

Dutchess County **DCida** Industrial Development Agency

3 Neptune Road, Suite A21, Poughkeepsie, NY 12601
Tel. # - (845) 463-5400 / Fax # - (845) 463-0100

NOTICE AND CONFIRMATION
BOARD OF DIRECTORS SPECIAL MEETING

Wednesday, November 2, 2022
8:00 AM

DATE: October 28, 2022

TO: Mark Doyle, Vice Chair
Kathleen Bauer, Secretary/Treasurer
Amy Bombardieri
Jamie Piccone II
Don Sagliano
Al Torreggiani

FROM: Tim Dean, Chairman

A special meeting of the Dutchess County Industrial Development Agency [DCIDA] has been scheduled for **Wednesday, November 2, 2022 at 8:00 AM** at 3 Neptune Road, Suite A21, Poughkeepsie, NY 12601.

In compliance with NYS Senate Bill S88, signed into law on August 27, 2019 and effective as of January 2020, this meeting will be recorded.

PLEASE TAKE NOTICE that the Dutchess County Industrial Development Agency (the "Agency") Board Meeting scheduled for November 2, 2022 can also be viewed electronically via conference call by the public. Members of the public may listen to the Board meeting by logging into the Zoom Platform at <https://us06web.zoom.us/j/86793862370> or calling 1-929-436-2866 Meeting ID: 867 9386 2370. The meeting will be recorded and will be posted to the Agency's website.

The purpose of the meeting is to consider the following:

1. Conflict of Interest Disclosures
2. Proof of Meeting Notice
3. Bills and Communications
4. Approval of Minutes
5. Report of the Treasurer
6. Reports of Committees
7. Unfinished Business
8. New Business
 - A. For Consideration and Approval of a Final Resolution for Reynolds Asset Management/Violet Estates Owner LLC (Town of Poughkeepsie) authorizing an amendment to existing agreements to provide an additional Sales Tax Exemption in the benefit amount of \$50,000 for a total sales tax benefit amount of \$293,750.

Information Copy		
Marcus J. Molinaro, DC Executive A. Gregg Pulver, Chairman, DC Legislators Ronald Hicks, Dutchess County	Sarah Lee, Executive Director Jane Denbaum, CFO Donald Cappillino, Counsel Elizabeth Cappillino, Counsel	B. Hunter, WEOK/WPDH H. Gross, Mid-Hudson News

Dutchess County **DCida** Industrial Development Agency

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Tel. # - (845) 463-5400 / Fax # - (845) 463-0100

BOARD OF DIRECTORS SPECIAL MEETING

Wednesday, November 2, 2022
8:00 AM

AGENDA

1. Roll Call
2. Conflict of Interest Disclosures
3. Proof of Meeting Notice
4. Bills and Communications
5. Approval of Minutes
6. Report of the Treasurer
7. Reports of Committees
8. Unfinished Business
9. New Business
 - A. For Consideration and Approval of a Final Resolution for Reynolds Asset Management/Violet Estates Owner LLC (Town of Poughkeepsie) authorizing an amendment to existing agreements to provide an additional Sales Tax Exemption in the benefit amount of \$50,000 for a total sales tax benefit amount of \$293,750.
10. Adjournment

In compliance with NYS Senate Bill S88, signed into law on August 27, 2019 and effective as of January 2020, this meeting will be recorded.

PLEASE TAKE NOTICE that the Dutchess County Industrial Development Agency (the "Agency") Board Meeting scheduled for November 2, 2022 can also be viewed electronically via conference call by the public. Members of the public may listen to the Board meeting by logging into the Zoom Platform at <https://us06web.zoom.us/j/86793862370> or calling 1-929-436-2866 Meeting ID: 867 9386 2370. The meeting will be recorded and will be posted to the Agency's website.

