

RESOLUTION

A regular meeting of the County of Sullivan Industrial Development Agency ("Agency") was convened in public session on October 15, 2018, at 11:00 a.m., local time, at the Sullivan County Government Center, 100 North Street, Monticello, New York 12701.

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

	<u>PRESENT</u>	<u>ABSENT</u>
Ira Steingart	[√]	[]
Suzanne Loughlin	[√]	[]
Sean Rieber	[√]	[]
Edward T. Sykes	[√]	[]
Howard Siegel	[√]	[]
Scott Smith	[√]	[]
Paul Guenther	[by phone]	
Joseph Perrello	[√]	[]
Carol Roig	[√]	[]

The following persons were also present:

Jennifer M. Flad, Agency Executive Director

Julio Garaicoechea, Agency Project Manager

Cassandra Eagan, Agency Administrative Assistant

Walter F. Garigliano, Agency General Counsel

The following resolution was duly offered by Edward T. Sykes, and seconded by Carol Roig, to wit:

Resolution No. 38 - 18

RESOLUTION (I) AUTHORIZING THE CONVEYANCE OF A 15.23 ACRE PARCEL IDENTIFIED AS PARCEL A AS DEPICTED ON THE COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY – 2 LOT SUBDIVISION PLAN PREPARED BY JOHN W. GALLIGAN, L.S. DATED JULY 25, 2018 ("SUBDIVISION MAP") TO THE LIQUIDATOR (AS HEREIN DEFINED); (II) AUTHORIZING THE CONVEYANCE OF A 15.70 ACRE PARCEL IDENTIFIED AS PARCEL B ON THE SUBDIVISION MAP TO FIGL (AS HEREIN DEFINED); AND (III) AUTHORIZING THE EXECUTION OF A DECLARATION OF DRAINAGE EASEMENT TO PROVIDE FOR THE CONTINUED USE OF EXISTING DRAINAGE PIPING, DITCHES, SWALES AND BASINS LOCATED ON OR UNDER PARCEL A FOR THE BENEFIT OF PARCEL B (AS IDENTIFIED ON THE SUBDIVISION MAP)

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York ("State"), as amended, and Chapter 560 of the Laws of 1970 of the State, as amended and codified as Section 960 of the General Municipal Law (collectively, the "Act"), the Agency was created with the authority and power to own, lease and sell property as authorized by the Act; and

WHEREAS, Frontier Insurance Company ("FIC") acquired a 15.23 acre parcel of land from Middle J. Corp. by deed dated January 4, 1991 ("Parcel A"); and

WHEREAS, Frontier Insurance Group Inc. acquired a 12.967 acre parcel of land from Rock Hill J-J Corp. by deed dated January 28, 1993 ("Parcel B"); and

WHEREAS, Frontier Insurance Group Inc. acquired a 2.7 acre parcel of land from Rock Hill J-J Corp. by deed dated January 28, 1993 ("Parcel C"); and

WHEREAS, FIC transferred Parcel A to the Agency by deed dated February 25, 1993; and

WHEREAS, FIGI transferred Parcel C to the Agency by deed dated February 16, 1994; and

WHEREAS, FIGI transferred Parcel B to FIC by deed dated February 26, 1997 and FIC on the same day transferred Parcel B to the Agency and

WHEREAS, the Agency presently holds legal title to the approximately 30.9 acre parcel of land located at 195 Lake Louise Marie Road, Rock Hill, New York 12775, which parcel is depicted on the Town of Thompson ("Town") tax map as 52.-1-1.3 and which parcel includes Parcel A, Parcel B and Parcel C ("Frontier Property"); and

WHEREAS, pursuant to the Installment Sale Agreement, dated as of December 1, 1993, a First Supplemental Sale Agreement, dated February 26, 1997 and a Second Supplemental Sale Agreement, dated September 1, 1999 (together, the "Installment Sale Agreement") the Agency was obligated to reconvey title to the Frontier Property on or before February 28, 2014; and

WHEREAS, Benjamin M. Lawsky, in his capacity as Superintendent of Financial Services of the State of New York ("State") as Liquidator of Frontier Insurance Company (the "Liquidator") demanded that the Agency reconvey the Frontier Property to FIC; and

WHEREAS, Frontier Insurance Group, LLC ("FIGL") as successor to Frontier Insurance Group, Inc. ("FIGI") under FIGI's Chapter 11 Plan, demanded that the Agency reconvey the Frontier Property to FIGL; and

WHEREAS, pursuant to a Stipulation so ordered by the Hon. Richard M. Platkin, A.J.S.C. the Agency was ordered to maintain the status quo, and delay the reconveyance of title to the Frontier Property beyond February 28, 2014 pending further order of a Court having jurisdiction to resolve the dispute as to ownership of the reversionary interest in the Frontier Property; and

