

Motion by STEVE BRESCIA  
Seconded by JOHN STEINBERG

**RESOLUTION**  
*(Crystal Run Village, Inc. Project)*

At a meeting of the Orange County Industrial Development Agency held on March 22, 2006, 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 Crystal Run Village, Inc. (the "Company").

RESOLUTION (i) ACCEPTING THE APPLICATION OF CRYSTAL RUN VILLAGE, INC. 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, (hereinafter collectively called the "Act"), the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power and for the purpose of, among other things, acquiring, constructing, reconstructing and equipping manufacturing, warehousing, research, commercial, or industrial facilities as authorized by the Act; and

WHEREAS, **CRYSTAL RUN VILLAGE, INC.**, a not-for-profit corporation having offices at 601 Stony Ford Road, Middletown, New York 10941, for itself or on behalf of an entity to be formed (the "Company"), has submitted an application (the "Application") to the Agency requesting the Agency's assistance with a certain project (the "Project") consisting of: (A) the refinancing of certain existing taxable indebtedness of the Company originally incurred to finance the costs of (i) acquiring, construction and equipping of eight (8) existing 2,000-3,000 square-foot single family homes for the treatment and habilitation of people with developmental disabilities (the "Improvements"), located in Orange County, New York, as follows: Arcadia Road, Goshen; Carter Road, Waywayanda; Depot Street, Pine Bush; Campbell Hall, Hamptonburgh; Jacobs Road, Westtown; Pinetree Road, Monroe; and Lexington Drive, Newburgh (the "Improvements") and (ii) the acquisition of in and around the Improvements of certain items of equipment and other tangible personal property (the "Equipment", and together with the Land and the Improvements, the "Facility"); (B) paying certain costs and expenses incidental to the issuance of the Bonds (as hereinafter defined) (the costs associated with items

(A) and (B) above being hereinafter collectively referred to as the AProject Costs@), (C) the financing of all or a portion of the costs of the foregoing by the issuance of the Agency's civic facility revenue bonds in one or more issues or series in a maximum aggregate principal amount not to exceed \$4,000,000 (the ABonds@); and (D) the lease (with an obligation to purchase) or sale of the facilities financed with the Bonds to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Company has indicated in the Application that the maximum estimated cost of undertaking the Project will be approximately \$4,000,000; and

WHEREAS, the Agency is contemplating providing financial assistance to the Company with respect to the Project (collectively, the AFinancial Assistance@) in the form of: (1) the issuance of the Bonds in an amount not to exceed the lesser of the Project Costs or \$4,000,000, and (2) the grant of one or more qualifying mortgage liens on the Land (or such interest therein as is conveyed to the Agency) and the Improvements to secure the Bonds (the "Mortgages"), which Mortgages would be exempt from all mortgage recording taxes imposed by the State and any political subdivision thereof); and

WHEREAS, the Agency now desires to determine whether the Project and the providing of contemplated financial assistance with respect to the same will be in conformance with Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (said law and regulations hereinafter collectively referred to as "SEQRA").

NOW, THEREFORE, BE IT RESOLVED by the Orange County Industrial Development Agency as follows:

Section 1. The Agency has reviewed the Application and accompanying materials and, based upon the representations made by the Company to the Agency in the Application and accompanying materials, the Agency hereby makes the following findings and determinations with respect to the Facility;

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

(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 involves a Type II action as said term is defined under SEQRA and therefore no further action or determination under SEQRA need be undertaken by the Agency.

Section 2. This resolution shall authorize the Agency to hold a public hearing as required by Article 18-A of the New York State General Municipal Law and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code").

Section 3. The proposed Financial Assistance being contemplated by the Agency includes (i) financing all or a portion of the Project Costs by the issuance of the Bonds in an aggregate principal amount not to exceed the lesser of the Project Costs or \$4,000,000, and (ii) providing an exemption from all mortgage recording taxes with respect to any qualifying mortgage on the Facility (or such interest in the Facility as is conveyed to the Agency) to secure the Bonds; and

Section 4. The granting of the Financial Assistance, as contemplated by Section 3 of this Resolution, shall be subject to:

(A) agreement by the Agency, the Company and the purchaser of the Bonds on mutually acceptable terms for the Bonds and for the sale and delivery thereof and mutually acceptable terms and conditions for the security for the payment thereof; and

(B) holding a public hearing as required by Article 18-A of the New York State General Municipal Law and Section 147(f) of the Internal Revenue Code; and

(C) approval of the issuance of the Bonds by the applicable elected representative in accordance with the provisions of Section 147(f) of the Code.

Section 5. The Company is hereby authorized to conduct such environmental, engineering, economic, feasibility and other studies and preliminary planning and budgetary processes necessary or convenient to enable the Agency to make its final determination whether to approve the Financial Assistance, and the Company is further authorized to advance such funds as may be necessary for such purpose, subject, to the extent permitted by law, to reimbursement from the proceeds of the sale of the Bonds, if the Bonds are issued.

Section 6. With respect to the issuance of the Bonds, the law firm of Harris Beach PLLC of Rochester, New York, is hereby appointed Bond Counsel.

Section 7. Counsel to the Agency and Bond Counsel are hereby authorized to work with counsel to the Company and others to prepare for submission to the Agency, all documents necessary to effect the authorization, issuance and sale of the Bonds, and reimbursement of the

cost of all such work prior to the date hereof is hereby authorized to the extent permitted by the Code. The Agency hereby authorizes the underwriter of the Bonds to prepare and distribute an official statement, private placement memorandum or other similar marketing document with respect to the initial sale of the Bonds, in such form as approved by Agency and Bond Counsel (the "Offering Document"). The Chairman, Vice Chairman and Administrative Director are hereby authorized to execute and deliver the Offering Document.

Section 8. This Resolution shall constitute the adoption of "official intent" (within the meaning of the United States Treasury Regulations Section 1.150-2(d)) with respect to issuance of the Bonds and the original expenditures which are reasonably expected to be reimbursed from the proceeds of the Bonds.

Section 9. The Chairman, Vice Chairman and Administrative Director of the Agency are hereby authorized and directed to distribute copies of this Resolution to the Company and 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 after adoption.

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

Chairman MacFarland

VOTING ✓

John Borland

VOTING ✓

Robert Armistead

VOTING \_\_\_\_\_

Henry P. VanLeeuwen

VOTING \_\_\_\_\_

John Steinberg, Jr.

VOTING ✓

Daniel F. Coleman

VOTING \_\_\_\_\_

Stephen Brescia

VOTING ✓

The Resolution was thereupon declared duly adopted.

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STATE OF NEW YORK )  
COUNTY OF ORANGE )

I, WILLIAM TRIMBLE, the Administrative Director of the Orange County Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the foregoing extract of the minutes of the meeting of the Orange County Industrial Development Agency (the "Agency") including the resolution contained therein, held on the 22<sup>nd</sup> day of March, 2006, 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 relates 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 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 seal of said Agency this 22<sup>nd</sup> day of March 2006.

  
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Administrative Director

[SEAL]