RESOLUTION AUTHORIZING AMENDMENT
(Violet Estates Owner LLC 2021 Project)

At a special meeting of the Dutchess County Industrial Development Agency (the “Agency”) convened in public session at 8:00 a.m., local time at Three Neptune Road, Poughkeepsie, New York on the 2nd day of November, 2022, the following members of the Agency were:

PRESENT: Timothy Dean, Chairman
Mark Doyle, Vice Chairman
Kathleen M. Bauer, Secretary/ Treasurer
Alfred D. Torreggiani
Donald R. Sagliano
Ronald J. Piccone, II
Amy L. Bombardieri

ABSENT:

ALSO PRESENT: Sarah Lee, Executive Director
Jane Denbaum, Chief Financial Officer
Donald Cappillino, Counsel
Elizabeth A. Cappillino, Counsel

After the meeting had been duly called to order, the (Vice) Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the amendment of documents related to a certain industrial development facility (Violet Estates Owner LLC 2021 Project) as more particularly described below:

RESOLUTION OF THE DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY APPROVING AN INCREASE IN THE EXEMPTION FROM ALL STATE AND LOCAL SALES AND USE TAXES WITH RESPECT TO THE QUALIFYING PERSONAL PROPERTY INCLUDED IN THE FACILITY OR USED IN THE CONSTRUCTION, IMPROVEMENT, RECONSTRUCTION, REPAIR, RENOVATION OR INSTALLATION OF INFRASTRUCTURE IN CONNECTION WITH A CERTAIN INDUSTRIAL DEVELOPMENT FACILITY FOR VIOLET ESTATES OWNER LLC AND APPROVING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS IN CONNECTION THEREWITH.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended and Chapter 335 of the Laws of 1977 of the State of New York (collectively, the “Act”), the Agency was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously provided its assistance to Violet Estates Owner LLC, a Delaware limited liability company authorized to transact business in the State of New York, having its principal office c/o Reynolds Asset Management at 45 Eisenhower Drive, Suite 500, Paramus, New Jersey 07652 (the “**Company**”) with respect to the Facility (hereinafter defined), including exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “**Financial Assistance**”) for the following project (the “**Project**”): (a) the acquisition of an approximately 7.194-acre parcel of land located at 35 Violet Avenue, Town of Poughkeepsie, County of Dutchess, State of New York, bearing Tax Map Grid No. 134689-6162-10-427650 (the “**Land**”), the demolition of existing structures on the Land, and the construction of (i) two (2) three-story, 14,400 square-foot mixed-use buildings each with seven (7) residential units and approximately 4,000 square feet of commercial space; (ii) one (1) three-story, 12,960 square-foot building with nine (9) residential units; (iii) one (1) three-story, 19,365 square-foot building with eleven (11) residential units and an approximately 1,443 square foot senior center; (iv) one (1) three-story, 25,380 square-foot building with twenty-three (23) residential units; and (v) one (1) three-story, 28,890 square-foot building with twenty-seven (27) residential units (the “**Improvements**”), and the acquisition and equipping of certain equipment not part of the Equipment (as such term is defined herein) (the “**Facility Equipment**”; and together with the Land and the Improvements, the “**Company Facility**”), which Company Facility is to be leased and subleased by the Agency to Company to Violet Estates LLC, a Delaware limited liability company (the “**Sublessee**”); and (b) the acquisition and installation of certain equipment and personal property (the “**Equipment**”; and together with the Company Facility, the “**Facility**”), which Equipment is to be leased by the Agency to the Sublessee, and which Facility is to be used by the Sublessee as a senior housing community and mixed-use commercial facility; and

WHEREAS, the Project was approved by the Agency by resolution duly adopted on December 9, 2020 (the “**Authorizing Resolution**”); and

WHEREAS, pursuant to the Authorizing Resolution, the Company Facility was leased by the Company to the Agency pursuant to the terms of the Company Lease Agreement, dated as of March 1, 2021 (the “**Company Lease Agreement**”), by and between the Company, as lessor, and the Agency, as lessee; and

WHEREAS, the Agency subleased the Company Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of March 1, 2021 (the “**Lease Agreement**”), by and between the Agency, as sublessor, and the Company, as sublessee; and

WHEREAS, the Company agreed to transfer to the Agency title to the Equipment pursuant to a Bill of Sale, dated March 5, 2021 (the “**Bill of Sale**”); and

WHEREAS, the Company previously notified that the Company would be terminating its Sublease Agreement with the Sublessee and that the Company will act as the operator of the Project for the remainder of the Lease Term (as defined in the Lease Agreement) and therefore the Company requested an amendment to the Lease Agreement; and

