

August 22, 2022

MEMORANDUM OF UNDERSTANDING

This non-binding Memorandum of Understanding ("MOU") between HUDSON PARK GROUP, LLC, a domestic New York limited liability company (NYS DOS ID# 3014856), with a business address at 100 Brookfield Road, Fleetwood, NY 10552 ("HUDSON") and the Town of Stony Point, a municipal corporation with a business address of 74 E. Main Street, Stony Point, New York 10980 (the "Town") outlines the understanding of HUDSON and the Town with regard to the proposed development of a portion of Town-owned property designated, which in its entirety consists of approximately 31.2 acres of vacant and improved land within what was formerly known as "Letchworth Village" (the "Letchworth Property"). HUDSON proposes to market, promote and develop a portion of the Letchworth Property. The Property to be purchased by HUDSON shall include Tax Lot 19.02-1-3, established as per subdivision map #8494 prepared by Atzl, Nasher & Zigler, P.C., filed in the Rockland County Clerk's Office on February 5, 2020, consisting of approximately 23.4 acres, in addition to a portion of Tax Lot 19.02-1-1.1 to the east of Tax Lot 19.02-1-3 of approximately 4 acres ("East Parcel") and a portion of Tax Lot 19.02-1-1.1 to the west of Tax Lot 19,02-1-3 of approximately 3.8 acres ("West Parcel"), collectively referred to as the "Premises" as set forth on the accompanying Exhibit "A".

For purposes of this MOU, "Party" shall refer to either HUDSON or the Town, and "Parties" shall refer collectively to HUDSON and the Town.

This MOU is intended to establish and confirm the basic principles, framework and understanding under which the Parties will commence and engage in exclusive negotiations towards entry into one or more definitive agreements for the ultimate transfer of title to the Premises by the Town to HUDSON (or to any affiliated company or other entity of its choice), which understanding is as follows:

1. HUDSON proposes to subdivide the Premises into several tax lots, based upon the uses and needs of the party(ies) acquiring title.
2. HUDSON (or one or more affiliates or other entity(ies) of its choice) will receive title to the entire Premises on terms to be agreed upon. It is anticipated that the Premises will be developed with one or more uses currently permitted with the "**Patriot Hills – Redevelopment Incentive Overlay**". HUDSON shall comply with all SEQRA requirements including, without limitation, scoping of any required Draft Environmental Impact Statements ("DEIS"), and preparation of any DEIS and Final EIS for all or any part of the Premises. The purchase price for Premises shall be THREE MILLION ONE HUNDRED THOUSAND (\$3,100,000) AND 00/100 DOLLARS ("Purchase Price") PLUS the cost of Purchaser renovating the Kirkbride Hall, constructing a Town Recreation

Center and reconfiguring the Town's Patriot Hills Golf Course as more specifically described in paragraph 4 (hereinafter "the Impact Projects").

3. Except as provided in paragraph 2 above, HUDSON (or one or more affiliates or other entity(ies) of its choice) will acquire the Premises "as is" and will assume all obligation and costs in connection with (i) any demolition of buildings and site improvements on the Premises, including underground tunnels, to the extent such demolition is necessary for planned improvements on the Premises; (ii) asbestos or any other required remediation and removal from all structures and underground tunnels on the Premises, (iii) debris disposal, and (iv) site preparation and all costs of the total buildout.

4. Upon the approval and execution of the MOU, the Parties agree to negotiate in good faith, and use their best efforts, to complete the execution and formalization of one or more definitive agreements in furtherance of the transactions contemplated herein (each a "Definitive Agreement") which will document the terms and conditions of each transaction, in a form mutually acceptable to both Parties. The Definitive Agreement shall include a Contract of Sale and Rider in substantially the form annexed hereto as Exhibit "B." As part of its obligations under the Definitive Agreement and as set forth in greater detail therein, Purchaser shall, at its cost:

- A. Renovate Kirkbride Hall building ("Kirkbride Hall") to accommodate the Town Justice Court operations; Kirkbride Hall and immediate environs ("Kirkbride Property") shall remain under Town ownership and HUDSON shall cause the Kirkbride Property to be subdivided from the Premises so that a new lot is created for the Kirkbride Property. The Kirkbride Property shall include the existing parking lot adjacent to Kirkbride Hall as well as an area around Kirkbride Hall to be mutually defined by the Parties. The renovations shall include creation of an access road to the Kirkbride Property from Willow Grove Road. The Town shall be permitted to continue to use the existing Town Justice Court facility until the renovation of Kirkbride Hall is complete and usable for Town Justice Court purposes.
- B. Shall construct a Town Recreation Center on Town Property, specifically on tax parcel 19.02-4-1 which shall not exceed 10,000 square feet of recreation space to substitute for the current Town recreation space located in Kirkbride Hall and shall include required furniture, fixtures and equipment. The construction of the Recreation Center shall be completed prior to commencement of the renovation of Kirkbride Hall. The Recreation Center shall be a Butler® Building or substantial equivalent which shall be described in the scope of work described in paragraph 5.
- C. Shall remove or remediate and renovate all existing, former Letchworth buildings on the Premises, except Kirkbride Hall which shall only be renovated on the interior to accommodate the Town Justice Court as discussed in subparagraph "A" above.

- D. Agree to construct replacement areas and reconfigure the existing Patriot Hills Golf Course to account for the portions of the Premises to be conveyed that currently contain portions of the sixteenth and seventh golf holes of the Patriot Hills Golf Course. Such reconstruction and reconfiguration shall be described in the scope of work described in paragraph 5 and shall be designed in a manner that retains the design integrity of the Patriot Hills Golf Course.
- E. Apply for and obtain modification of the lot lines of parcel 19.02-1-3 to incorporate the East Parcel and the West Parcel into such lot to be conveyed to HUDSON, subject to confirmation of a final metes and bounds description of the East and West Parcels.

5. Within one hundred twenty (120) days after execution of this MOU, HUDSON, working in conjunction with the Town, shall prepare and submit to the Town documents outlining the scope of work for the Impact Projects (items 4(a), 4(b) and 4(d) above) and indicating the projected and itemized costs thereof (“Scope of Work”). This MOU and the sale of the Premises shall be subject to agreement of the TOWN and HUDSON to the Scope of Work and the projected itemized costs of the Impact Projects. In the event that the costs of the Impact Projects exceed Two Million One Hundred Thousand (\$2,100,000) Dollars, the Town and HUDSON may agree to a reduction of the Purchase Price in consideration of the estimated costs of the Impact Projects. If the Town and HUDSON cannot come to an agreement on the reduced Purchase Price, the Town or HUDSON may terminate the MOU and the parties shall not be required to proceed with the sale/purchase of the Premises. Further, if the Town and HUDSON cannot come to agreement on the proposed Scope of Work for the Impact Projects, either party may terminate this MOU, upon thirty (30) days’ written notice to the other party at the address set forth herein.

6. This MOU shall have a term of eighteen (18) months from the date of full execution by all Parties (the “Term”) if executed prior to December 31, 2022. If executed after December 31, 2022, the MOU shall be for a period of fifteen (15) months from the date of execution. This MOU may be extended by mutual, written agreement of the parties.

7. A. During the Term of this MOU and until the execution/formalization of each of the contemplated transactions, the Town represents, covenants and warrants that, without the express written consent of HUDSON, the Town (i) will not sell, transfer, lease or otherwise encumber any part of the Premises, and will not commence, solicit, continue or conclude discussions or negotiations with persons or parties other than HUDSON to sell, transfer, lease or otherwise encumber, any part of the Premises; (ii) will cause all of its representatives to immediately cease any and all existing discussions or negotiations with any person other than HUDSON and its advisors and representatives relating to any Alternative Transaction (as defined below) and (iii) will not enter into any other transaction the purpose or effect of which would be reasonably expected to, or which would prevent or render impractical, or otherwise frustrate or impede in any material respect, the transactions contemplated herein under the terms and conditions set forth in

this MOU (each of the foregoing defined as an ("Alternative Transaction")).

B. In consideration of the Town's representations, covenants and warranties contained in Section 7.A above, HUDSON will pay the Town the sum of \$8,333.33 per quarter during the Term, except that no payment shall be due to the Town for the first quarter that the MOU is in effect in light of the costs incurred by HUDSON in preparing the Scope of Work. The first payment shall be made no later than 121 days after the execution of the MOU which shall be payment in advance for the second quarter of the term of this MOU. Subsequent payments shall be made on a quarterly basis, measured from the first payment. HUDSON may opt, in its discretion, to pay a lump sum payment for one year as the first payment, in lieu of quarterly payments. In the event that HUDSON fails to make a quarterly payment as required herein within fourteen (14) days after receiving notice of such overdue quarterly payment from the Town, the Town may terminate this MOU and the proposed sale of the Premises via written notice to HUDSON.