WHEREAS, the Liquidator commenced a proceeding in Supreme Court, Albany County, which was removed to the United States Bankruptcy Court, Southern District of New York to resolve the dispute between the Liquidator, on the one hand and FIGL, on the other, over title to the reversionary interest from the Agency in that portion of the Frontier Property that included the 2.7 acre parcel and improvements comprising Parcel B and the 12.967 acre parcel and improvements comprising Parcel C; and

WHEREAS, pursuant to the Memorandum of Decision After Trial, dated February 15, 2018 (“Decision”) and the Partial Judgement, dated March 12, 2018 (“Judgment” and together with the Decision, collectively, the “Bankruptcy Court Order”), the Hon. Robert D. Drain, United States Bankruptcy Judge, directed the Agency to convey Parcel B and Parcel C¹ to FIGL; and

WHEREAS, the proceeding commenced by the Liquidator dealt only with the reversionary interest from the Agency in Parcels B and C. The reversionary interest in Parcel A was not then and is not now in dispute and that reversionary interest is owned by FIC; and

WHEREAS, on or about November 9, 2012, following a motion made by Benjamin M. Lawski, Superintendent of Financial Services of the State of New York (“Superintendent”) in The Matter of the Rehabilitation of Frontier Insurance Company (Albany County Index No. 000097/2006) it was determined by the Hon. Richard M. Platkin, A.J.S.C. that further efforts to rehabilitate FIC would be futile and the Superintendent was directed to liquidate the business affairs and assets of FIC; and

WHEREAS, after a significant marketing effort of Parcel A, the Liquidator accepted an offer to purchase Parcel A made by The Center For Discovery, Inc. (“CFD”); and

WHEREAS, the terms and conditions of the proposed sale of Parcel A from the Liquidator to CFD were memorialized in a Contract of Sale, made as of the 31st day of May, 2018 (“Contract”); and

WHEREAS, the Liquidator², by verified Petition dated June 18, 2018, requested an order “(i) authorizing the Liquidator to sell the real property owned by FIC located at 195 Lake Louise Marie Road, Rock Hill, New York (“Frontier Office Building Parcel”) consisting of approximately 15.23 acres of land, as more fully described in the Contract, that includes a building, improvements and a portion of a parking lot located thereon to CFD for Three Million Six Hundred Thousand and 00/100 (\$3,600,000.00) Dollars; (ii) approving the terms and conditions of the Contract; (iii) authorizing the Liquidator to execute all necessary closing documents and take the necessary steps to effect, carry out and consummate the sale of the Frontier Office Building Parcel to the CFD; (iv) disallowing, extinguishing and barring any other ownership claims to the Frontier Office Building Parcel that were or could have been submitted to the Liquidator in the liquidation

¹ Parcel B and C as described in the Decision and Judgment comprise Parcel B on the Subdivision Map.

² As of June 18, 2018, Maria T. Vullo was the Liquidator as a result of her appointment as the Superintendent of Financial Services of the State

proceeding; and (v) providing for such other and further relief as the Court may seem just and proper”; and

WHEREAS, pursuant to the Order dated September 7, 2018, the Hon. Richard Platkin, A.J.S.C. authorized the Liquidator to sell the Frontier Office Building Parcel (Parcel A) to CFD; and

WHEREAS, the Town of Thompson Subdivision Law requires approval of the Town of Thompson Planning Board (“Planning Board”) prior to the subdivision of a parcel of land and at the time of the Decision and Judgment, the Frontier Property was a single parcel assigned a single tax map identifier; and

WHEREAS, §212-6 of Article III of the Town of Thompson Subdivision Regulations provides in applicable part:

“When any subdivision of land is proposed to be made and to avoid violation of § 334 of the Real Property Law and § 136 of the Highway Law ... the subdivider or subdivider’s duly authorized agent shall apply, in writing, for approval of such proposed subdivision in accordance with the following procedures. “; and

WHEREAS, in order to avoid violation of the Town’s Subdivision Regulations and in order to be in compliance with the Bankruptcy Court Order directing the Agency to convey Parcels B and C to FIGL, by application dated July 27, 2018 the Agency made application to the Planning Board for a two-lot subdivision as contemplated by the Subdivision Map (“Subdivision Application”); and

WHEREAS, the Town requires the owner’s concurrence to a proposed Subdivision Map, which is evidenced by the owner’s execution of a certification on the Subdivision Map; and

WHEREAS, during the review of the Subdivision Application, the Planning Board determined that all utility services to the Frontier office building on Parcel A are independent of the utility services to the daycare center and pole barn on the parcel labeled on the Subdivision Map as Parcel B; and

WHEREAS, during the review of the Subdivision Application, the Planning Board determined that each of two lots depicted on the Subdivision Map had separate and adequate legal access to Lake Louise Marie Road; and

WHEREAS, on August 8, 2018, the Agency’s application for of a two-lot subdivision was granted Conditional Final Approval, subject to the Town Engineer’s technical comments; and

WHEREAS, all technical comments of the Town Engineer related to the Subdivision Application have been addressed except for the imposition of a drainage easement upon the parcel to be conveyed to the Liquidator for the benefit of the parcel to be conveyed to FIGL; and

