

**RESOLUTION AUTHORIZING REFINANCING
MHMG-KM KINGSTON, LLC PROJECT**

A regular meeting of Ulster County Industrial Development Agency (the "Agency") was convened in public session at the Karen Binder Library, 6th Floor, 24 Fair Street, Kingston, New York on October 8, 2014 at 8:00 a.m., local time.

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

PRESENT:

Michael Horodyski	Chairman
John Morrow	Secretary
James Malcolm	Assistant Chairman/Assistant Secretary
Robert Kinnin	Assistant Chairman/Assistant Secretary
Floyd Lattin	Member
John Livermore	Member
Mary Sheeley	Member

ABSENT:

None

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Suzanne Holt	Director, Office of Economic Development
Linda Clark	Office of Economic Development
Karl Schlegel	Office of Economic Development
A. Joseph Scott, III, Esq.	Agency Counsel

The following resolution was offered by Robert Kinnin, seconded by John Morrow, to wit:

Resolution No. 10 14-__

RESOLUTION AUTHORIZING THE EXECUTION BY ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY OF A CERTAIN MORTGAGE AND RELATED DOCUMENTS IN CONNECTION WITH THE MHMG-KM KINGSTON, LLC PROJECT.

WHEREAS, Ulster County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of 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, constituting Section 923 of said General Municipal Law (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 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, on March 19, 2013, the Agency granted certain “financial assistance” within the meaning of the Act in connection with a project (the “Project”) being undertaken by the Agency for the benefit of MHMG-KM Kingston, LLC (the “Company”), consisting of the following: (A)(1) the acquisition of an interest in an approximately 5 acre portion of an approximately 15 acre parcel of land located at 1561 Ulster Avenue in the Town of Ulster, Ulster County, New York (the “Land”), including the existing improvements located thereon containing approximately 15,000 square feet of space (collectively, the “Existing Facility”), (2) the demolition of the Existing Facility, (3) the construction on the Land of a new 4-story building to contain approximately 84,000 square feet of space (the “Facility”) and (4) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Existing Facility, the Facility and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and leased to Mid Hudson Medical Group, P.C. (the “Tenant”) and utilized by the Tenant as medical office space and other directly and indirectly related activities; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from sales and use taxes, real property transfer taxes, mortgage recording taxes and real estate taxes (collectively, the “Financial Assistance”); and (C) the lease of the Project Facility to the Company pursuant to the terms of a lease agreement dated as of March 1, 2013 (the “Lease Agreement”) by and between the Company and the Agency; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement (the “Closing”), (A) the Company executed and delivered to the Agency (1) a certain lease to agency dated as of March 1, 2013 (the “Lease to Agency”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company leased to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the “Leased Premises”) for a lease term ending on the Lease Termination Date (as defined in the Lease Agreement); (2) a certain license agreement dated as of March 1, 2013 (the “License to Agency”) by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company granted to the Agency (a) a license to enter upon the balance of the Land (the “Licensed Premises”) for the purpose of undertaking and completing the Project and (b) in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement; and (3) a bill of sale dated as of March 1, 2013 (the “Bill of Sale to Agency”), which conveyed to the Agency all right, title and interest of the Company in the Equipment, (B) the Company and the Agency executed and delivered a payment in lieu of tax agreement dated as of March 1, 2013 (the “Payment in Lieu of Tax Agreement”) by and between the Agency and the Company, pursuant to which the Company agreed to pay certain payments in lieu of taxes with respect to the Project Facility, (C) the Agency filed with the assessor and mailed to the chief executive officer of each “affected tax jurisdiction” (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form 412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project Facility under Section 412-a of the Real Property Tax Law) (the “Real Property Tax Exemption Form”) relating to the Project Facility and the Payment in Lieu of Tax Agreement, (D) the Agency executed and delivered to the Company a sales tax exemption letter (the “Sales Tax Exemption Letter”) to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance, (E) the Agency filed with the New York State Department of Taxation and Finance the form entitled “IDA Appointment of Project Operator or Agent for Sales Tax Purposes” (the form required to be filed pursuant to Section 874(9) of the Act) (the “Thirty-

Day Sales Tax Report”), and (F) the Agency and the Company executed and delivered the project benefits agreement dated as of March 1, 2013 (the “Project Benefits Agreement”) relating to the granting of the Financial Assistance by the Agency to the Company (the above-enumerated documents being collectively referred to as the “Basic Documents”); and

WHEREAS, in order to finance a portion of the costs of the Project, the Company obtained a loan in the principal sum of up to \$24,000,000 (the “Loan”) from M&T Bank (the “Lender”), which Loan was be secured by a leasehold, subleasehold and subsubleasehold mortgage dated May 10, 2013 (the “Mortgage”) from the Agency and the Company to the Lender; and

WHEREAS, by correspondence dated October 2, 2014, the Agency has been requested (the “Request”), which Request is attached hereto as Exhibit A, to approve a refinancing of the Loan (the “Refinancing”) pursuant to a loan in the amount of \$26,475,000.00 (the “New Loan”) from Cantor Commercial Real Estate Lending, L.P. (the “New Lender”); and

WHEREAS, in connection with the Refinancing, the Company would like the Agency to (A) enter into a mortgage dated as of the date of the Refinancing (the “New Mortgage”) from the Agency and the Company to the Lender and any other security documents and related documents, including but not limited to a subordination agreement and/or an estoppel certificate (collectively, the “Refinancing Documents”) and (B) authorize certain amendments to the Basic Documents, if needed, to accommodate the Refinancing (collectively, the “Amended 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 Refinancing; and

WHEREAS, pursuant to SEQRA, the Agency has examined the Refinancing in order to make a determination as to whether the Refinancing is subject to SEQRA, and it appears that the Refinancing constitutes a Type II 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 Refinancing, the Agency hereby makes the following determinations:

(A) The Refinancing constitutes a “Type II action” pursuant to 6 NYCRR 617.5(c)(23), and therefore that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Refinancing.

(B) That the mortgage recording tax exemption to be granted by the Agency relating to the Refinancing may not exceed the amount of exemption provided in connection with the original Loan in the amount of \$24,000,000.

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

Section 2. Subject to (A) approval of the form of the Refinancing Documents and the Amended Documents, by Agency counsel and (B) receipt by the Director, Office of Economic Development of (1) the Agency's administrative fee relating to the Refinancing, if any, and (2) counsel's fees relating to the Refinancing, the Agency hereby authorizes (a) the execution by the Agency of the Refinancing Documents and the Amended Documents and (b) the execution and delivery by the Agency of an affidavit of exemption from mortgage recording taxes with respect to the Refinancing Documents in the loan amount not to exceed \$24,000,000 (the Company will be responsible for paying any mortgage recording tax on the amount of the Refinancing that exceeds \$24,000,000).

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 Refinancing Documents and the Amended Documents to the Company, 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 Refinancing Documents and the Amended Documents, 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 Refinancing Documents and the Amended Documents binding upon the Agency.

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:

Michael Horodyski	VOTING	<u>Yes</u>
John Morrow	VOTING	<u>Yes</u>
James Malcolm	VOTING	<u>No</u>
Robert Kinnin	VOTING	<u>Yes</u>
Floyd Lattin	VOTING	<u>No</u>
John Livermore	VOTING	<u>Yes</u>
Mary Sheeley	VOTING	<u>Yes</u>

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 extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on October 8, 2014 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of such proceedings of the Agency and of such Resolution set forth therein 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 8th day of October, 2014.



(Assistant) Secretary

(SEAL)