

GOLDEN HILL LOCAL DEVELOPMENT CORPORATION

AUTHORIZING RESOLUTION

(Disposition and Transfer of Golden Hill Health Care Center)

At a special meeting of the Directors of the Golden Hill Local Development Corporation (the "Corporation") was convened on November 30, 2012, at 9:00 a.m.

RESOLUTION OF THE GOLDEN HILL LOCAL DEVELOPMENT CORPORATION
AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE
AGREEMENT AND RELATED DOCUMENTS FOR PURPOSES OF UNDERTAKING THE
DISPOSITION OF THE GOLDEN HILL HEALTH CARE CENTER

WHEREAS, the COUNTY OF ULSTER, NEW YORK (herein, the "County"), operates the Golden Hill Health Care Center located at 99 Golden Hill Drive, Kingston, New York, a fully licensed 280-bed Facility and rehabilitation facility (the "**Facility**"); and

WHEREAS, the County has determined that efficiency in government services is an important goal throughout the State of New York given the fiduciary responsibility to the taxpayers and given the state of fiscal affairs presently existing within the State and within the County; and

WHEREAS, pursuant to Resolution Number 266 of 2011, adopted December 5, 2011 (herein, the "**County Authorizing Resolution**"), the County authorized (i) the undertaking of a certain Disposition, as defined within the County Authorizing Resolution (the "**Disposition**") of a fee and/or leasehold interest to the Corporation of portions of a certain parcel of land associated with the Facility, along with the buildings and improvements located thereon, along with the Facility Equipment, as defined herein; (ii) the establishment of the Corporation to assist the County with the marketing and disposition of all or portions of the Facility to the highest qualified bidder (the "**Selected Operator**") in accordance with the provisions set forth within the County Authorizing Resolution (the "**Transfer**"); and (iii) reservation by the County of rights to continue operating the Facility until the Transfer is undertaken by the Corporation; and

WHEREAS, pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State, the Corporation was established as a not-for-profit local development corporation of the State pursuant to the filing of a Certificate of Incorporation with the New York Secretary of State on the 7th day of October, 2011; and

WHEREAS, in furtherance of the foregoing, and in accordance with the County Authorizing Resolution, the County and the Corporation previously entered into a certain Lease Agreement with Exclusive Option to Purchase, dated as of June 1, 2012 (the "**Lease Agreement**"), wherein the Corporation leases the Facility from the County and is granted an exclusive option to acquire the Facility Assets (the "**Option**", as more particularly defined within the Lease Agreement), and, so as to reflect the reservation of rights by the County to continue to operate the Facility until its rights are terminated by the Corporation, a reservation of rights agreement styled as a Leaseback Agreement, was entered into and also dated as of June 1, 2012 (the "**Leaseback Agreement**"); and

WHEREAS, the Corporation issued a certain Offering Memorandum (the “**Offering Memorandum**”) and Request for Proposals (“**RFP**”) in June, 2012 (relating to the Disposition and Transfer); and

WHEREAS, the Corporation received responses to the Offering Memorandum and RFP from proposers to purchase the Facility and the Corporation has selected Dr. Anthony J. Bacchi, MD, Martin Farbenblum, and Edward O. Farbenblum, Esq., along with Susquehanna Nursing & Rehabilitation Center, LLC to serve as the Selected Operator, acting by and through **GOLDEN HILL PLANNING CORPORATION**, a New York corporation (the “**Asset Purchaser**”), and **GOLDEN HILL ACQUISITION CORPORATION**, a New York corporation (the “**Real Property Purchaser**”) and collectively with the Asset Purchaser, the “**Purchaser**”); and

WHEREAS, the Corporation, the Asset Purchaser and Real Estate Purchaser have negotiated a certain Purchase and Sale Agreement (the “**PSA**”) setting forth the terms and conditions under which the Asset Purchaser and Real Estate Purchaser will each acquire respective interests in the Facility, including the Facility Business Assets and Facility Real Property, respectively (as such terms are further defined in the PSA) and the terms and conditions under which the Corporation will undertake the Transfer of the Facility to the Purchaser; and

WHEREAS, contemporaneously with the execution and delivery of the PSA, an affiliate of the Asset Purchaser acting as service provider (the “**Service Provider**”) shall enter into an agreement with the County and Corporation so as to provide access to the Service Provider and needed billing software and hardware upgrades (the “**Consulting Services Agreement**”), such Consulting Services Agreement setting forth certain rights and obligations of the Service Provider; and

