expenses incurred by the Agency and Agency Counsel with respect thereto; (9) that no mortgage tax exemption shall be granted by the Agency in connection with the execution and delivery of the Conveyance and Assignment Documents; and (10) the following additional conditions: _____.

Section 3. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chairman (or Vice Chairman) of the Agency is hereby authorized to execute and deliver the Conveyance and Assignment Documents and the modified Issuer Documents, as applicable, to provide for the Request, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Request, and to execute and deliver all such additional 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 the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Request.

Section 5. 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:

John Morrow	VOTING	_____
Randall Leverette	VOTING	_____
Robert Kinnin	VOTING	_____
Michael Bernholz	VOTING	_____
John Livermore	VOTING	_____
James Malcolm	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF ULSTER)

I, the undersigned (Assistant) Secretary of Ulster County Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on November 22, 2017 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed, or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 22nd day of November, 2017.

(Assistant) Secretary

(SEAL)