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THIS INDENTURE, made the 3 day of *December* nineteen hundred and ninety-two between THE CITY OF NEW YORK, a municipal corporation, having its principal office at City Hall, Borough of Manhattan, City and State of New York hereinafter designated as the first party

and RIVINGTON HOUSE HEALTH CARE FACILITY, a domestic corporation organized under the Not-For Profit Corporation Law and Article 28-A of the Public Health Law having its principal place of business at 607 Hudson Street, New York, New York 10014

hereinafter designated as the second party.

WHEREAS, the Mayor of the City of New York by Authorization on the 2nd day of December, 1992, ("Exhibit A") ordered and directed the sale pursuant to Section 2861 of the Public Health Law of the State of New York of the premises hereinafter described for the price of ONE MILLION FIVE HUNDRED FIFTY THOUSAND (\$1,550,000.00) DOLLARS, and

NOW, THEREFORE, WITNESSETH: That the first party, in consideration of the sum of ONE MILLION FIVE HUNDRED FIFTY THOUSAND (\$1,550,000.00) DOLLARS

lawful money of the United States, paid by the second party, does hereby grant and release unto the second party, the heirs or successors and assigns of the second party forever,

All that/those certain place/s or parcel/s of land, together with any improvements thereon, situate, lying and being in the Borough of MANHATTAN City and State of New York, designated on the Current Tax Map of the City of New York, for the Borough of MANHATTAN as,

Block 420 , Lot/s 47  
(Formerly known as Block 420, Lot/s: 47,48,49) ("The Premises")

The party of the second part has herewith executed and delivered to the party of the first part, an Enforcement Lien Mortgage in the sum of ONE MILLION TWO HUNDRED THOUSAND (\$1,200,000.00) DOLLARS which is intended to be recorded simultaneously herewith to secure performance by the second party of the condition subsequent set forth in Paragraph 3 herein.

The estate conveyed is being sold subject to the following conditions; which shall run with the land:

1. Use and development of the subject property is limited in perpetuity to a Not-For-Profit "Residential Health Care Facility", as such use is defined in the New York State Public Health Law or successor statutes ("Facility"), and uses ancillary thereto.

For the purposes of this offering, Not-For-Profit shall be defined as those uses allowable pursuant to Section 501(c) of the United States Internal Revenue Code and/or The New York State Not-For-Profit Corporation Laws.

2. Rehabilitation of the building on the Premises substantially in accordance with the building plans approved by the Department of Buildings in accordance with the use restriction set forth in Paragraph 1 herein shall be completed as evidenced by a temporary Certificate of Occupancy for a substantial portion of the building, within three (3) years from the date of this deed.
3. Continued compliance by the party of the second part, its successors and assigns, with the terms of the contract ("Transfer and Affiliation Agreement") between the party of the second part and The New York City Health and Hospitals Corporation ("HHC") to ensure that, on average, eighty (80) beds are available to HHC on a priority basis for those patients referred from HHC hospitals to the facility operated by the party of the second part ("Priority Access"). This condition subsequent shall run for a period of 10 years from the date of initial operation of the Facility as certified by the New York State Department of Health and shall automatically expire and be of no further force and effect at the end of such 10 year period, subject to the tolling of such period as provided in Section 16 (d) of the Transfer and Affiliation Agreement.

*158 16) Fwy 11 Street  
154 Fwy 11 Street  
156 Fwy 11 Street*

Upon the breach of any of the conditions subsequent set forth above, but subject, however, to the terms and conditions of the Subordination Agreement, dated December 3, 1992 made by the City of New York for the benefit of the New York State Medical Care Facilities Finance Agency ("MCFFA"), the State of New York Mortgage Agency ("SONYMA"), Chemical Bank and Capital Guaranty Insurance Company, and their respective successors and assigns (the "Subordination Agreement"), then, after written notice of default and failure to cure within sixty (60) days of such notice (except that if said default cannot be cured within sixty (60) days, then within six (6) months), the party of the first part shall have the right, subject to the laws of the State of New York, to re-enter and take possession of the property and to terminate the estate conveyed by this deed and title shall re-vest in the City of New York, subject only to the lien of the mortgage of the Institutional Lender (as defined herein) providing construction and/or permanent financing for the acquisition, rehabilitation, development and/or operation of the Premises (the "Holder"). The party of the first part shall provide any Holder of record with the same notice of default and opportunity to cure as is provided above with respect to the party of the second part.