WHEREAS, also contemporaneously with the execution and delivery of the PSA and Transitional Agreement, it is contemplated that the County and the Corporation shall enter into a **First Amendment to the Leaseback Agreement** to provide for certain covenants and representations of the County relative to the Facility and the County’s operation thereof; and

WHEREAS, within the County Authorizing Resolution, the County previously reviewed the Disposition and proposed Transfer pursuant to the State Environmental Quality Review Act, as codified under Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, “**SEQRA**”) and related Environmental Assessment Form (“**EAF**”), wherein the County issued a negative declaration (the “**Negative Declaration**”); and

WHEREAS, the Corporation desires to authorize the execution and delivery of the PSA, First Amendment to Leaseback Agreement, and Consulting Services Agreement, along with related documents and matters relating to the Transfer.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GOLDEN HILL LOCAL DEVELOPMENT CORPORATION, AS FOLLOWS:

Section 1. Based upon a review of the County Authorizing Resolution, the EAF and the Negative Declaration issued by the County, the Corporation hereby:

(i) consents to and affirms the status of the County as Lead Agency for purposes of review of the Disposition and Transfer, within the meaning of, and for all purposes of complying with SEQRA;

(ii) ratifies the proceedings undertaken by the County as Lead Agency under SEQRA with respect to the Disposition and Transfer pursuant to SEQRA, including the adoption of the Negative Declaration; and

(iii) finds that the Disposition and Transfer involve an "Unlisted Action" (as such quoted term is defined under SEQRA) for which the Corporation is an involved agency (as such quoted term is defined under SEQRA). Based upon the review by the Corporation of the EAF and related documents delivered by the County to the Corporation and other representations made by the County to the Corporation in connection with the Disposition and Transfer, the Corporation hereby finds that (i) the Transfer will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (ii) the Transfer will not have a "significant effect on the environment" (as such quoted term is defined under SEQRA); and (iii) no "environmental impact statement" (as such quoted term is defined under SEQRA) need be prepared for this action. This determination constitutes ratification of the County's Negative Declaration (as such quoted terms are defined under SEQRA) for purposes of SEQRA. No further review or action is required pursuant to SEQRA with respect to the Transfer.

Section 2. The Corporation hereby authorizes the Transfer to the Purchaser in accordance with the terms of the PSA, and further hereby approves the execution and delivery of the PSA, First Amendment to Leaseback Agreement, and Consulting Services Agreement, in substantially the forms set before this meeting, with such changes and revisions as may be authorized by the Chief Executive Officer and Counsel to the Corporation. The Chairman, Vice Chairman and/or Chief Executive Officer are hereby authorized to execute and deliver the PSA, First Amendment to Leaseback Agreement, and Consulting Services Agreement, along with related documents and agreements (and collectively, the "Documents") and, where appropriate, the Secretary or Assistant Secretary of the Corporation is hereby authorized to affix the seal of the Corporation to the Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or the Chief Executive Officer of the Corporation shall approve, the execution thereof by the Chairman, Vice Chairman and/or the Chief Executive Officer of the Corporation to constitute conclusive evidence of such approval.

Section 3. The officers, employees and agents of the Corporation are hereby authorized and directed for and in the name and on behalf of the Corporation to do all acts and things required and to execute and deliver all such 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 required pursuant to the Documents, or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Corporation with all of the terms, covenants and provisions of the documents executed for and on behalf of the Corporation. The foregoing authorizations shall include, but

not be limited to the procurement of any instrument surveys, Facility environmental studies, applications for subdivision, director and officer liability policies and any other items required of the Corporation to undertake the Transfer, subject only to the Corporation's adherence to applicable procurement policies.

Section 4. 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:

	Yea	Nay	Absent	Abstain
Dare Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Robert Sudlow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marshall Beckman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 James Hanson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Michael Bernholz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1 Hon. Jeanette Provenzano	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dr. Michelle Iannuzzi	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The Resolution was thereupon duly adopted.

SECRETARY'S CERTIFICATION

STATE OF NEW YORK)
COUNTY OF ULSTER) SS:

I, the undersigned Acting Secretary of the Golden Hill Local Development Corporation, DO HEREBY CERTIFY:

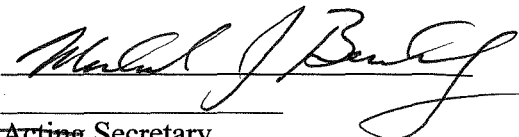
That I have compared the annexed extract of minutes of the meeting of the Golden Hill Local Development Corporation (the "Corporation"), including the resolution contained therein, held on November 30, 2012, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Corporation and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Corporation had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Corporation 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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation this 30 day of November, 2012.



Acting Secretary

[SEAL]