

ULSTER COUNTY ECONOMIC DEVELOPMENT ALLIANCE, INC.

AUTHORIZING RESOLUTION

(Lease of 25 South Manor Avenue, Kingston and 300 Flatbush Avenue, Kingston)

At a meeting of the Board of Directors of Ulster County Economic Development Alliance, Inc., a Local Development Corporation (the “Corporation”), convened on March 29, 2016 at 4 p.m.

RESOLUTION OF THE ULSTER COUNTY ECONOMIC DEVELOPMENT ALLIANCE, INC. AUTHORIZING THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE CORPORATION TO ENTER INTO LEASES WITH THE COUNTY OF ULSTER

WHEREAS, pursuant to Resolutions Number 277 of 2015, adopted July 21, 2015, and Resolution 221 of 2014, adopted June 17, 2014 (herein, the “County Authorizing Resolutions”), the County of Ulster authorized (i) the undertaking of a certain Dispositions, as defined within the County Authorizing Resolutions of a fee and/or leasehold interest to the Corporation of certain land, buildings and improvements, and equipment located at 25 South Manor Avenue, Kingston, New York 12401, and 300 Flatbush Avenue, Kingston, New York 12401 (each a “Facility” and collectively, the “Facilities”); and (ii) reservation by the County of a leasehold interest and reservation of rights to continue operating the Facilities until a sale of the Facilities is undertaken by the Corporation; and

WHEREAS, the Facilities were transferred, to the Corporation by deed, each respectively, on the 9th day of December, 2015, and on the 28th day of May 2015; and

WHEREAS, in furtherance of the foregoing and pursuant to the County Authorizing Resolutions, the County and Corporation have agreed to enter into certain Lease Agreements (the

“Lease Agreements”), wherein the Corporation, as lessor, will lease the Facilities to the County, as lessee pursuant to the terms and conditions thereunder, including, but not limited to the County’s reserved rights and obligations to the continued use of the Facilities.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION, AS FOLLOWS:

1. That the form, terms and provisions of the Lease Agreement, proposed to be entered into between the Corporation and the County, regarding the Facility at 25 South Manor Avenue, Kingston, New York, in substantially the form attached hereto as Exhibit “1”, be, and they hereby are, in all respects approved, with such additions thereto or deletions therefrom as the as the officer or officers executing the agreement shall, in his/her or their sole discretion, determine to be necessary, proper and advisable, such determination to be evidenced conclusively by the execution and delivery thereof.

2. That the form, terms and provisions of the Lease Agreement, proposed to be entered into between the Corporation and the County regarding the Facility at 300 Flatbush Avenue, Kingston, New York, in substantially the form attached hereto as Exhibit “2”, be, and they hereby are, in all respects approved, with such additions thereto or deletions therefrom as the as the officer or officers executing the agreement shall, in his/her or their sole discretion, determine to be necessary, proper and advisable, such determination to be evidenced conclusively by the execution and delivery thereof.

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

	YEA	NAY	ABSENT	ABSTAIN
Julie Cohen Lonstein	[]	[]	[]	[]
Kenneth Crannell	[]	[]	[]	[]
Burton Gulnick, Jr.	[]	[]	[]	[]
James Maloney	[]	[]	[]	[]
Hector Rodriguez	[]	[]	[]	[]
Robert Sudlow	[]	[]	[]	[]
Ward Todd	[]	[]	[]	[]

EXHIBIT “1”

ULSTER COUNTY ECONOMIC DEVELOPMENT ALLIANCE, INC.

TO

COUNTY OF ULSTER

LEASE AGREEMENT

Dated as of March __, 2016

25 South Manor Avenue, Kingston, New York 12401

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter, the “Agreement”), dated as of the ___ day of _____, 2016, by and between **ULSTER COUNTY ECONOMIC DEVELOPMENT ALLIANCE, INC.**, a not-for-profit local development corporation duly organized and validly existing under the laws of the State of New York (the “State”), having an office for the transaction of business at 244 Fair Street, Kingston, New York 12401 (herein, the “Corporation” or “Lessor”) and the **COUNTY OF ULSTER**, a municipal corporation of the State of New York having offices at 244 Fair Street Kingston, New York 12401 (herein, the “County” or “Lessee”).