For purposes hereof, "Institutional Lender" shall mean a savings and loan association, a savings bank, a commercial bank or trust company (whether acting individually, as trustee under an indenture of mortgage and deed of trust or in any fiduciary capacity), an insurance company, an educational institution, or a state, municipal or similar public employees' welfare, pension or retirement fund or system or any other corporation or organization subject to supervision and regulation by the insurance or banking departments to the State of New York or the United States Treasury, or any successor department or departments hereafter exercising the same functions as said departments; provided such Institutional Lender shall be subject to service of process within New York State and shall either have a net worth of fifty million Dollars (\$50,000,000.00) or assets of at least Two Hundred Fifty Million Dollars (\$250,000,000). The definition of an Institutional Lender shall specifically include such financing as shall be provided by an agency incorporated pursuant to the provisions of the New York State Medical Care Facilities Financing Act.

TO HAVE AND TO HOLD the premises herein granted unto the second party, the heirs and successors and assigns of the second party forever.

Subject to: (1) The Subordination Agreement; (2) Any state of facts an accurate survey would show; (3) The rights, if any, of tenants and persons in possession, if any; (4) All violations of any local, State or Federal Government having jurisdiction thereof existing at the time of closing; (5) Building restrictions and zoning regulations in force at the time of the delivery of the deed and covenants, restrictions of record, and easements affecting the subject property; (6) The trust fund provisions of section thirteen of the Lien Law; and (7) All pending assessments, if any, which the second party will assume; and (8) All provisions of the Standard Terms and Conditions of Sale in force and effect at the time of the Sale that are applicable.

In the event of the acquisition by the City of New York by condemnation or otherwise of any part or portion of the above premises lying within the bed of any street, avenue, parkway, expressway, park, public place or catch-basin as said street, avenue, parkway, expressway, park, public place or catch-basin is shown on the present City map, the party of the second part, the heirs or successors and assigns of the party of the second part, shall only be entitled as compensation for such acquisition by the The City to the amount of one dollar, and shall not be entitled to compensation for any buildings or structures erected thereon within the lines of the street, avenue, parkway, expressway, park, public place or catch-basin so laid out and acquired. This covenant shall be binding upon and run with the land and shall endure until the City Map is changed so as to eliminate from within the lines of said street, avenue, parkway, expressway, park, public place or catch-basin any part or portion of the premises and no longer.

REEL 1927PG0252

SCHEDULE "A"

All that/those certain piece/s or parcel/s of land, together with any improvements thereon, situate, lying and being in the Borough of MANHATTAN City and State of New York designated on the CURRENT Tax Map of the City of New York, for the Bcrough of MANHATTAN

BLOCK 420                      LOT/S 47  
(Formerly Known as Block 420, Lots 47,48,49)

**"EXHIBIT A"****THE MAYOR****City of New York**

WHEREAS, Section 2861 of the New York State Public Health Law ("PHL") grants the Mayor power to authorize the sale of City-owned real property to a nursing home company incorporated under the New York State Not-For-Profit Corporation Law and Article 28-A of the PHL, subject to approval of the Commissioner of New York State Department of Health ("Commissioner"), upon terms approved by the Mayor without public auction or bidding; and

WHEREAS, Rivington House Health Care Facility ("Rivington") is a nursing home company incorporated under the Not-For-Profit Corporation Law and Article 28-A of the PHL; and

WHEREAS, Rivington wishes to acquire a parcel of City-owned real property known as Block 420 Lot 47, (formerly known as Block 420, Lots 47, 48 and 49), in the Borough of Manhattan ("Property") for use as a Not-For-Profit Residential Health Care Facility qualified under Article 28-A of the Law ("Project"); and

WHEREAS, the Board of Estimate authorized the disposition of the Property pursuant to Section 197-c of the Charter of the City of New York ("Charter") on the following dates:

Lot 47, 4/13/89 (Cal.#6) (Unrestricted);  
Lot 48, 5/22/86 (Cal.#91) and Lot 49, 2/6/86  
(Cal. #2) (both Unrestricted subject to a  
prior attempt by the Division of Real Property  
("DRP") to dispose of the Lots for economic  
development purposes, which attempt was  
terminated 12/1/87); and

WHEREAS, the Board of Estimate pursuant to Section 384 of the Charter authorized a sealed bid sale of the Property at a minimum upset price of \$1,550,000 (based on the DRP appraised price of \$2,400,000 reduced by an \$850,000 allowance for asbestos removal) by resolutions adopted the following dates ("Resolutions") 9/14/89 (Cal. #174); 9/28/89 (Cal. #358); 2/8/90 (Cal. #310); and

