

**RESOLUTION AUTHORIZING NEW MORTGAGE - 2018
BENEDICTINE HOSPITAL PROJECT**

A regular meeting of Ulster County Industrial Development Agency (the “Issuer”) was convened in public session at the office of the Issuer located in the Ulster County Office Building, 6th Floor, 244 Fair Street, Kingston, New York on October 10, 2018 at 8:00 a.m., local time.

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

PRESENT:

Randall Leverette	Chairman
James Malcolm	Vice Chairman
Michael Ham	Secretary
Faye Storms	Assistant Secretary
Richard Jones	Treasurer
Paul Andreassen	Assistant Treasurer
Daniel Savona	Member

ABSENT:

ISSUER STAFF PRESENT INCLUDED THE FOLLOWING:

Suzanne Holt	Director, Office of Economic Development
Christopher J. Rioux	Chief Financial Officer
Evelyn Heinbach	Senior Economic Developer
Kayleen Scali	Confidential Secretary to the Senior Economic Developer
A. Joseph Scott, III, Esq.	Issuer Counsel

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

Resolution No. 1018-__

RESOLUTION AUTHORIZING THE CONSENT AND EXECUTION BY ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY OF A CERTAIN MORTGAGE AND RELATED DOCUMENTS IN CONNECTION WITH THE BENEDICTINE HOSPITAL PROJECT.

WHEREAS, Ulster County Industrial Development Agency (the “Issuer”) 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 325 of the 1974 Laws of New York, as amended, constituting Section 903-a 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 industrial, manufacturing, warehousing, commercial, research, and recreation 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 Issuer is authorized and empowered under the Act to acquire, reconstruct, renovate and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, reconstructed, renovated and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on June 23, 1999, the Issuer issued its Civic Facility Revenue Bonds (The Benedictine Hospital Project), Series 1999A in the original aggregate principal amount of \$15,000,000 (the “Prior Bonds”) pursuant to the provisions of a resolution adopted by the members of the Issuer on June 16, 1999 and pursuant to the provisions of a trust indenture dated as of June 1, 1999 (the “Prior Indenture”) between the Issuer and the Bank of New York (f/k/a United States Trust Company of New York), as trustee (the “Prior Trustee”), in connection with a project (the “Prior Project”) undertaken by the Issuer for the benefit of Benedictine Hospital (the “Institution”), a New York not-for-profit corporation, which Prior Project consisted of the following: (A) (1) the acquisition of an interest in a parcel of real estate containing approximately seven (7) acres of land and located at 105 Mary's Avenue in the City of Kingston, Ulster County, New York (the "Initial Land"), together with the existing facility containing approximately 250,000 square feet of space (the "Existing Facility"), (2) the renovation of portions of the Existing Facility, (3) the construction of an addition to the Existing Facility to contain in the aggregate approximately 8,000 square feet of space (the "Addition") (the Existing Facility and the Addition hereinafter collectively referred to as the "Initial Facility"), (4) the acquisition and installation therein and thereon of machinery and equipment (the "Initial Equipment") (the Initial Land, the Initial Facility and the Initial Equipment hereinafter collectively referred to as the "Initial Project Facility") and (5) the refinancing of certain indebtedness incurred by the Institution in undertaking certain capital improvements at the Initial Project Facility, all of the foregoing to be owned and operated by the Institution as a medical hospital facility and any other directly or indirectly related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Prior 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 potential exemptions from real estate transfer taxes and mortgage recording taxes (collectively with the Prior Bonds, the “Prior Financial Assistance”); and (D) the sale of the Initial Project Facility to the Institution pursuant to the terms of an installment sale agreement dated as of June 1, 1999 (the “Prior Installment Sale Agreement”) between the Issuer, as seller, and the Institution, as purchaser; and

WHEREAS, in August, 2006, the Institution presented an application (the “Application”) to the Issuer, which Application requested that the Issuer consider undertaking a project (the “Initial Project”) consisting of the following: (A) refunding the Prior Bonds; (B) refinancing of certain loans and leases incurred by the Institution with respect to the Project Facility (the “Prior Debt”); (C) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount of approximately \$20,000,000 (the “Initial Obligations”); (D) paying a portion of the costs incidental to the issuance of the Initial Obligations, including issuance costs of the Initial Obligations and any reserve funds as may be necessary to secure the Initial Obligations; (E) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from real estate transfer taxes and mortgage recording taxes (collectively with the Initial Obligations, the “Initial Financial Assistance”); and (F) the lease (with an obligation to purchase) or sale of the Initial Project Facility to the Institution or such other person as may be designated by the Institution and agreed upon by the Issuer; and

WHEREAS, on November 1, 2006, the Issuer issued its Tax-Exempt Civic Facility Revenue Bonds (Benedictine Hospital Project), Series 2006A in the original aggregate principal amount of \$19,290,000 (the “Series 2006A Bonds”) and its Taxable Civic Facility Revenue Bonds (Benedictine Hospital Project), Series 2006B in the original aggregate principal amount of \$710,000 (the “Series 2006B Bonds”) and collectively with the Series 2006A Bonds, the “Initial Bonds”) for the purpose of financing a portion of the costs of the Initial Project. The Initial Bonds were issued under a resolution adopted by the members of the Issuer on October 18, 2006 (the “Initial Bond Resolution”) and a trust indenture dated as of November 1, 2006 (the “Indenture”) by and between the Issuer and Wells Fargo Bank, National Association, as trustee (the “Trustee”) for the holders of the Initial Bonds and any additional bonds issued by the Issuer under the Indenture (the “Additional Bonds”, and collectively with the Initial Bonds, the “Bonds”); and