W I T N E S S E T H:

WHEREAS, pursuant to Section 1411 of the Not-for-Profit Corporation Law (“N-PCL”) of the State (herein, the “Act”), the Corporation was established as a not-for-profit local development corporation; and

WHEREAS, pursuant to the Act, the Corporation may operate exclusively for the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding a community or geographical area by attracting new industry to the community or area or by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest; and

WHEREAS, pursuant to Resolution Number 277 of 2015, adopted July 21, 2015 (herein, the “County Authorizing Resolution”), the County authorized (i) the undertaking of a certain Disposition, as defined within the County Authorizing Resolution and more particularly described herein (collectively, the “Disposition”) of a fee and/or leasehold interest to the Corporation of certain land (the “Land”, as defined herein), buildings and improvements (the “Improvements”, as defined herein), and equipment (the “Equipment”, as defined herein) located at 25 South Manor Avenue, Kingston, New York 12401 (collectively, the “Facility”, as more particularly defined herein); and (ii) reservation by the County of a leasehold interest and reservation of rights to continue operating the Facility until a sale of the Facility is undertaken by the Corporation; and

WHEREAS, the Facility was transferred to the Corporation by deed on the 9th day of December, 2015; and

WHEREAS, in furtherance of the foregoing and pursuant to the County Authorizing Resolution, the County and Corporation have agreed to enter into a Lease Agreement, dated as of the date hereof (the “Lease Agreement”), wherein the Corporation, as lessor, will lease the Facility to the County, as lessee pursuant to the terms and conditions hereunder, including, but not limited to the County’s reserved rights and obligations to continue operating the Facility to be memorialized within this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Acknowledgment of Lease Agreement; Granting Clause. The Corporation hereby leases to the County (i) the land, as more particularly described in Exhibit A, hereto, (ii) the Improvements, which shall include all existing buildings, infrastructure and utility connections and fixtures located upon and within the Land, along with (iii) the Equipment, as more particularly described in Exhibit B, hereto, as each constitutes the Facility, which herein after shall be referred to herein as the "Leased Premises", all upon the terms and conditions of this Agreement.

THE CORPORATION MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE FACILITY OR THAT IT IS OR WILL BE SUITABLE FOR THE COUNTY'S PURPOSES OR NEEDS.

2. Term and Termination. The term of this Agreement shall commence on the date hereof and shall continue on a month to month basis until the facility is sold (the "Lease Term"). This Agreement may be terminated only upon written consent of the Corporation and upon satisfaction of the conditions precedent contained within Section 7(a).

3. Rent. (a) Basic Rent. The County agrees that it will pay to the Corporation, for the use of the Leased Premises, rent of One Dollar (\$1.00) per annum.

(b) Additional Rent. As additional rentals hereunder ("Additional Rent"), the County shall upon demand pay to the Corporation as Additional Rent all actual costs incurred by the Corporation in connection with its undertakings in furtherance of the Facility, including, but not limited to any and all costs associated with this Agreement. Additional Rent shall be paid by the County to the Corporation as set forth herein during the Lease Term hereof and shall include amounts equal to all Corporation approved receipts and invoices presented to the County. The Corporation shall submit invoices for payment of Additional Rent on or before the Fifteenth day of each month, which shall include Corporation-approved receipts and invoices for payment. All invoices submitted by the Corporation shall be subject to review and approval of the Ulster County Comptroller. The County will in all events remit payments for Additional Rent to the Corporation within Sixty (60) days of receipt of an invoice from the Corporation.

4. Taxes. During the term of this Agreement, the County agrees to and shall pay as a component of Additional Rent all taxes that may be assessed upon, or charges or expenses incurred with respect to, the Leased Premises during the Lease Term.

5. Performance Obligations Unconditional; Rentals Subject to Annual Appropriation. The obligations of the County to perform and observe any and all covenants and agreements on its part contained herein shall be a general obligation of the County and shall be

absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it may otherwise have against the Corporation. Notwithstanding the foregoing, the County's obligation to pay Rent and Additional Rent hereunder is limited to funds appropriated by the County and available for this Agreement. It is understood by and between the parties hereto that this Agreement shall be deemed executory to the extent of the monies available to the County and no liability on account thereof shall be incurred by the County beyond monies made available by appropriation and budgetary determination for the purpose thereof. The County shall provide to the Corporation written certification of annual appropriations in furtherance of the County's obligations hereunder within five (5) days of the adoption of the County's annual budget, and no later than December 31 of each calendar year during the Lease Term hereof.

The County agrees it will not (i) suspend, discontinue or abate any payment required by Section 3 hereof or (ii) fail to observe any of its other covenants or agreements in this Agreement or (iii) except as provided herein or within and/or within the Lease Agreement, terminate this Lease Agreement for any cause whatsoever including, without limiting the generality of the foregoing, any defect in the title, design, operation, merchantability, fitness or condition of the Facility or in the suitability of the Facility for the County's purposes and needs, failure of consideration, destruction of or damage to the Facility, commercial frustration of purpose, or the taking by condemnation of title to or the use of all or any part the Facility, any change in the tax or other laws of the United States of America or administrative rulings of or administrative actions by the State or any political subdivision of either, or any failure of the Corporation to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Lease Agreement, or otherwise.

6. Maintenance and Insurance of Premises. (a) The County agrees that during the term of this Lease Agreement it shall (i) keep the Facility in as reasonably safe condition as its operations shall permit; (ii) make all necessary repairs and replacements to the Facility (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); (iii) operate the Facility in accordance with all applicable laws and permits and a commercially sound and prudent manner; (iv) operate the Facility such that it continues to qualify for all existing licensures; and (v) indemnify and hold the Corporation harmless from any liability or expenses from the failure by the County to comply with (i), (ii), (iii) or (iv) above.

