

RESOLUTION

A recessed meeting of County of Sullivan Industrial Development Agency (“Agency”) was convened in session at the Sullivan County Government Center, 100 North Street, Village of Monticello, Sullivan County, New York on November 28, 2016, at 11:00 a.m. local time.

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

	<u>PRESENT</u>	<u>ABSENT</u>
Ira Steingart	[√]	[]
Suzanne Loughlin	[√]	[]
Sean Rieber	[]	[√]
Howard Siegel	[√]	[]
Charles Barbuti, Jr.	[√]	[]
Scott Smith	[√]	[]
Paul Guenther	[√]	[]
Joseph Perrello	[√]	[]
Carol Roig	[√]	[]

The following persons were also present:
Edward T. Sykes, Executive Director
Jennifer M. Flad, Vice-President of Government Affairs and
Business Development
Walter F. Garigliano, Agency General Counsel
Tara Lewis

The following resolution was offered by Scott Smith, seconded by Suzanne Loughlin, to wit:

Resolution 38 - 16

RESOLUTION OF THE COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY CONSENTING TO AND AUTHORIZING THE TRANSFER OF FEE TITLE BY GA HC REIT II 61 EMERALD NY MOB, LLC (“REIT 61”) TO SPT IVEY 61 EMERALD MOB LLC (“SPT IVEY”) OF TWO (2) PARCELS OF REAL ESTATE CONSISTING OF 17.34 ACRES LOCATED IN THE EMERALD CORPORATE CENTER ALONG ROCK HILL DRIVE IN THE TOWN OF THOMPSON, COUNTY OF SULLIVAN, STATE OF NEW YORK AND IDENTIFIED ON THE TOWN OF THOMPSON TAX MAP AS SECTION 35, BLOCK 1, LOT 9.2 AND SECTION 35, BLOCK 1, LOT 9.3 AND RELATED FACILITIES AND AUTHORIZING AND DIRECTING AGENCY STAFF AND ITS LEGAL COUNSEL TO RESTRUCTURE THE

EXISTING LEASE/LEASEBACK BETWEEN THE AGENCY AND REIT 61 TO A LEASE/LEASEBACK BETWEEN THE AGENCY AND SPT IVEY AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF ONE OR MORE MORTGAGES (AND RELATED FINANCING DOCUMENTS) IN FAVOR OF ONE OR MORE LENDERS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$42,500,000.00 AND PROVIDING A MORTGAGE RECORDING TAX ABATEMENT ON ONE OR MORE MORTGAGES NOT EXCEEDING, IN THE AGGREGATE, \$33,218,500.00

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York ("Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York ("State"); and

WHEREAS, the Enabling Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease any or all of its facilities at such rentals and on such other terms and conditions as it deems advisable; and

WHEREAS, pursuant to and in connection with the provisions of the Enabling Act, Chapter 560 of the Laws of 1970 of the State (collectively referred to as the "Act") created the Agency which is empowered under the Act to undertake the providing, financing and leasing of the facility described below; and

WHEREAS, on or about June 1, 2003, CRH Realty I, LLC ("CRH Realty") presented an application to the Agency, a copy of which is on file at the office of the Agency, whereby the Agency undertook a project which consisted of the (i) acquisition, construction, equipping and installation of a medical office complex intended to house a multi-specialty practice consisting of approximately 80,784 square feet ("Building") situate on two (2) parcels of real estate consisting of approximately 17.34 acres located in the Emerald Corporate Center along Rock Hill Drive in the Town of Thompson, County of Sullivan, State of New York and identified on the Town of Thompson tax map as Section 35, Block 1, Lot 9.2 and Section 35, Block 1, Lot 9.3 ("Land") and related facilities; (ii) acquired and installed thereon and therein certain furniture, fixtures, machinery, equipment and tools ("Equipment"); (iii) constructed improvements to the Building, the Land and the Equipment (collectively, the Building and the Land are referred to as either the "Facility" or the "Project"); and

WHEREAS, in order to induce CRH Realty to develop the Facility, effective June 1, 2003, the Agency at the request of CRH Realty acquired title to the Land from Emerald Corporate Center Economic Development Corporation and entered into a leaseback of the Land from the Agency to CRH Realty; and

WHEREAS, CRH Realty, on behalf of the Agency and as the Agency's agent, acquired, constructed, equipped and installed the Facility in accordance with the plans and specifications presented to the Agency; and