WHEREAS, by correspondence dated August 29, 2018 (the “Request”), which Request is attached hereto as Exhibit A, the Issuer was requested by the Institution to consent to certain supplemental financing documents (the “New Loan”), which New Loan will be secured by a mortgage (the “New Mortgage”); and

WHEREAS, in connection with the Request, the Institution would like the Issuer to enter into the New Mortgage and any other security documents and related documents (collectively, the “New Financing Documents”); and

WHEREAS, in connection with the execution and delivery of the New Financing Documents, the Issuer will not be providing any benefits to the Institution via exemption from the mortgage recording tax; 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 Issuer must satisfy the requirements contained in SEQRA prior to making a final determination whether to proceed with the Request; and

WHEREAS, pursuant to SEQRA, the Issuer has examined the Request in order to make a determination as to whether the Request is subject to SEQRA, and it appears that the Request 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 Request, the Issuer hereby makes the following determinations:

(A) The Request 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 Issuer has no further responsibilities under SEQRA with respect to the Request.

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

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

Section 2. Subject to (A) approval of the form of the New Financing Documents by Issuer Counsel, (B) completion by Issuer staff of the internal review of the Request and the Project, (C) receipt by the Chief Executive Officer of (1) the Issuer’s administrative fee relating to the Request in an amount equal to \$_____, and (2) counsel’s fees relating to the Request, (D) receipt of written consent by the Trustee of the New Financing Documents, and (E) satisfaction of the following additional conditions: _____, the Issuer hereby approves the Request and authorizes the consent and execution by the Issuer of the New Financing Documents.

Section 3. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chair (or Vice Chair) of the Issuer is hereby authorized to consent, execute and deliver the New Financing Documents to the Institution, and, where appropriate, the Secretary (or Assistant Secretary) of the Issuer is hereby authorized to affix the seal of the Issuer 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 Chair (or Vice Chair) shall approve, the execution thereof by the Chair (or Vice Chair) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the New Financing 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 Issuer with all of the terms, covenants and provisions of the New Financing Documents binding upon the Issuer.

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:

Randall Leverette	VOTING	_____
James Malcolm	VOTING	_____
Michael Ham	VOTING	_____
Faye Storms	VOTING	_____
Richard Jones	VOTING	_____
Paul Andreassen	VOTING	_____
Daniel Savona	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 “Issuer”), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Issuer held on October 10, 2018 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 said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Issuer 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 given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Issuer 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 Issuer this 10th day of October, 2018.

(Assistant) Secretary

(SEAL)

EXHIBIT A

REQUEST FROM BENEDICTINE HOSPITAL

- SEE ATTACHED -

GARFUNKEL WILD, P.C.

ATTORNEYS AT LAW

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Direct Dial: (516) 393-2234

FILE NO.: 12555.0054

August 29, 2018

By Regular Mail

Ulster County Industrial Development Agency
244 Fair Street, PO Box 1800
Kingston, New York
Attn: Chairperson

Wells Fargo Bank, National Association
Vice President/Account Manager, CCTS
Corporate Trust Services
123 S. Broad Street, Suite 1500
Philadelphia, PA 19109
Attn: Mary Dallatore

Wells Fargo Bank, National Association
213 Court Street, Suite 703
Middletown, Connecticut 06457
Attn: Corporate Trust Services

RECEIVED
SEP 04 2018
ULSTER COUNTY OFFICE OF
ECONOMIC DEVELOPMENT

Re: Benedictine Hospital Mortgage and Guaranty

Ladies and Gentlemen:

We are counsel to HealthAlliance Hospital Mary's Avenue Campus, formerly known as The Benedictine Hospital (the "Hospital"). As you are aware, the Hospital has issued on its behalf the Ulster County Industrial Development Agency Tax exempt Civic Facility Refunding Revenue Bonds (Benedictine Hospital Project), Series 2006A in the Principal Amount of \$19,290,000 and Taxable Civic Facility Revenue Bonds (Benedictine Hospital Project), Series 2006B in the aggregate amount of \$710,000 (collectively, the "Bonds").

HealthAlliance, Inc. the member of the Hospital has entered into a loan with Dormitory Authority of the State of New York ("DASNY") for \$2,200,000 (the "Loan") for which some money was used to fund uses of the Hospital. DASNY has requested that the Hospital guaranty that loan and place a mortgage (the "Mortgage") against the real estate and gross receipts of the Hospital. The Mortgage would be subordinate to that of the Bonds.

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On behalf of the Hospital, we request the consent of the IDA and the Trustee to the granting of the Mortgage and the Guaranty of the Loan.

If you should have any questions or comments, please call.

Thank you.

Sincerely,



Andrew J. Schulson

cc: A. Joseph Scott, II, Esq.

AJS:lr

GARFUNKEL WILD, P.C.

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