(b) At all times throughout the Lease Term, the County shall continue to maintain or cause to be maintained insurance against such risks and for such amounts as are customarily insured against by municipalities of like size and type paying, as the same become due and payable, all premiums in respect thereto, including, but not necessarily limited to:

(i) Insurance against loss or damage by fire, lightning and other casualties, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the Facility, exclusive of excavations and foundations, as determined by a recognized appraiser or insurer selected by the County; or as an alternative to the foregoing the County may insure the Facility under a blanket insurance policy or policies covering not only the Facility but other properties as well, provided a periodic appraisal is performed and provided to the Corporation upon request of the Corporation.

(ii) Workers' compensation insurance, disability benefits insurance, and each other form of insurance which the Corporation or the County is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the County who are located at or assigned to the Facility if any.

(iii) Insurance against loss or losses from liabilities imposed by law or assumed in any written contract (including the contractual liability assumed by the County hereunder) and arising from personal injury and death or damage to the property of others caused by any accident or occurrence, with limits of not less than \$1,000,000 per accident or occurrence on account of personal injury, including death resulting therefrom, and \$1,000,000 per accident or occurrence on account of damage to the property of others, excluding liability imposed upon the County by any applicable workers' compensation law. Such liability limits may be satisfied by any combination of primary and excess liability policies. Such liability insurance requirements may be satisfied by blanket policies in the aggregate amount of not less than \$3,000,000.

(c) Additional Provisions Respecting Insurance. All insurance required by hereunder shall name the Corporation as a named insured. All insurance shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the County and authorized to write such insurance in the State. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the County is engaged. All policies evidencing such insurance shall provide for (i) payment of the losses of the County and the Corporation as their respective interest may appear, and (ii) at least thirty (30) days written notice of the cancellation thereof to the County and the Corporation. All such certificates of insurance of the insurers that such insurance is in force and effect, shall be deposited with the Corporation on or before the commencement of the term of this Lease Agreement. Prior to expiration of the policies evidenced by said certificates, the County shall furnish the Corporation evidence that the policy has been renewed or replaced or is no longer required by this Lease Agreement.

(d) Within one hundred twenty (120) days after the end of each of its fiscal years, the County shall file with the Corporation a certificate of the County to the effect that the insurance it maintains with respect to the Facility complies with the provisions of this Agreement and that duplicate copies of all policies or certificates thereof have been filed with the Corporation and are in full force and effect.

(e) Application of Net Proceeds of Insurance. The net proceeds of the insurance required hereunder shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid. All insurance or condemnation proceeds shall be distributed to the County after payment of all amounts due and owing to the Corporation.

7. Expiration. The parties agree that at the expiration of the Term, the County will surrender the Leased Premises to the Corporation pursuant to the terms and conditions of this Agreement in the then condition of the Leased Premises.

8. Default Provisions. (a) The Corporation may declare the County in default of this Agreement if there is any failure by the County to observe or perform any other covenant, condition or agreement required by this Lease Agreement to be observed or performed and such failure shall have continued for a period of sixty (60) days after the Corporation gives written notice to the County, specifying that failure and stating that it be remedied, or in the case of any such default which can be cured with due diligence but not within such sixty (60) day period, the County's failure to proceed promptly to cure such default and thereafter prosecute the curing of such default with due diligence (collectively, an "Event of Default").

(b) Whenever any Event of Default shall have occurred and be continuing after the expiration of applicable notice and cure periods, the Corporation may take, to the extent permitted by law, any one or more of the following remedial steps;

(i) Declare, by written notice to the County, to be immediately due and payable, whereupon the same shall become immediately due and payable: (i) all unpaid installments of Rent and Additional Rent payable pursuant hereto and (ii) all other payments due under this Lease Agreement.

(ii) Take any other action as it shall deem necessary to cure any such Event of Default, provided that the taking of any such action shall not be deemed to constitute a waiver of such Event of Default.

(iii) Take any other action at law or in equity which may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder, and to enforce the obligations, agreements or covenants of the County under this Lease Agreement.

(iv) Terminate this Lease Agreement.