WHEREAS, on or about September 5, 2013, CRH Realty (via its affiliate) requested the Agency consent to the transfer of fee title to the Facility to CRH Realty and that the existing sale/leaseback between the Agency and CRH Realty be restructured to a lease/leaseback between the Agency and REIT 61 with the understanding that REIT 61 simultaneously enter into a new twenty (20) year lease with Crystal Run Healthcare LLP ("CR Healthcare") (collectively, the "2013 Transaction Restructure"); and

WHEREAS, by Termination of Lease entered into on or about September 19, 2013, the Lease from the Agency to CRH Realty was terminated and contemporaneously with the termination of the Lease, the Agency transferred fee title to the Facility to CRH Realty by Quitclaim Deed dated September 19, 2013, which deed was recorded in the Office of the Clerk of Sullivan County as Instrument No. 2013-7413; and

WHEREAS, by Bargain and Sale Deed dated September 20, 2013, CRH Realty transferred fee title to the Facility to REIT 61, which deed was recorded in the Office of the Clerk of Sullivan County as Instrument No. 2013-7414; and

WHEREAS, on September 20, 2013, pursuant to a Lease to Agency, REIT 61 leased the Facility to the Agency, which lease was memorialized of record by a Memorandum of Lease to Agency dated September 20, 2013, which memorandum was recorded in the Office of the Clerk of Sullivan County as Instrument No. 2013-7415; and

WHEREAS, on September 20, 2013, pursuant to a Leaseback to Company, the Agency leased back the Facility to REIT 61, which leaseback was memorialized of record by a Memorandum of Leaseback to Company dated September 20, 2013, which memorandum was recorded in the Office of the Clerk of Sullivan County as Instrument No. 2013-7416; and

WHEREAS, on or about September 20, 2013, REIT 61 and the Agency entered into a Payment in Lieu of Tax Agreement ("PILOT Agreement") which shall become effective on February 15, 2018, it being contemplated that for all tax periods from and after the date of the 2013 Transaction Restructure and before those tax periods controlled by the taxable status of March 1, 2018, that the Project would be taxable for ad valorem real property tax levies; and

WHEREAS, the transaction documents entered into by the Agency and REIT 61 at the time of the 2013 Transaction Restructure (collectively, the "2013 Transaction Documents")

required the Agency to consent to the transfer of in excess of fifty (50%) percent of the voting interests in REIT 61; and

WHEREAS, at the time of the 2013 Transaction Restructure, the sole member of REIT 61 was GA HC REIT II Tiger Eye NY MOB Portfolio, LLC (“REIT Tiger Eye”); the sole member of REIT Tiger Eye was Griffin-American Healthcare REIT II Holdings, LP (“REIT Holdings LP”); and the general partner of REIT Holdings LP was Griffin-American Healthcare REIT II, Inc. “Griffin-American”); and

WHEREAS, on or about November 25, 2014, the Agency consented to the transfer of in excess of fifty (50%) percent of the voting interest in REIT 61 as contemplated by the merger of Griffin-American and North Star Realty Finance Corp. (“NorthStar Realty”); and

WHEREAS, contemporaneously with the merger of Griffin-American and NorthStar Realty, the Agency joined in the execution of a mortgage of the Facility in favor of Citigroup Global Markets Realty Corp., JPMorgan Chase Bank, National Association, Barclays Bank PLC and Column Financial, Inc. (collectively, the “Lenders”) securing a loan in the original principal amount of Thirty-Three Million Two Hundred Eighteen Thousand Five Hundred and 00/100 (\$33,218,500.00) Dollars (“REIT 61 to Citigroup Mortgage”); and

WHEREAS, at the time of recording of the REIT 61 to Citigroup Mortgage, mortgage recording tax in the amount of Three Hundred Thirty-Two Thousand One Hundred Eighty-Five and 00/100 (\$332,185.00) Dollars was paid to the Sullivan County Clerk; and

WHEREAS, by letter dated October 18, 2016, REIT 61 requested the Agency consent to the transfer of the Facility to SPT Ivey; and

WHEREAS, by Resolution No. 33-16 duly adopted on November 2, 2016, the Agency consented to the transfer; and

WHEREAS, by Application for Financial Assistance received November 16, 2016, SPT Ivey has requested that the existing lease/leaseback transaction between REIT 61 and CR Healthcare be restructured to a lease/leaseback between SPT Ivey and CR Healthcare (“2016 Transaction Restructure”); and

WHEREAS, SPT Ivey has also requested the Agency join in the execution of one or more mortgages (and related financing documents) in favor of one or more lenders in an aggregate amount not to exceed Forty-Two Million Five Hundred Thousand and 00/100 (\$42,500,000.00) Dollars.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. Based upon the representations made by REIT 61 and SPT Ivey to the Agency, the Agency hereby determines that the 2016 Transaction Restructure does not involve

a decision of the Agency which may affect the environment and is, therefore, not subject to review under the State Environmental Quality Review Act.