WHEREAS, CFD applied to the Planning Board for a modification of the previously approved site plan for the Frontier office building, which application was conditionally approved on August 22, 2018 for use of the Frontier office building by CFD as a medical clinic, educational facility, specialty hospital, research center for brain and body health, diagnostic center and administrative offices; and

WHEREAS, the CFD site plan approval was critical to satisfaction of the Town Engineer's subdivision technical review comments since the existing parking on Parcel A is sufficient for CFD's proposed uses of the Frontier office building. Conversely, the subdivision could not be approved without construction of additional parking if the entire building was dedicated to office uses as contemplated by the previously approved site plan; and

WHEREAS, the transfer by the Liquidator to CFD is, in effect, a condition of the subdivision approval; and

WHEREAS, the Agency desires to adopt these resolutions to authorize the Chairman and Executive Director, either acting individually, (1) to execute a deed (together with applicable recording forms) in order to convey Parcel A to the Liquidator (with the understanding that the Liquidator will subsequently convey Parcel A to CFD); (2) to execute a deed (together with applicable recording forms) in order to convey Parcels B and C³ to FIGL; and (3) to execute a Declaration of Drainage Easement (together with applicable recording forms) to impose upon Parcel A, a drainage easement for the benefit of Parcel C.

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

Section 1. The Chairman and Executive Director of the Agency, either acting individually, are hereby authorized, empowered and directed to execute the certification on the Subdivision Map to evidence concurrence with the proposed subdivision.

Section 2. The Chairman and Executive Director of the Agency, either acting individually, are hereby authorized, empowered and directed to execute and deliver a deed (together with applicable recording forms) to convey Parcel A to the Liquidator.

Section 3. The Chairman and Executive Director of the Agency, either acting individually, are hereby authorized, empowered and directed to execute and deliver a deed (together with applicable recording forms) to convey Parcel B and Parcel C (shown on the Subdivision Map as Parcel B) to FIGL.

Section 4. The Chairman and Executive Director of the Agency, either acting individually, are hereby authorized, empowered and directed to execute and record in the Office of the Clerk of the County of Sullivan a Declaration of Drainage Easement on and

³ Parcels B and C are depicted on the Subdivision Map as Parcel B

under the parcel to be conveyed to the Liquidator for the benefit of the parcel to be conveyed to FIGL.

Section 5. 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 6. The deeds, Declaration of Drainage Easement and recording forms related thereto, together with any and all other certificates, instruments and documents to be executed pursuant to these Resolutions shall be subject to approval of the Agency's General Counsel.

Section 7. The Declaration of Drainage Easement has been approved by the Town and its delivery is subject to the prior written approval of FIGL and CFD.

Section 8. 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 9. The Chairman, Executive Director or General Counsel to the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company; 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 10. This resolution 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:

THE MEMBERS VOTED ON THE FOREGOING RESOLUTION AS FOLLOWS:

Ira Steingart	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Suzanne Loughlin	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input checked="" type="checkbox"/> Abstain
Sean Rieber	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Edward T. Sykes	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Howard Siegel	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input checked="" 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 type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" 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

and therefore, the resolution was declared duly adopted.

STATE OF NEW YORK :
:SS
COUNTY OF SULLIVAN :

I, the undersigned (Assistant) Secretary of the Agency DO HEREBY CERTIFY THAT:

1. I have compared the foregoing copy of a resolution of the 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.
2. Such resolution was passed at a meeting of the Agency duly convened in public session on the 15th day of October, 2018 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"/>]	[]
Edward T. Sykes	[<input checked="" type="checkbox"/>]	[]
Howard Siegel	[<input checked="" type="checkbox"/>]	[]
Scott Smith	[<input checked="" type="checkbox"/>]	[]
Paul Guenther	[by phone]	
Joseph Perrello	[<input checked="" type="checkbox"/>]	[]
Carol Roig	[<input checked="" type="checkbox"/>]	[]

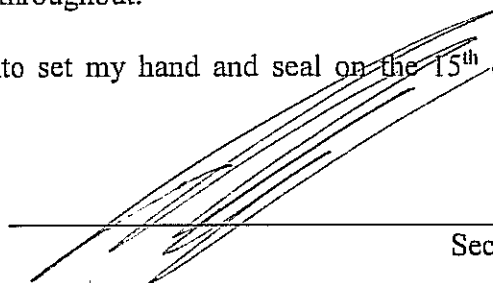
3. The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

Ira Steingart	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Suzanne Loughlin	[] Yes	[] No	[] Absent	[<input checked="" type="checkbox"/>] Abstain
Sean Rieber	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Edward T. Sykes	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Howard Siegel	[] Yes	[] No	[] Absent	[<input checked="" type="checkbox"/>] Abstain
Scott Smith	[<input checked="" type="checkbox"/>] Yes	[] No	[] Absent	[] Abstain
Paul Guenther	[] Yes	[] No	[<input checked="" type="checkbox"/>] 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 15th day of October, 2018.


Secretary