

Motion By: John STEINBERG
Seconded By: STEVE BRESCIA

RESOLUTION

(CRH Realty II, LLC / Crystal Run Healthcare LLP Project)

A regular meeting of the Orange County Industrial Development Agency held on December 12, 2007 at 3:00 p.m. (local time) at the County Government Center, 255-275 Main Street, Goshen, New York.

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of CRH Realty II, LLC and Crystal Run Healthcare LLP (collectively, the "Company").

RESOLUTION (i) ACCEPTING THE APPLICATION OF CRH REALTY II, LLC WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW); (ii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT TO SUCH PROJECT; AND (iii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO SUCH PROJECT

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 390 of the Laws of 1972 of the State of New York, as amended (hereinafter collectively called the "Act"), the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **CRH REALTY II, LLC**, a New York limited liability company, for itself or on behalf of an entity to be formed (the "Real Estate Entity") and **CRYSTAL RUN HEALTHCARE, LLP**, a New York limited liability partnership, for itself or on behalf of an entity to be formed (the "Tenant" and, collectively with the Real Estate Entity, the "Company"), both having offices at 155 Crystal Run Road, Middletown, New York, have submitted an application (the "Application") to the Agency requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) the acquisition of title to, or a leasehold interest, in an approximately 12-acre parcel of vacant land located at 95 Crystal Run Road in the City of Middletown, Orange County, New York (the "Land"); (ii) the construction and equipping on the Land of (a) an approximately four-story, 127,000 square-foot building to be used by the Company as an ambulatory surgical center and medical office building and (b) associated parking (the "Improvements"); and (iii) the acquisition of and installation in and around the Improvements by of certain machinery, equipment and items of personal property (the "Equipment" and, collectively with the Land and the Improvements, the "Facility"); and

WHEREAS, pursuant to Article 18-A of the General Municipal Law, the Agency desires to adopt a resolution describing the Project and the financial assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will hold a public hearing and (i) negotiate an agent agreement (the "Agent Agreement"), pursuant to which the Agency will appoint the Company as its agent for the purpose of acquiring, constructing and equipping the Project (the "Agent Agreement"), (ii) negotiate and enter into a lease agreement (the "Lease Agreement"), leaseback agreement (the "Leaseback Agreement") and payment-in-lieu-of-tax agreement (the "PILOT Agreement") with the Company, (iii) take title to, or a leasehold interest in, the Land, the Improvements, the Equipment and personal property constituting the Facility (once the Lease Agreement, Leaseback Agreement and PILOT Agreement have been negotiated), and (iv) provide financial assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, (b) a partial real property tax abatement through the PILOT Agreement, and (c) a mortgage recording tax exemption for the financing related to the Project (collectively, the "Financial Assistance"); and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any Financial Assistance to any project, the Agency, among other things, must hold a public hearing with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application, the Agency hereby finds and determines that:

(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; and

(B) The Agency has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Orange County, New York, and otherwise furthering the purposes of the Agency as set forth in the Act; and

(D) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to

another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries.

(E) The Project constitutes a "retail trade facility" (as defined in Section 862 of the Act). Based on the Application and correspondence provided by the Company to the Agency dated December 4, 2007, the Agency hereby finds that the predominant purpose of the Project is to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the City of Middletown and/or Orange County because of a lack of reasonably accessible retail trade facilities offering such goods or services.

Section 2. The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to hold (a) a public hearing in compliance with the Act, (b) negotiate the terms of an Agent Agreement, pursuant to which the Agency appoints the Company as its agent to undertake the Project, and (c) negotiate (but not execute or deliver) the terms of (i) a Lease Agreement, pursuant to which the Company leases the Project to the Agency, (ii) a related Leaseback Agreement conveying the Project back to the Company, (iii) a PILOT Agreement, whereby the Company agrees to make certain projects in lieu of real property taxes and (iv) related documents; provided (A) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (B) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 3. The Agency is hereby authorized to conduct a public hearing in compliance with the Act.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and 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 the foregoing resolutions 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 5. These Resolutions 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:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
Robert Armistead			✓	
Henry P. VanLeeuwen			✓	
James R. Petro, Jr.	✓			
Daniel F. Coleman			✓	
Stephen Brescia	✓			
John Steinberg	✓			
David S. MacFarland	✓			

The Resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF ORANGE) ss.:

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

That I have compared the annexed extract of minutes of the meeting of the Orange County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on December 12, 2007, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency 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 Agency 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 Agency 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 Agency this 12th day of December, 2007.


Secretary

[SEAL]