Section 2. Since the 2016 Transaction Restructure involves no additional or incremental benefits to REIT 61 or SPT Ivey, the request for consent to the transfer is not subject to a required public hearing.

Section 3. Based upon representations made by REIT 61 and SPT Ivey to the Agency, the Agency hereby makes, finds and determines as follows:

- (A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;
- (B) It is desirable and in the public interest for the Agency to consent to and authorize the 2016 Transaction Restructure; and
- (C) The Agency has the authority to take the actions contemplated therein under the Act.

Section 4. An Assignment, Assumption and Consent, Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents as negotiated by the Executive Director (collectively, the “2016 Transfer and Restructure Agreements”), are hereby approved as to form and substance on condition that: (i) all payments under the 2016 Transfer and Restructure Agreements including payment of all costs incurred by the Agency arising out of the 2016 Transaction Restructure; and (ii) the terms of the 2016 Transfer and Restructure Agreements are consistent with the Agency’s Uniform Tax Exemption Policy and do not provide REIT 61 or SPT Ivey with additional or incremental benefits beyond those conferred by the transaction documents by and between the Agency, CRH Realty and CR Healthcare, entered into on or about June 27, 2003.

Section 5. The consent to the transfer of fee title from REIT 61 to SPT Ivey as contemplated by Sections 1 and 2 of resolution No. 33-16 is ratified and confirmed and the 2016 Transaction Restructure is hereby approved.

Section 6. The Agency shall enter into the Assignment, Assumption and Consent with REIT 61 and SPT Ivey confirming that REIT 61 shall not be responsible for Project-related obligations occurring following the date of the 2016 Transaction Restructure and SPT Ivey shall undertake all obligations associated with the Project arising on or after the date of the 2016 Transaction Restructure.

Section 7. To the extent of one or more proposed mortgages securing a maximum principal indebtedness of the currently outstanding principal balance of the REIT 61 to Citigroup Mortgage, which originally secured Thirty-Three Million Two Hundred Eighteen Thousand Four Hundred Ninety-Nine and 81/100 (\$33,218,499.81)

Dollars, the Agency shall join the execution of one or more mortgages in favor of Lender, thereby abating mortgage tax in an aggregate amount not to exceed Three Hundred Thirty-Two Thousand One Hundred Eighty-Five and 00/100 (\$332,185.00) Dollars, all in form approved by Counsel to the Agency and with such changes, variations, omissions and insertions as the Chairman, Executive Director or Chief Executive Officer of the Agency shall approve, the execution thereof by the Chairman, Executive Director or Chief Executive Officer of the Agency to constitute conclusive evidence of such approval.

Section 8. The Agency acknowledges that no mortgage recording tax would be due if the REIT 61 to Citigroup Mortgage was assigned to the one or more new lenders since mortgage tax in the amount of Three Hundred Thirty-Two Thousand One Hundred Eighty-Five and 00/100 (\$332,185.00) Dollars was paid upon recording the REIT 61 to Citigroup Mortgage.

Section 9. To the extent of one or more proposed mortgages securing a maximum principal indebtedness of Forty-Two Million Five Hundred Thousand and 00/100 (\$42,500,000.00) Dollars (including the mortgage contemplated by Section 7 hereof), the Agency shall join in the execution of one or more mortgages in favor of Lender, all in form approved by Counsel to the Agency and with such changes, variations, omissions and insertions as the Chairman, Executive Director or Chief Executive Officer of the Agency shall approve, the execution thereof by the Chairman, Executive Director or Chief Executive Officer of the Agency to constitute conclusive evidence of such approval.

Section 10. It is the intent of Section 7 through 9 hereof to provide a mortgage recording tax exemption only to the extent of the current principal balance of the REIT 61 to Citigroup Mortgage with any mortgage in excess of such current principal balance being subject to mortgage recording tax.

Section 11. The foregoing resolutions are conditioned upon:

(i) payment by REIT 61 to the Agency of a consent fee in the amount of Ten Thousand (\$10,000.00) Dollars;

(ii) payment by SPT Ivey of a mortgage tax abatement fee in the amount of ten (10bp) basis points of the principal amount of the one or more proposed mortgages; and

(iii) payment of all fees and costs of the Agency associated with the transactions contemplated by these Resolutions.