WHEREAS, by resolution duly adopted on April 8, 2022, the Agency 1) agreed to the termination of the Sublessee Documents; 2) authorized the amendment of the Lease Agreement to reflect the Company’s operation of the Facility; and 3) authorized the assignment of the

Sublessee's unused sales tax benefits to the Company and the amendment of the Lease Agreement to reflect the increase in the Maximum Company Sales Tax Savings Amount by \$8,125; and

WHEREAS, the Company and the Agency amended the Lease Agreement pursuant to the terms of a First Amendment of Lease and Project Agreement dated as of April 1, 2022; and

WHEREAS, on August 29, 2022, the Company submitted a request to the Agency for an amendment to the Lease Agreement, as amended, to increase in the Maximum Company Sales Tax Savings Amount by \$50,000.00 (the "**Request**"), citing significant increases in the anticipated Project costs due to increased prices of construction materials as the reason for the Request; and

WHEREAS, the Company and the Agency intend to amend the Lease Agreement, as amended, pursuant to the terms of a Second Amendment of Lease and Project Agreement (the "**Second Amendment to Lease Agreement**") to amend the Maximum Company Sales Tax Savings Amount granted thereunder to increase such amount by \$50,000.00 and reflect a new Maximum Company Sales Tax Savings Amount of \$293,750.00.

NOW, THEREFORE, BE IT RESOLVED, by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency reaffirms and readopts the findings and determinations in its Authorizing Resolution with regard to the Project.

Section 2. The Agency further hereby finds and determines:

(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) Because the Request will not result in the Agency providing more than \$100,000 of "financial assistance" (as such quoted term is defined in the Act) to the Company, Section 859-a of the Act does not require a public hearing to be held with respect to the Request; and

(c) It is desirable and in the public interest for the Agency to approve the Request and authorize the Second Amendment to Lease Agreement; and

(d) The Second Amendment to Lease Agreement will be an effective instrument whereby the Agency and the Company agree to amend the Lease Agreement, as amended, to amend the Maximum Company Sales Tax Savings Amount granted thereunder to increase such amount by \$50,000.00 and reflect a new Maximum Company Sales Tax Savings Amount of \$293,750.00.

Section 3. In consequence of the foregoing, the Agency hereby determines to: (i) execute and deliver the Second Amendment to Lease Agreement, in such forms and containing such terms, conditions and provisions as the person executing the same on behalf of the Agency

shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof, and (ii) execute, deliver and perform such other related documents to which the Agency is a party, as may be necessary or appropriate.

Section 4. The Chairman, Vice Chairman, any member of the Agency or the Executive Director are hereby authorized, on behalf of the Agency, to execute and deliver the Second Amendment to Lease Agreement in such form as the Chairman, Vice Chairman, any member of the Agency or the Executive Director shall approve, and such other related documents as may be, in the judgment of the Executive Director and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution. The execution thereof by the Chairman, Vice Chairman, any member of the Agency or the Executive Director of the Agency shall constitute conclusive evidence of such approval.

Section 5. This resolution shall take effect immediately.

The following resolution was duly moved by [], seconded by [], discussed and adopted with the following members voting:

Timothy Dean, Chairman	VOTING
Mark Doyle, Vice Chairman	VOTING
Kathleen M. Bauer, Secretary/Treasurer	VOTING
Alfred D. Torreggiani	VOTING
Donald R. Sagliano	VOTING
Ronald J. Piccone, II	VOTING
Amy L. Bombardieri	VOTING

The Resolution was thereupon declared duly adopted.

Adopted: November 2, 2022

DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(DUTCHESS COUNTY, NEW YORK)

and

VIOLET ESTATES OWNER LLC

SECOND AMENDMENT TO LEASE AND PROJECT AGREEMENT

Dated as of November 1, 2022

Dutchess County Industrial Development Agency
(Second Amendment to Violet Estates Owner LLC 2021 Facility)

THIS SECOND AMENDMENT TO LEASE AND PROJECT AGREEMENT (this “**Second Amendment to Lease Agreement**”), dated as of November 1, 2022, is between the DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, having its office at 3 Neptune Road, Poughkeepsie, New York 12601 (the “**Agency**”), VIOLET ESTATES OWNER LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware and authorized to transact business in the State of New York, having its principal office c/o Reynolds Asset Management at 45 Eisenhower Drive, Suite 500, Paramus, New Jersey 07652 (the “**Company**”).

