

WORKFORCE HOUSING AGREEMENT

THIS AGREEMENT entered into this 15th day of May, 2014 between **HUDSON RIVER VALLEY RESORTS, LLC**, a domestic Limited Liability Company formed under the laws of the State of New York, with offices at 424 Williams Lake Road and PO Box 385, Rosendale, NY 12472 and the **TOWN OF ROSENDALE**, a municipal corporation of the State of New York with offices at Town Hall, 1915 Lucas Avenue, Cottekill, New York, 12419 (hereinafter “TOWN”)

WITNESSETH:

WHEREAS, HRVR has received Master Development Plan approval to permit construction of the Hudson River Valley Resort consisting of a Resort Hotel with associated amenities and a total of 154 residences to be located at the former Williams Lake Hotel property (hereinafter the “PROJECT”); and

WHEREAS, as a condition of Master Development Plan approval, the TOWN has required that HRVR commit to providing twelve (12) workforce housing units available to employees of the PROJECT and/or any other residents of the TOWN, County and Region; and

WHEREAS, the terms and conditions of a Workforce Housing Agreement for the PROJECT have been agreed upon between HRVR and the TOWN and are set forth herein;

NOW THEREFORE, in consideration of accomplishing the purposes of this Agreement and the mutual covenants and promises made each to the other HRVR and the TOWN agrees as follows:

SECTION I. PURPOSE:

The purpose of this Agreement is to provide the mechanism for provision of required workforce housing units within the proposed residential component of the PROJECT.

SECTION II. COMMITMENT:

HRVR hereby commits, subject to the terms and conditions of this Agreement, to the provision of twelve (12) workforce housing rental units within the residential component of the PROJECT.

SECTION III. WORKFORCE HOUSING:

For purposes of this Agreement, the term “Workforce Housing” shall mean, the provision of residential housing units for rent to employees of the PROJECT or the general community at the “Adjusted Monthly Affordable Rent”.

The Monthly Affordable Rent is defined as 30% of the Area Median Monthly Household Income, less a monthly allocation for utilities (excluding telephone). The Area Median Household Income is sourced from the US Census Bureau, with the “area” defined as Ulster County. The most recent definition of Ulster County’s Median Household Income will be used. The monthly allocation for utilities is based on the US Housing and Urban Development’s “Allowances for Tenant-Furnished Utilities and Other Services” for single-family attached rental units in Kingston, NY.

Renters of Workforce Housing will be charged the Adjusted Monthly Affordable Rent that corresponds to their particular Household Income Level. That is, the Monthly Affordable Rent will be adjusted to correspond to the annual income of the renter(s). The adjustment will be based on the percentage calculated by dividing the renter’s Annual Household Income by the Area Median Income (the “Adjustment Factor”). Renters who earn 80% of the Area Median Income, for example, will pay an Adjusted Monthly Affordable Rent equal to the Monthly Affordable Rent multiplied by an Adjustment Factor of .80.

Renters’ Annual Household Income Level will be determined by comparing the renter’s gross annual income (as evidenced in the renter’s salary or wages or as stated in the renters’ federal tax filings that immediately precede the start date of the rental lease). Prospective renters are subject to eligibility criteria as defined in Section IV.D.

Affordability analysis is based on U.S. Department of Housing and Urban Development (HUD) guidelines. Owner occupied housing is affordable if not more than 30% of a household’s gross income is spent on a mortgage payment, utilities, taxes, and insurance. For renter units, the HUD standard is that no more than 30% of a renter household’s income should be spent on rent and utilities (including fuel for heat, hot water and cooking, electricity for lights, water and waste water charges, and trash removal).

SECTION IV. IMPLEMENTATION:

A. Types of Workforce Housing Units:

Workforce housing units will be one, two or three bedroom apartments located in multi-family dwellings for rent.

B. Integration of Workforce Housing Units within the PROJECT:

Workforce housing units will be integrated within the residential areas of the PROJECT and will be of similar architecture, design and quality as for-sale residential units.

C. Ownership and Sale of Workforce Housing Units:

Workforce housing units within the PROJECT may be owned (and rented) by HRVR, the resort operator or a third-party. Workforce Housing units may be sold to a third party at any time; however, the terms of this agreement will apply to the new owners for the duration of this agreement and will be enforced via deed restrictions.

D. Eligibility Criteria:

Workforce housing unit candidates must meet the following eligibility criteria: Household Income shall not exceed 80% of Area Median Income, as defined by the US Census Bureau, with the “Area” defined as Ulster County. The most recent definition of Ulster County’s Median Household Income will be used when considering eligibility.

It is the policy of HRVR that there shall be no discrimination for workforce housing against any person on the basis of race, color, religion, sex, national origin, age, familial status or disability.

HRVR retains full and exclusive authority for the management of its operations, and shall retain sole responsibility for selecting residents of workforce housing units, whether employees of the PROJECT or residents of the general community.

E. Distribution of Workforce Housing Units within the PROJECT:

Two categories of housing are proposed by the PROJECT: Townhomes, and Single-Family Residences. Two neighborhoods of townhomes are proposed, (“Point Comfort” and “Kiln Village”). The Workforce Housing units to be constructed by HRVR shall be distributed throughout the PROJECT as follows:

- Point Comfort Townhomes: 3 of 42 Townhomes;
- Kiln Village Townhomes: 3 of 47 Townhomes;
- Single Family areas: A total of six workforce housing units will be created in the single-family areas.