C. The Town specifically acknowledges that HUDSON will incur significant costs, fees and expenses by relying on the provisions of this paragraph 7 and that if the Town breaches these provisions the Town must (without prejudice to any other remedies HUDSON may have, including without limitation injunctive relief) indemnify HUDSON for all costs, fees and expenses incurred in connection with HUDSON's efforts to market, promote and develop the Premises, including without limitation, amounts paid to the Town pursuant to paragraph 7.B. above.

8. All information received by a Party from another Party during the negotiations and, in particular, any documents or information provided by any party and/or its representatives in the course of this MOU, shall, to the extent permitted by law, be treated by the receiving Party as strictly confidential. The Parties shall cause their employees, representatives, and advisors to maintain as confidential all the foregoing information. Additionally, should the contemplated transactions fail to materialize the Town agrees that it will not utilize or incorporate into use any designs, plans, ideas or proposals for the development of the Premises ("Designs") developed by HUDSON (or its affiliates) and presented to the Town without HUDSON's written consent and without compensation to HUDSON for the value of such Designs. Additionally, to the extent permitted by law, the Parties shall treat as strictly confidential the existence and the content of this MOU, as well as the existence of any negotiations hereunder.

9. The Parties acknowledge that this MOU does not constitute, nor shall it be interpreted as a binding commitment or agreement for either of the Parties and that they shall not be bound by its terms. Without limiting the foregoing, the Parties agree that they will never institute any action or suit at law or in equity against one another by reason of any claim relating to the failure or refusal of either Party hereto to negotiate or execute a Definitive Agreement with respect to any of the transactions contemplated herein or by reason of any claim relating to the failure or refusal of either Party to approve or authorize a Definitive Agreement with respect to the any of the transactions contemplated herein.

Notwithstanding the foregoing, numbered paragraphs "6", "7", "8" and "9" shall constitute binding and legally enforceable obligations of the Parties.

10. HUDSON understands and acknowledges that an authorization to convey Town property is, pursuant to New York State Town Law § 64(2), subject to the permissive referendum provisions of New York State Town Law, Article 7 (Sections 90-94) and the parties agree and understand that the Town will initiate that permissive referendum process by motion of the Town Board pursuant to Town Law § 94. The parties agree and understand that the conveyance of the Premises shall be subject to approval of an election ballot referendum by Town voters. HUDSON further understands and acknowledges that in the event that the conveyance is placed on an election ballot requiring a special election, HUDSON shall reimburse the Town the costs of conducting such special election should HUDSON desire to continue pursuing the acquisition of the Premises.

11. HUDSON understands and acknowledges that the Town is a political subdivision in the State of New York and is subject to, and must operate under, various state statutes applicable to the Town, and the Town Board members, as fiduciaries representing the people of the Town of Stony Point, must act in the best interests of the residents of the Town and cannot convey municipal property for an amount other than at least fair market value taking into consideration all relevant factors that are determinative of fair market value. HUDSON agrees to pay the costs of a real estate appraisal to be obtained by the Town by an appraiser of the Town's choice.

12. In the event that litigation involving either this MOU or HUDSON'S acquisition of the Premises is filed by a third party against the Town of Stony Point, HUDSON shall pay the Town's costs with respect to such litigation or, if HUDSON declines to pay such costs, the Town may withdraw from and terminate this MOU and any other agreements between the Town and HUDSON, without any cost to the Town or liability for any payment to HUDSON.

13. In addition to the responsibility for costs and fees in Chapter A221 of the Town Code, HUDSON agrees to pay the Town's reasonable expenses related to the acquisition of the Premises for the Town's professional reviews, including but not limited to legal fees, engineering fees and other professional fees incurred for the benefit of HUDSON'S acquisition of the Premises. Such costs shall be billed on a monthly basis to HUDSON.

(Signature Page to Follow)

HUDSON PARK GROUP, LLC

By: [Signature]

Name: Glen Ketravite

Title: Managing Member

Date: August 16, 2022

TOWN OF STONY POINT

By: [Signature]

Name: Jim Moraghan

Title: Town Supervisor

Date: 8/16/22