(c) Remedies Cumulative. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

(d) No Additional Waiver Implied by One Waiver. In the event any agreement contained herein should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

9. Notices. All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered and, if

delivered by mail, shall be sent by certified mail, postage prepaid, or to a nationally recognized courier such as Federal Express, addressed as follows:

To the County: County of Ulster
244 Fair Street
Kingston, New York 12401
Attn: County Executive

To the Corporation: Ulster County Economic Development Alliance, Inc.
244 Fair Street
Kingston, New York 12401
Attn: Chief Executive Officer

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

10. Effective Date; Counterparts. This agreement shall become effective on the date first hereinabove set forth. It may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

11. Law Governing. This Agreement shall be governed by, and construed in accordance with, the laws of the State.

12. No Assignment. This Agreement may not be assigned by any party hereto.

13. Hold Harmless Provisions. The County hereby releases the Corporation from, agrees that the Corporation shall not be liable for, and agrees to indemnify, defend and hold the Corporation and its executive director, officers, members, directors and employees, and their respective successors, assigns or personal representatives, harmless from and against any and all (i) liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Facility or arising by reason of or in connection with the occupation or the use thereof or the presence on, in or about the Facility or (ii) liability arising from or expense incurred by the Corporation's financing, construction, renovation, equipping, owning and leasing of the Facility, including without limiting the generality of the foregoing, all causes of action and reasonable attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Corporation, or any of its respective members, directors, officers, agents or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability; except, however, that such indemnities will not be applicable with respect to willful misconduct or gross negligence on the part of the indemnified party.

14. No Recourse, Special Obligation. (a) The obligations and agreements of the Corporation contained herein and any other instrument or document executed in connection herewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Corporation, and not of any member, officer, agent or employee of the Corporation in his individual capacity, and the members, officers, agents and employees of the Corporation shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

(b) The obligations and agreements of the Corporation contained hereby shall not constitute or give rise to an obligation of the State or of the County and neither the State nor the County shall be liable hereon or thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Corporation, but rather shall constitute limited obligations of the Corporation, payable solely from the revenues of the Corporation derived and to be derived from the sale or other disposition of the Facility.

(c) No order or decree of specific performance with respect to any of the obligations of the Corporation hereunder shall be sought or enforced against the Corporation unless (i) the party seeking such order or decree shall first have requested the Corporation in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Corporation shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, (ii) if the Corporation refuses to comply with such request and the Corporation's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Corporation an amount or undertaking sufficient to cover such reasonable fees and expenses, and (iii) if the Corporation refuses to comply with such request and the Corporation's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents or employees shall be subject to potential liability, the party seeking such order or decree shall agree to indemnify and hold harmless the Corporation and its members, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request.

[Signature Page to Lease Agreement]

IN WITNESS WHEREOF, the Corporation and the County have caused this Leaseback Agreement to be executed in their respective names, all as of the date first above written.

ULSTER COUNTY ECONOMIC
DEVELOPMENT ALLIANCE, INC.

By: _____
Name: Julie Cohen Longstein
Title: Chairman of the Board of Directors

COUNTY OF ULSTER

By: _____
Name: Michael Hein
Title: County Executive

"EXHIBIT A"

ALL THAT TRACT OR PARCEL OF LAND, situate, lying and being in the City of Kingston, Ulster County, New York, bounded and described as follows: BEGINNING at a point on the Southerly side of Manor Avenue at the corner of lands of the United States Lace Curtain Mills and from said point and place of beginning running southwesterly along the westerly bounds of said United States Lace Curtain Mills a distance of one hundred twenty-four feet thence northwesterly parallel with Manor Avenue eighty-four feet thence northeasterly parallel with the first course one hundred twenty-four feet to Manor Avenue and thence southeasterly along Manor Avenue eighty-four feet to the point or place of beginning.

Also all that certain lot, piece or parcel of land, situate, lying and being in the City of Kingston, Ulster County, New York, and bounded and described as follows, viz: Beginning at a point on the southwesterly side of Manor Avenue in said city, distant southeasterly one hundred (100) feet more or less from the southerly line of O'Neil Street at its intersection with Manor Avenue, and running thence southeasterly along Manor Avenue a distance of 83.8 feet more or less to lands of said Claude Needes; thence southwesterly along lands of Needes one hundred and twenty-four (124) feet more or less; thence northwesterly and parallel to Manor Avenue a distance of 83.8 feet more or less, thence northeasterly in a straight line one hundred twenty-four (124) feet more or less to the point and place of beginning. Being a lot of land 83.8 feet more or less front and rear and of the uniform depth of one hundred and twenty-four (124) feet more or less.

Also all that tract or parcel of land situate in the City of Kingston, bounded and described as follows: Beginning at an iron bar on the easterly street line of South Manor Avenue, said point being S. 38°51' East 100.00 feet from the corner formed by the intersection of the said easterly street line of South Manor Avenue with the southerly street line of O'Neil Street and running thence along the southerly line of lands of Harry Wallis, Elmer VanGaasbeck and Harry Lowe N. 51° 00' E. 90.00 feet to an iron bar, thence along the westerly line of lands of David Whittaker S. 38° 51' E. 84.00 feet to an iron bar thence along other lands of Claude Needes S. 51° 00' W. to an iron spike on the easterly street line of South Manor Avenue thence along the easterly street line of South Manor Avenue N. 38° 51' West 84.00 feet to the point and place of beginning.