RECITALS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York as amended and Chapter 335 of the Laws of 1977 of the State of New York (collectively the “**Act**”), the Agency was created with the authority and power to provide financial assistance for the purpose of, among other things, acquiring, constructing, installing, furnishing and equipping certain facilities as authorized by the Act; and the Agency was created and is empowered to undertake the providing, financing and leasing of the Facility defined below; and

WHEREAS, the Agency previously provided certain “financial assistance” (within the meaning of the Act) with respect to the Project (hereinafter defined), including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “**Financial Assistance**”) for the following project consisting of: (a) the acquisition of an approximately 7.194-acre parcel of land located at 35 Violet Avenue, Town of Poughkeepsie, County of Dutchess, State of New York, bearing Tax Map Grid No. 134689-6162-10-427650 (the “**Land**”), the demolition of existing structures on the Land, and the construction of (i) two (2) three-story, 14,400 square-foot mixed-use buildings each with seven (7) residential units and approximately 4,000 square feet of commercial space; (ii) one (1) three-story, 12,960 square-foot building with nine (9) residential units; (iii) one (1) three-story, 19,365 square-foot building with eleven (11) residential units and an approximately 1,443 square foot senior center; (iv) one (1) three-story, 25,380 square-foot building with twenty-three (23) residential units; and (v) one (1) three-story, 28,890 square-foot building with twenty-seven (27) residential units (the “**Improvements**”), and the acquisition and equipping of certain equipment not part of the Equipment (as such term is defined herein) (the “**Facility Equipment**”; and together with the Land and the Improvements, the “**Company Facility**”), which Company Facility is to be leased and subleased by the Agency to Violet Estates Owner LLC, a Delaware limited liability company (the “**Company**”), and further subleased by the Company to the Violet Estates, LLC (the “**Sublessee**”); and (b) the acquisition and installation of certain equipment and personal property (the “**Equipment**”; and together with the Company Facility, the “**Facility**”), which Equipment is to be leased by the Agency to the Sublessee, and which Facility is to be used by the Sublessee as a senior housing community and mixed-use commercial facility (the “**Project**”); and

WHEREAS, the Project was approved by the Agency by resolution duly adopted on December 9, 2020 (the “**Authorizing Resolution**”); and

WHEREAS, pursuant to the Authorizing Resolution, the Company Facility was leased by the Company to the Agency pursuant to the terms of the Company Lease Agreement, dated as of March 1, 2021 (the “**Company Lease Agreement**”), by and between the Company, as lessor, and the Agency, as lessee; and

WHEREAS, the Agency subleased the Company Facility to the Company pursuant to a certain Lease and Project Agreement, dated as of March 1, 2021 (the “**Lease Agreement**”), by and between the Agency, as sublessor, and the Company, as sublessee; and

WHEREAS, the Company agreed to transfer to the Agency title to the Facility Equipment pursuant to a Bill of Sale, dated March 5, 2021 (the “**Bill of Sale**”); and

WHEREAS, the Sublessee agreed to transfer to the Agency title to the Equipment pursuant to an Equipment Bill of Sale, dated March 5, 2021 (the “**Equipment Bill of Sale**”); and

WHEREAS, the Agency leased the Equipment to the Sublessee pursuant to a certain Equipment Lease Agreement, dated as of March 1, 2021 (the “**Equipment Lease Agreement**”), by and between the Agency, as lessor, and the Sublessee, as lessee; and

WHEREAS, the Sublessee and the Agency entered into an Agency Compliance Agreement, dated as of March 1, 2021 whereby the Sublessee provided certain assurances to the Agency with respect to the Facility (the “**Agency Compliance Agreement**” and together with the Equipment Bill of Sale and the Equipment Lease Agreement, the “**Sublessee Documents**”); and

WHEREAS, the Company previously notified that the Company would be terminating its Sublease Agreement with the Sublessee and that the Company will act as the operator of the Project for the remainder of the Lease Term (as defined in the Lease Agreement) and therefore the Company requested an amendment to the Lease Agreement; and