F. Construction Phasing and Rental Schedule

The workforce units shall be constructed and advertised for rent generally as units are sold and completed in each neighborhood. The initial workforce unit in each housing area shall be constructed and offered for rent after the initial 25% of all units within each Housing Area are completed and sold, according to the following schedule.

Housing Area	25% Complete	50% Complete	75% Complete	100% Complete
Point Comfort (42 total units)	0/10*	1/22	2/32	3/42
Kiln Village (47 total units)	0/12	1/24	2/35	3/47

Single Family (65 total units)	0/16	2/33	4/49	6/65
Total (154 total units)	0	4	8	12

* Number of Workforce Housing units completed/ total number of housing units completed.

G. Rental Leases:

1. Terms of rental leases shall be determined by HRVR, but will generally be 12 months in duration.
2. Tenants will be responsible for monthly payment of the Adjusted Monthly Affordable Rent (as defined in Section III.), plus utilities. Tenants will not be responsible for common charges, maintenance fees or other Homeowners' Association fees.

SECTION V. ADMINISTRATION:

A. Reporting:

1. HRVR shall provide a written report to the TOWN within 30 days of the TOWN's written request for such report.
2. The Report shall summarize the number of workforce housing units completed and/or rented for each construction phase or phases covered by the Report. The Report shall further summarize efforts to market the workforce housing units, identify whether occupants are resort employees or community residents, provide evidence that occupants meet the household income eligibility criterion, and provide evidence that rental fees are no higher than the Adjusted Monthly Affordable Rent.

SECTION VI. TERM

This Agreement shall expire 25 years from the date the last Certificate of Occupancy is issued for the final (twelfth) workforce housing unit covered by this Agreement. After the term is complete, the owners of the Workforce Housing Units will be free to rent or sell the units at market rates.

SECTION VII. LIMITATIONS:

Notwithstanding anything to the contrary in this Agreement:

1. The parties acknowledge and agree that this Agreement should not impose undue administrative burdens on HRVR.

2. The parties recognize the need for the timely completion of the PROJECT without interruption or delay.

3. HRVR is entitled to retain and exercise full and exclusive authority for the management of its operations, and shall remain the sole judge in selecting qualified occupants of workforce housing.

SECTION VIII. DISPUTE RESOLUTION:

1. In the event that the Town believes that HRVR has not met its obligations pursuant to this Agreement, the Town shall provide a written document to HRVR describing in reasonable detail, the specific obligation not being satisfied, including an analysis of such non-performance (a "Written Notice").
2. Within a reasonable time period after receipt of such Written Notice, HRVR shall respond in writing, either a). agreeing to the Town's findings and including a written plan for achieving compliance with this Agreement, or b). disagreeing with the Town's findings and the reasons therefor.
3. In the event, written communication described in paragraphs 1 and 2 above does not result in a resolution satisfactory to the parties, or in the case of any other dispute in connection with this Agreement (a "Dispute"), then such party may submit the Dispute to a mediator. The mediator shall be an independent person, residing in New York with experience in real estate development and acceptable to HRVR and the TOWN (the "Mediator") or, if not possible by mutual agreement, then the American Arbitration Association.
4. Under no circumstance shall any Dispute authorize a work stoppage or delay or the withholding or withdrawal of any permits to construct or operate the PROJECT.
5. Given the nature of this Agreement and the uncertainty of the market for Workforce Housing, no party required to perform hereunder shall be held in violation unless the Mediator finds that the party has proceeded in bad faith.

SECTION IX. MISCELLANEOUS:

A. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous understandings, if any, with respect thereto.

B. This Agreement may not be canceled, modified, changed or supplemented, nor may any obligation hereunder be waived, except in a writing signed by the parties hereunder.

C. This Agreement shall extend to and be binding upon the successors, legal representatives, heirs, executors, administrators and the permitted assigns of the parties hereto.

D. The captions in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this contract or any of the provisions hereof.

E. This Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed an original.

F. If any provision or provisions of this Agreement shall be held to be invalid, illegal, unenforceable or in conflict with the State of New York or the United States, that provision or those provisions shall be deemed to be null and void and shall be deemed severed from the Agreement, and the validity, legality and enforceability of the remaining provisions of the Agreement shall not in any way be affected or impaired thereby.

G. This Agreement shall be construed under the laws of the State of New York.

H. This Agreement shall be construed in accordance with its plain meaning and without reference to any maxim or rule of interpretation providing that a writing should be construed against the party responsible for the drafting thereof. Both parties acknowledge and agree that this Agreement has been freely negotiated by both parties, and that, in any dispute over the meaning, interpretation, validity, or enforceability of this Agreement, of any of its terms or conditions, there shall be no presumption whatsoever against either party by virtue of the party having drafted this Contract or any portion thereof.

HUDSON RIVER VALLEY RESORTS, LLC

By: Longmeadow Capital Partners, LLC
its Manager

By: _____
Richard Steele, its Managing Member

TOWN OF ROSENDALE

BY: _____
Jeanne Walsh, Supervisor