ALSO: ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, situate, lying and being in the City of Kingston, County of Ulster and State of New York, and more particularly bounded and described as follows: BEGINNING at a point marked by a found bluestone monument in the northeasterly bounds of Progress Street, said point also being the most southerly corner of lands now or formerly of James A. and Lenora A. Mancuso;

Thence along lands of Mancuso, and other lands of the County of Ulster, N. 49° 06' 25" E. 164.69 feet to a point marked by a set iron rod, said point being S. 49° 06' 25" W. 83.81 feet from the most easterly corner of other lands of the County of Ulster known as the Data Processing Building;

Thence through lands of the party of the first part, S. 41° 47' 40" E. 6.89 feet to a point marked by a set iron rod, said point being 8.0 feet from the face of the Data Processing Building;

Thence continuing through the lands of the party of the first part on a line parallel to and 8.0 feet from the face of the Data Processing Building, S. 48° 12' 20" W. 36.87 feet to a point marked by a set iron rod;

Thence still through lands of the party of the first part, S. 40° 22' 30" E. 24.00 feet to a point marked by a set iron rod southwesterly of a private hydrant;

Thence still through lands of the party of the first part, S. 49° 06' 25" W. 127.86 feet to a point in the aforesaid bounds of Progress Street marked by a set iron rod, said point being N. 40° 38' 35" W. 269.68 feet from a found bluestone monument at the corner of Progress and Cornell Streets;

Thence along said road bounds N. 40° 38' 35" W. 31.47 feet to the point or place of BEGINNING.

Said parcel consisting of 0.098 acre of land, more or less.

“Exhibit B”

Equipment

All machinery, apparatus, appliances, equipment, fittings, fixtures and furnishings and other property of every kind and nature whatsoever now or hereafter affixed to, located upon, appurtenant thereto or usable in connection with the present or future operation and occupancy of the Facility together with any replacements therefore to the extent acquired by the County during the term of this Lease Agreement.

EXHIBIT “2”

ULSTER COUNTY ECONOMIC DEVELOPMENT ALLIANCE, INC.

TO

COUNTY OF ULSTER

LEASE AGREEMENT

Dated as of March __, 2016

300 Flatbush Avenue, Kingston, New York 12401

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter, the “Agreement”), dated as of the ___ day of _____, 2016, by and between **ULSTER COUNTY ECONOMIC DEVELOPMENT ALLIANCE, INC.**, a not-for-profit local development corporation duly organized and validly existing under the laws of the State of New York (the “State”), having an office for the transaction of business at 244 Fair Street, Kingston, New York 12401 (herein, the “Corporation” or “Lessor”) and the **COUNTY OF ULSTER**, a municipal corporation of the State of New York having offices at 244 Fair Street Kingston, New York 12401 (herein, the “County” or “Lessee”).

WITNESSETH:

WHEREAS, pursuant to Section 1411 of the Not-for-Profit Corporation Law (“N-PCL”) of the State (herein, the “Act”), the Corporation was established as a not-for-profit local development corporation; and

WHEREAS, pursuant to the Act, the Corporation may operate exclusively for the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding a community or geographical area by attracting new industry to the community or area or by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest; and

WHEREAS, pursuant to Resolution Number 221 of 2014, adopted June 17, 2014 (herein, the “County Authorizing Resolution”), the County authorized (i) the undertaking of a certain Disposition, as defined within the County Authorizing Resolution and more particularly described herein (collectively, the “Disposition”) of a fee and/or leasehold interest to the Corporation of certain land (the “Land”, as defined herein), buildings and improvements (the “Improvements”, as defined herein), and equipment (the “Equipment”, as defined herein) located at 300 Flatbush Avenue, Kingston, New York 12401 (collectively, the “Facility”, as more particularly defined herein); and (ii) reservation by the County of a leasehold interest and reservation of rights to continue operating the Facility until a sale of the Facility is undertaken by the Corporation; and

WHEREAS, the Facility was transferred to the Corporation by deed on the 28th day of May, 2015; and

WHEREAS, in furtherance of the foregoing and pursuant to the County Authorizing Resolution, the County and Corporation have agreed to enter into a Lease Agreement, dated as of the date hereof (the “Lease Agreement”), wherein the Corporation, as lessor, will lease the Facility to the County, as lessee pursuant to the terms and conditions hereunder, including, but not limited to the County’s reserved rights and obligations to continue operating the Facility to be memorialized within this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Acknowledgment of Lease Agreement; Granting Clause. The Corporation hereby leases to the County (i) the land, as more particularly described in Exhibit A, hereto, (ii) the Improvements, which shall include all existing buildings, infrastructure and utility connections and fixtures located upon and within the Land, along with (iii) the Equipment, as more particularly described in Exhibit B, hereto, as each constitutes the Facility, which herein after shall be referred to herein as the "Leased Premises", all upon the terms and conditions of this Agreement.

THE CORPORATION MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE FACILITY OR THAT IT IS OR WILL BE SUITABLE FOR THE COUNTY'S PURPOSES OR NEEDS.

