

Consenting To A Subordination Agreement During The Purchasing Process For The Sale Of The County's Certified Home Health Agency License And Long-Term Home Health Care Program License – Department Of Health

The Health and Human Services Committee (Chairman Frey and Legislators Harris, Maio, Ronk, Petit, Briggs, Loughran, Robert Parete and Stoeckeler) offers the following:

WHEREAS, this resolution has been submitted by the County Executive on behalf of the Department of Health, and

WHEREAS, Resolution No. 198 dated July 20, 2010, authorized the sale of the County's Certified Home Health Agency (CHHA) License and Long-Term Home Health Care Program (LTHHCP) License to Litson Health Care, Inc. dba WILLCARE, a licensed home health care service provider in Ulster County, and

WHEREAS, sale of the Licenses is pending approval by the New York State Department of Health, and

WHEREAS, Resolution No. 145 dated February 15, 2011, amended the 2011 County Budget by increasing appropriations and revenues to allow for the continuation of the program during the processes of pending approvals and sale of the CHHA and LTHHCP, and

WHEREAS, the total sale price is \$1.4 million, of which \$1.1 million is payable upon closing of the transaction, and the remaining \$300,000.00, will be paid, pursuant to a note in eight quarterly installments of interest only at the rate of 7% with a balloon payment due upon maturity two years after the date of the note, and

WHEREAS, the purchaser's lending institution has required that Ulster County consent to a Subordination Agreement which guarantees the bank as the primary lender, and

WHEREAS, the Subordination Agreement is a requisite document in order to consummate the Asset Purchase Agreement approved by the County Legislature by Resolution No. 198 dated July 20, 2010, and it is a contemplated document as contained in Resolution No. 198, and

WHEREAS, the purchaser has also agreed to execute a corporate guaranty in favor of the County guaranteeing full payment of the note, and

WHEREAS, the Health and Human Services Committee has met and reviewed this request with a majority of its members voting approval, and

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WHEREAS, the Ways and Means Committee has met and reviewed this request with a majority of its members voting approval, now, therefore, be it

RESOLVED, that the Ulster County Legislature does hereby consent to a Subordination Agreement in favor of the purchaser's lender which is a necessary part of the Asset Purchase Agreement as approved by the County Legislature in Resolution No. 198 dated July 20, 2010,

and moves its adoption.

ADOPTED BY THE FOLLOWING VOTE:

AYES: 23 NOES: 4
(NOES: Legislators Donaldson, Madsen, Robert Parete and Zimet)
(Absent: Legislators Bernardo, Frey, Hayes, Provenzano, Sheeley and Stoeckeler)

FINANCIAL IMPACT:

\$ 1,400,000.00 – ANTICIPATED REVENUE DOLLARS 2011 TO 2013

\$ 300,000.00 – 7% INTEREST PAYABLE IN 8 QUARTERLY PAYMENTS OF \$5,250.00 FOR THE FIRST TWO YEARS

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STATE OF NEW YORK

ss:

COUNTY OF ULSTER

This is to certify that I, the undersigned Clerk of the Legislature of the County of Ulster have compared the foregoing resolution with the original resolution now on file in the office of said clerk, and which was adopted by said Legislature on the 26th day of April, 2011, and that the same is a true and correct transcript of said resolution and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the County of Ulster this 29th Day of April in the year Two Thousand and Eleven.

/s/ Karen L. Binder
Karen L. Binder, Clerk
Ulster County Legislature

Submitted to the County Executive this
29th Day of April, 2011.

/s/ Karen L. Binder
Karen L. Binder, Clerk
Ulster County Legislature

Approved by the County Executive this
4th Day of May, 2011.

/s/ Michael P. Hein
Michael P. Hein, County Executive