

Authorizing The Chairman Of The Ulster County Legislature To Execute A Mortgage Subordination Agreement

Referred to: The Economic Development and Tourism Committee (Chairman Maloney and Legislators Loughran, Maio, Roberts and Wishnick) and The Ways and Means Committee (Chairman Gerentine and Legislators Gregorius, Maio, Maloney, Provenzano, Rodriguez and Ronk)

Chairman of the Economic Development and Tourism Committee, James F. Maloney, and Deputy Chairman Peter M. Loughran offer the following:

WHEREAS, on May 23, 2003, New World Catering Corp. executed a note to the County in the principal sum of One Hundred Thirty Thousand and 00/100 (\$130,000.00) Dollars, the repayment of the note secured by a mortgage on property owned by Richard R. Orlando and Elizabeth M. Corrado (the "County's Mortgage") and located at 1411 Route 212, Saugerties, New York (the "Mortgaged Property") and said mortgage being recorded on May 28, 2003, as Instrument No. 2003-14921 in Ulster County Clerk's Office; and

WHEREAS, on May 28, 2003, Liz & Ric, LLC acquired title of the Mortgaged Property from Richard R. Orlando and Elizabeth M. Corrado by virtue of a deed, said deed being recorded on June 3, 2003 in the Ulster County Clerk's Office as Instrument No. 03-15438; and

WHEREAS, on April 4, 2008 Liz & Ric, LLC executed a note in favor of Ulster Savings Bank in the principal sum of Five Hundred Twenty-Five Thousand and 00/100 (\$525,000.00) Dollars with the repayment of said note to be secured by a mortgage on the Mortgaged Property and said Mortgage being recorded on April 7, 2008 as Instrument No. 2008-00006191 in the Ulster County Clerk's Office; and

WHEREAS, the Ulster Savings Bank was unwilling to accept such mortgage on the Mortgaged Property unless the County's Mortgage was subordinated; and

WHEREAS, a Subordination Agreement was executed by the County on April 2, 2008, thereby subordinating the lien to the County's Mortgage to the lien of Ulster Savings Bank and being recorded on April 7, 2008 as Instrument No. 2008-00006190 in the office of the Clerk of the County of Ulster; and

WHEREAS, Liz & Ric, LLC currently have a commitment to refinance the first mortgage with Ulster Savings Bank in the amount of \$420,000.00 and expect to close on or before November 30, 2013; and

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WHEREAS, Liz & Ric, LLC have advised that Ulster Savings Bank is unwilling to accept such mortgage on the Mortgaged Property unless the County's Mortgage is subordinated to Ulster Savings Bank's mortgage and, therefore, have requested that a subordination agreement regarding this refinancing, a copy of which is on file with the Clerk of the Ulster County Legislature, be executed by the Chairman of the Ulster County Legislature; and

WHEREAS, in furtherance of this request, the Ulster County Legislature has determined that it is in the best interest of the County of Ulster to enter into the subordination agreement; and

WHEREAS, the Economic Development and Tourism Committee has met and reviewed the request with a majority of the members voting approval; and

WHEREAS, the Ways and Means Committee has met and reviewed said request with a majority of the members voting approval; now, therefore, be it

RESOLVED, that the Ulster County Legislature hereby approves the subordination agreement referenced herein and authorizes the Chairman of the Ulster County Legislature to sign the subordination agreement and deliver it to the Ulster County Attorney; and be it further

RESOLVED, that the subordination agreement shall be held in escrow by the Ulster County Attorney or her designee until such time as Liz & Ric, LLC closes on its refinance with Ulster Savings Bank,

and move its adoption.

ADOPTED BY THE FOLLOWING VOTE:

AYES: 21 NOES: 0
(Absent: Legislators Aiello and Harris)
(Legislator Donaldson arrived at 7:27 PM)
(Legislator Richard Parete arrived at 7:44 PM)

Passed Committee: Economic Development and Tourism on November 7, 2013

Passed Committee: Ways and Means on November 12, 2013