2. Term and Termination. The term of this Agreement shall commence on the date hereof and shall continue on a month to month basis until the facility is sold (the "Lease Term"). This Agreement may be terminated only upon written consent of the Corporation and upon satisfaction of the conditions precedent contained within Section 7(a).

3. Rent. (a) Basic Rent. The County agrees that it will pay to the Corporation, for the use of the Leased Premises, rent of One Dollar (\$1.00) per annum.

(b) Additional Rent. As additional rentals hereunder ("Additional Rent"), the County shall upon demand pay to the Corporation as Additional Rent all actual costs incurred by the Corporation in connection with its undertakings in furtherance of the Facility, including, but not limited to any and all costs associated with this Agreement. Additional Rent shall be paid by the County to the Corporation as set forth herein during the Lease Term hereof and shall include amounts equal to all Corporation approved receipts and invoices presented to the County. The Corporation shall submit invoices for payment of Additional Rent on or before the Fifteenth day of each month, which shall include Corporation-approved receipts and invoices for payment. All invoices submitted by the Corporation shall be subject to review and approval of the Ulster County Comptroller. The County will in all events remit payments for Additional Rent to the Corporation within Sixty (60) days of receipt of an invoice from the Corporation.

4. Taxes. During the term of this Agreement, the County agrees to and shall pay as a component of Additional Rent all taxes that may be assessed upon, or charges or expenses incurred with respect to, the Leased Premises during the Lease Term.

5. Performance Obligations Unconditional; Rentals Subject to Annual Appropriation. The obligations of the County to perform and observe any and all covenants and agreements on its part contained herein shall be a general obligation of the County and shall be

absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it may otherwise have against the Corporation. Notwithstanding the foregoing, the County's obligation to pay Rent and Additional Rent hereunder is limited to funds appropriated by the County and available for this Agreement. It is understood by and between the parties hereto that this Agreement shall be deemed executory to the extent of the monies available to the County and no liability on account thereof shall be incurred by the County beyond monies made available by appropriation and budgetary determination for the purpose thereof. The County shall provide to the Corporation written certification of annual appropriations in furtherance of the County's obligations hereunder within five (5) days of the adoption of the County's annual budget, and no later than December 31 of each calendar year during the Lease Term hereof.

The County agrees it will not (i) suspend, discontinue or abate any payment required by Section 3 hereof or (ii) fail to observe any of its other covenants or agreements in this Agreement or (iii) except as provided herein, terminate this Lease Agreement for any cause whatsoever including, without limiting the generality of the foregoing, any defect in the title, design, operation, merchantability, fitness or condition of the Facility or in the suitability of the Facility for the County's purposes and needs, failure of consideration, destruction of or damage to the Facility, commercial frustration of purpose, or the taking by condemnation of title to or the use of all or any part the Facility, any change in the tax or other laws of the United States of America or administrative rulings of or administrative actions by the State or any political subdivision of either, or any failure of the Corporation to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or in connection with this Lease Agreement, or otherwise.

6. Maintenance and Insurance of Premises. (a) The County agrees that during the term of this Lease Agreement it shall (i) keep the Facility in as reasonably safe condition as its operations shall permit; (ii) make all necessary repairs and replacements to the Facility (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); (iii) operate the Facility in accordance with all applicable laws and permits and a commercially sound and prudent manner; (iv) operate the Facility such that it continues to qualify for all existing licensures; and (v) indemnify and hold the Corporation harmless from any liability or expenses from the failure by the County to comply with (i), (ii), (iii) or (iv) above.

(b) At all times throughout the Lease Term, the County shall continue to maintain or cause to be maintained insurance against such risks and for such amounts as are customarily insured against by municipalities of like size and type paying, as the same become due and payable, all premiums in respect thereto, including, but not necessarily limited to:

(i) Insurance against loss or damage by fire, lightning and other casualties, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the Facility, exclusive of excavations and foundations, as determined by a recognized appraiser or insurer selected by the County; or as an alternative to the foregoing the County may insure the Facility under a blanket insurance policy or policies covering not only the Facility but other properties as well, provided a periodic appraisal is performed and provided to the Corporation upon request of the Corporation.

(ii) Workers' compensation insurance, disability benefits insurance, and each other form of insurance which the Corporation or the County is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the County who are located at or assigned to the Facility if any.

(iii) Insurance against loss or losses from liabilities imposed by law or assumed in any written contract (including the contractual liability assumed by the County hereunder) and arising from personal injury and death or damage to the property of others caused by any accident or occurrence, with limits of not less than \$1,000,000 per accident or occurrence on account of personal injury, including death resulting therefrom, and \$1,000,000 per accident or occurrence on account of damage to the property of others, excluding liability imposed upon the County by any applicable workers' compensation law. Such liability limits may be satisfied by any combination of primary and excess liability policies. Such liability insurance requirements may be satisfied by blanket policies in the aggregate amount of not less than \$3,000,000.