WHEREAS, by resolution duly adopted on April 8, 2022, the Agency 1) agreed to the termination of the Sublessee Documents; 2) authorized the amendment of the Lease Agreement to reflect the Company’s operation of the Facility; and 3) authorized the assignment of the Sublessee’s unused sales tax benefits to the Company and the amendment of the Lease Agreement to reflect the increase in the Maximum Company Sales Tax Savings Amount by \$8,125; and

WHEREAS, the Company and the Agency amended the Lease Agreement pursuant to the terms of a First Amendment of Lease and Project Agreement dated as of April 1, 2022; and

WHEREAS, on August 29, 2022, the Company submitted a request to the Agency for an amendment to the Lease Agreement, as amended, to increase in the Maximum Company Sales Tax Savings Amount by \$50,000.00 (the “**Request**”), citing significant increases in the anticipated Project costs due to increased prices of construction materials as the reason for the Request; and

WHEREAS, the Agency approved the Request by resolution duly adopted on November 2, 2022; and

WHEREAS, the Company and the Agency now intend to amend the Lease Agreement, as amended, pursuant to the terms of this Second Amendment to Lease Agreement to amend the Maximum Company Sales Tax Savings Amount granted thereunder to increase such amount by \$50,000.00 and reflect a new Maximum Company Sales Tax Savings Amount of \$293,750.00.

AGREEMENT

For and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto do hereby mutually agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions in this Second Amendment to Lease Agreement. All capitalized terms used in this Second Amendment to Lease Agreement which are not otherwise defined herein shall have the meanings assigned thereto in the Lease Agreement, as amended, which definitions are incorporated herein and made a part hereof by reference.

ARTICLE II ASSIGNMENT AND ASSUMPTION AND AMENDMENT OF LEASE AGREEMENT

Section 2.1 Amendment of Schedule A to the Lease Agreement. The Company and the Agency agree that Schedule A of the Lease Agreement is hereby amended and modified so that the following definitions are hereby amended and restated in their entirety:

“Maximum Company Sales Tax Savings Amount” shall mean the aggregate maximum dollar amount of Company Sales Tax Savings that the Company and all Agents acting on behalf the Company are permitted to receive under this Lease Agreement, which shall equal \$293,750.00 or such maximum dollar amount as may be determined by the Agency pursuant to such additional documents as may be required by the Agency for such increase.

Section 2.2 Recording of Memorandum of Second Amendment to Lease Agreement. In connection with the execution and delivery of this Second Amendment to Lease Agreement, the Agency and the Company shall record or cause to be recorded a Memorandum of Second Amendment to Lease reflecting the amendment and modification of the Lease Agreement pursuant to the terms of this Second Amendment to Lease Agreement.

ARTICLE III MISCELLANEOUS

Section 3.1. Binding Effect. This Second Amendment to Lease Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.

Section 3.2. Severability. In the event any provision of this Second Amendment to Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 3.3. Amendments, Changes and Modifications. This Second Amendment to Lease Agreement may not be amended, changed, modified, altered or terminated except in a writing executed by the parties hereto.

Section 3.4. Execution of Counterpart. This Second Amendment to Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 3.5. Applicable Law. This Second Amendment to Lease Agreement shall be governed exclusively by the applicable laws of the State of New York without regard or reference to its conflict of laws principles.

Section 3.6. Ratification of Lease Agreement. Except as otherwise amended and modified by this Second Amendment to Lease Agreement, the Lease Agreement, as amended, is hereby ratified and confirmed and remains in full force and effect.

(Remainder of Page Intentionally Left Blank)

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IN WITNESS WHEREOF, the Agency and the Company have caused this Second Amendment to Lease Agreement to be executed in their respective names by their duly authorized officers, all as of the date and year first above written.

**DUTCHESS COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Sarah Lee
Title: Executive Director

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

On the ____ day of November in the year 2022, before me, a Notary Public in and for said State, personally appeared **SARAH LEE**, 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 or entity on behalf of which the individual acted, executed the instrument.

Notary Public

VIOLET ESTATES OWNER LLC

By: _____

Name: Matthew Earl Suckle

Title: Authorized Signatory

STATE OF NEW YORK)
 : SS.:
COUNTY OF DUTHESS)

On the day of November in the year 2022, before me, the undersigned, personally appeared **MATTHEW EARL SUCKLE**, 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 he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Notary Public

DRAFT