Section 12. The Chairman, Executive Director or Chief Executive Officer of the Agency (either acting individually) is hereby authorized, on behalf of the Agency, to execute and

deliver the 2016 Transfer and Restructure Agreements in the form presented at this meeting all with such changes, variations, omissions and insertions as the Chairman of the Agency shall approve, the execution thereof by the Chairman, Executive Director or Chief Executive Officer of the Agency to constitute conclusive evidence of such approval.

Section 13. The officers, employees and agents of the Agency are hereby authorized and directed in the name and on behalf of the Agency 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, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of this resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 14. It is hereby found and determined that all formal actions of the Agency concerning and relating to the adoption of this resolution were adopted in an open meeting of the Agency; and that all deliberations of the Agency and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

Section 15. The Chairman, Executive Director or Chief Executive Officer of the Agency is hereby authorized and directed (i) to distribute copies of this resolution to REIT 61 and SPT Ivey; and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 16. These resolutions shall take effect immediately.

The question of adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Ira Steingart	[<input checked="" type="checkbox"/>] Yes	[<input type="checkbox"/>] No	[<input type="checkbox"/>] Absent	[<input type="checkbox"/>] Abstain
Suzanne Loughlin	[<input checked="" type="checkbox"/>] Yes	[<input type="checkbox"/>] No	[<input type="checkbox"/>] Absent	[<input type="checkbox"/>] Abstain
Sean Rieber	[<input type="checkbox"/>] Yes	[<input type="checkbox"/>] No	[<input checked="" type="checkbox"/>] Absent	[<input type="checkbox"/>] Abstain
Howard Siegel	[<input checked="" type="checkbox"/>] Yes	[<input type="checkbox"/>] No	[<input type="checkbox"/>] Absent	[<input type="checkbox"/>] Abstain
Charles Barbuti, Jr.	[<input checked="" type="checkbox"/>] Yes	[<input type="checkbox"/>] No	[<input type="checkbox"/>] Absent	[<input type="checkbox"/>] Abstain
Scott Smith	[<input checked="" type="checkbox"/>] Yes	[<input type="checkbox"/>] No	[<input type="checkbox"/>] Absent	[<input type="checkbox"/>] Abstain
Paul Guenther	[<input checked="" type="checkbox"/>] Yes	[<input type="checkbox"/>] No	[<input type="checkbox"/>] Absent	[<input type="checkbox"/>] Abstain
Joseph Perrello	[<input checked="" type="checkbox"/>] Yes	[<input type="checkbox"/>] No	[<input type="checkbox"/>] Absent	[<input type="checkbox"/>] Abstain
Carol Roig	[<input checked="" type="checkbox"/>] Yes	[<input type="checkbox"/>] No	[<input type="checkbox"/>] Absent	[<input type="checkbox"/>] Abstain

The Resolutions were thereupon duly adopted.

STATE OF NEW YORK :
:SS.:
COUNTY OF SULLIVAN :

I, the undersigned Secretary of the County of Sullivan Industrial Development Agency, DO HEREBY CERTIFY THAT:

- I have compared the foregoing copy of a resolution of the County of Sullivan Industrial Development Agency ("Agency") with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.
- Such resolution was passed at a meeting of the Agency duly reconvened in public session on the 28th day of November, 2016 at 11:00 a.m. at the Sullivan County Government Center, 100 North Street, Village of Monticello, Sullivan County, New York, at which the following members were present:

	<u>PRESENT</u>	<u>ABSENT</u>
Ira Steingart	[<input checked="" type="checkbox"/>]	[]
Suzanne Loughlin	[<input checked="" type="checkbox"/>]	[]
Sean Rieber	[]	[<input checked="" type="checkbox"/>]
Howard Siegel	[<input checked="" type="checkbox"/>]	[]
Charles Barbuti, Jr.	[<input checked="" type="checkbox"/>]	[]
Scott Smith	[<input checked="" type="checkbox"/>]	[]
Paul Guenther	[<input checked="" type="checkbox"/>]	[]
Joseph Perrello	[<input checked="" type="checkbox"/>]	[]
Carol Roig	[<input checked="" type="checkbox"/>]	[]

- The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

Ira Steingart	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Suzanne Loughlin	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Sean Rieber	[] Yes	[] No	[<input checked="" type="checkbox"/>] Absent	[] Abstain
Howard Siegel	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Charles Barbuti, Jr.	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Scott Smith	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Joseph Perrello	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Carol Roig	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain

and therefore, the resolution was declared duly adopted.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the 28th day of November, 2016.



Howard Siegel, Assistant Secretary