(c) Additional Provisions Respecting Insurance. All insurance required by hereunder shall name the Corporation as a named insured. All insurance shall be procured and maintained in financially sound and generally recognized responsible insurance companies selected by the County and authorized to write such insurance in the State. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the County is engaged. All policies evidencing such insurance shall provide for (i) payment of the losses of the County and the Corporation as their respective interest may appear, and (ii) at least thirty (30) days written notice of the cancellation thereof to the County and the Corporation. All such certificates of insurance of the insurers that such insurance is in force and effect, shall be deposited with the Corporation on or before the commencement of the term of this Lease Agreement. Prior to expiration of the policies evidenced by said certificates, the County shall furnish the Corporation evidence that the policy has been renewed or replaced or is no longer required by this Lease Agreement.

(d) Within one hundred twenty (120) days after the end of each of its fiscal years, the County shall file with the Corporation a certificate of the County to the effect that the insurance it maintains with respect to the Facility complies with the provisions of this Agreement and that duplicate copies of all policies or certificates thereof have been filed with the Corporation and are in full force and effect.

(e) Application of Net Proceeds of Insurance. The net proceeds of the insurance required hereunder shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid. All insurance or condemnation proceeds shall be distributed to the County after payment of all amounts due and owing to the Corporation.

7. Expiration. The parties agree that at the expiration of the Term, the County will surrender the Leased Premises to the Corporation pursuant to the terms and conditions of this Agreement in the then condition of the Leased Premises.

8. Default Provisions. (a) The Corporation may declare the County in default of this Agreement if there is any failure by the County to observe or perform any other covenant, condition or agreement required by this Lease Agreement to be observed or performed and such failure shall have continued for a period of sixty (60) days after the Corporation gives written notice to the County, specifying that failure and stating that it be remedied, or in the case of any such default which can be cured with due diligence but not within such sixty (60) day period, the County's failure to proceed promptly to cure such default and thereafter prosecute the curing of such default with due diligence (collectively, an "Event of Default").

(b) Whenever any Event of Default shall have occurred and be continuing after the expiration of applicable notice and cure periods, the Corporation may take, to the extent permitted by law, any one or more of the following remedial steps;

(i) Declare, by written notice to the County, to be immediately due and payable, whereupon the same shall become immediately due and payable: (i) all unpaid installments of Rent and Additional Rent payable pursuant hereto and (ii) all other payments due under this Lease Agreement.

(ii) Take any other action as it shall deem necessary to cure any such Event of Default, provided that the taking of any such action shall not be deemed to constitute a waiver of such Event of Default.

(iii) Take any other action at law or in equity which may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder, and to enforce the obligations, agreements or covenants of the County under this Lease Agreement.

(iv) Terminate this Lease Agreement.

(c) Remedies Cumulative. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

(d) No Additional Waiver Implied by One Waiver. In the event any agreement contained herein should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

9. Notices. All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when delivered and, if delivered by mail, shall be sent by certified mail, postage prepaid, or to a nationally recognized courier such as Federal Express, addressed as follows:

To the County: County of Ulster
244 Fair Street
Kingston, New York 12401
Attn: County Executive

To the Corporation: Ulster County Economic Development Alliance, Inc.
244 Fair Street
Kingston, New York 12401
Attn: Chief Executive Officer

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

10. Effective Date; Counterparts. This agreement shall become effective on the date first hereinabove set forth. It may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

11. Law Governing. This Agreement shall be governed by, and construed in accordance with, the laws of the State.

12. No Assignment. This Agreement may not be assigned by any party hereto.

13. Hold Harmless Provisions. The County hereby releases the Corporation from, agrees that the Corporation shall not be liable for, and agrees to indemnify, defend and hold the Corporation and its executive director, officers, members, directors and employees, and their respective successors, assigns or personal representatives, harmless from and against any and all (i) liability for loss or damage to property or injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Facility or arising by reason of or in connection with the occupation or the use thereof or the presence on, in or about the Facility or (ii) liability arising from or expense incurred by the Corporation's financing, construction, renovation, equipping, owning and leasing of the Facility, including without limiting the generality of the foregoing, all causes of action and reasonable attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. The foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Corporation, or any of its respective members, directors, officers, agents or employees and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability; except, however, that such indemnities will not be applicable with respect to willful misconduct or gross negligence on the part of the indemnified party.

14. No Recourse, Special Obligation. (a) The obligations and agreements of the Corporation contained herein and any other instrument or document executed in connection herewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Corporation, and not of any member, officer, agent or

employee of the Corporation in his individual capacity, and the members, officers, agents and employees of the Corporation shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

(b) The obligations and agreements of the Corporation contained hereby shall not constitute or give rise to an obligation of the State or of the County and neither the State nor the County shall be liable hereon or thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Corporation, but rather shall constitute limited obligations of the Corporation, payable solely from the revenues of the Corporation derived and to be derived from the sale or other disposition of the Facility.

(c) No order or decree of specific performance with respect to any of the obligations of the Corporation hereunder shall be sought or enforced against the Corporation unless (i) the party seeking such order or decree shall first have requested the Corporation in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Corporation shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, (ii) if the Corporation refuses to comply with such request and the Corporation's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Corporation an amount or undertaking sufficient to cover such reasonable fees and expenses, and (iii) if the Corporation refuses to comply with such request and the Corporation's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents or employees shall be subject to potential liability, the party seeking such order or decree shall agree to indemnify and hold harmless the Corporation and its members, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request.

[Signature Page to Lease Agreement]

IN WITNESS WHEREOF, the Corporation and the County have caused this Leaseback Agreement to be executed in their respective names, all as of the date first above written.

ULSTER COUNTY ECONOMIC
DEVELOPMENT ALLIANCE, INC.

By: _____
Name: Julie Cohen Longstein
Title: Chairman of the Board of Directors

COUNTY OF ULSTER

By: _____
Name: Michael Hein
Title: County Executive

[Acknowledgment Page to Leaseback Agreement]

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

On the ___ day of _____ in the year 2016 before me, the undersigned, personally appeared Julie Cohen Longstein, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

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

On the ___ day of _____ in the year 2016 before me, the undersigned, personally appeared Michael Hein, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

"EXHIBIT A"

All that certain plot, piece or parcel of land situate, lying and being in the City of Kingston, County of Ulster and State of New York and being more particularly bounded and described as follows:

Beginning at a recovered New York State monument at a point formed by the Northerly side of Flatbush Avenue and the Southwesterly side of New York State Route US 9W and running:

- 1) thence along the Northerly side of Flatbush Avenue and passing over a recovered New York State monument, the following courses and distances: South $42^{\circ} 30' 48''$ West, 335.68 feet to a point;
- 2) thence South $34^{\circ} 52' 35''$ West, 111.10 feet to a recovered New York State monument at the end of a stone retaining wall;
- 3) thence generally along portions of said retaining wall, South $49^{\circ} 46' 01''$ West, 99.92 feet to a point;
- 4) thence South $72^{\circ} 02' 33''$ West, 130.78 feet to a point at the end of a stone retaining wall;
- 5) thence South $78^{\circ} 12' 33''$ West, 129.90 feet to a recovered pipe at the Southeasterly corner of lands of Robert A. and Nancy J. Sudlow, Liber 1734, Page 259;
- 6) thence along the Easterly line of lands of Sudlow and generally along portions of a stone wall, North $07^{\circ} 00' 27''$ West, 150.00 feet to a point at the Northeasterly corner of lands of Sudlow;
- 7) thence along the Northerly line of lands of Sudlow, the Northerly line of lands of Robert and Kathleen Rousch, Liber 4531, Page 335, lands of Ann E. Papelian, Liber 5126, 206 and lands of Linda McCardle, Liber 2819, Page 38 and passing over several recovered pipes and a recovered steel pin on line, South $82^{\circ} 57' 33''$ West, 496.90 feet to a point on the Easterly line of lands of Kingston Housing Authority, Liber 1190, Page 1056;

8) thence along the Easterly line of lands of Kingston Housing Authority, North $34^{\circ} 19' 33''$ East, 54.26 feet to a point on the Southerly line of lands of Ulster County Community Action, Liber 3797, Page 67;

9) thence along the Southerly, Easterly and Northerly line of lands of Ulster County Community Action, the following courses and distance: South $76^{\circ} 29' 24''$ East, 8.59 feet to a recovered bar;

10) thence North $09^{\circ} 58' 49''$ East, 500.00 feet to a point;

11) thence North $76^{\circ} 28' 44''$ West, 50.04 feet to a point at the Southeasterly corner of lands of Wolftec Inc., Liber 5466, Page 265;

12) thence along the Easterly line of lands of Wolftec, Inc., North $10^{\circ} 02' 58''$ East, 273.08 feet to a point;

13) thence continuing along the lands of Wolftec, Inc., and the Southerly line of lands of Bernard and Elizabeth Gray, Liber 2942, Page 41, and passing over a recovered iron bar on line, South $76^{\circ} 33' 16''$ East, 853.47 feet to a recovered New York State monument on the Southwesterly side of New York State Route US 9W;

14) thence along the Southwesterly side of New York State Route US 9W, the following courses and distances: South $32^{\circ} 40' 47''$ East, 179.45 feet to a point;

15) thence South $42^{\circ} 48' 02''$ East, 114.92 feet to the place of beginning.
CONTAINING: 14.864 Acres

“Exhibit B”

Equipment

All machinery, apparatus, appliances, equipment, fittings, fixtures and furnishings and other property of every kind and nature whatsoever now or hereafter affixed to, located upon, appurtenant thereto or usable in connection with the present or future operation and occupancy of the Facility together with any replacements therefore to the extent acquired by the County during the term of this Lease Agreement.