WHEREAS, the sealed bid sale of the Property was subject to the Standard Terms and Conditions of Sale as adopted by the Board of Estimate February 8, 1990 (Cal. No. 310) ("Standard Terms and Conditions of Sale") and to certain special Terms and Conditions set forth in the Resolutions; and

WHEREAS, Rivington's assignor, Village Nursing Home, Inc. ("Village") was the high bidder at the sealed bid sale of the Property June 7, 1990; and

WHEREAS, Village deposited \$360,000 of the purchase price leaving a balance due at closing of \$1,190,000; and

WHEREAS, use and development of the Property was limited in perpetuity to a Not-For-Profit Residential Health Care Facility as such use is defined in the PHL and Successor statutes; and

WHEREAS, "Not-For-Profit" was defined as those uses allowable pursuant to Section 501(c) of the United States Internal Revenue Code and for The New York State Not-For-Profit Corporation Laws, and successor statutes; and

WHEREAS, transfer of title was subject to certain conditions subsequent and rights of reacquisition to be reflected in the deed ("Deed") and to run with the Property; and

WHEREAS, the Resolutions authorized the Deputy Commissioner of DRP to subordinate such restrictions and rights of reacquisition

"as necessary for the successful bidder to secure financing for a project that meets the use and development restrictions"; and

WHEREAS, the Resolutions further provided that "such requirements shall be determined in conjunction with the lending institution and shall be subject to agreements with the City which shall serve to define the extent of the subordination and which shall authorize the primary mortgage holder to exercise such agreements in behalf of the City to protect the deed covenants and ensure continuation of the use;" and

WHEREAS, in order to provide financing for the Project the lending institutions insisted upon a subordination agreement providing for extinguishment of the use restrictions ("Use Restrictions") and rights of reacquisition in the Deed immediately upon the occurrence of a covered default under Rivington's mortgage to New York State Medical Care Finance Agency ("MCFFA Mortgage"); and

WHEREAS, it has been determined by the City that such a subordination agreement would exceed the authorization set forth in the Resolutions; and

WHEREAS, it has been further determined by the City, with the advice of Corporation Counsel that Section 2861 of the PHL empowers the Mayor to authorize DRP to sell the Property to Rivington upon terms approved by the Mayor without advertisement or public auction.

NOW, after due consideration, the Mayor hereby authorizes the Department of General Services, Division of Real Property, pursuant to Section 2861 of the New York State Public Health Law, to sell the City-owned property known as Block 420, Lot 47, (formerly known as Block 420, Lots 47, 48 and 49), Borough of Manhattan to Rivington House Health Care Facility for \$1,550,000 subject to the following terms and conditions:

1. At or prior to closing Rivington shall enter into a Transfer and Affiliation Agreement with New York City Health and Hospitals Corporation ("HHC") to ensure that an average of eighty (80) beds annually are available on a priority basis to patients referred from HHC hospitals (Priority Access);
2. Rivington shall execute an Enforcement Lien Mortgage ("City Mortgage") and Note to the City of New York in the amount of \$1,200,000 for the same term as its obligation to provide Priority Access with terms for amortization and satisfaction sufficient to secure the City's right to Priority Access;
3. Rivington shall execute a Letter Agreement with the City under which Rivington agrees to refund to the City the amount, if any, by which the actual cost of removal of asbestos from the Property is less than \$850,000;
4. Transfer of title to Rivington shall be subject to the following conditions subsequent, which shall be reflected in the Deed and shall run with the Property:
  - a) Use and development of the Property is limited in perpetuity to a Not-For-Profit Residential Health Care Facility, as defined above, and uses ancillary thereto;
  - b) Rehabilitation of the building ("Building") on the Property substantially in accordance with building plans approved by the Department

of Buildings in accordance with the use restriction set forth in subparagraph 4(a) herein shall be completed, as evidenced by a Temporary Certificate of Occupancy, for a substantial portion of the Building within three (3) years of the date of this deed;

c) Continued compliance by Rivington, its successors and assigns, with the terms and conditions of the Transfer and Affiliation Agreement for a period of ten (10) years from the date of initial operation of the Facility as certified by the New York State Department of Health;

Upon the breach of any of the foregoing conditions subsequent, then, after notice and an opportunity to cure, the City shall have the right to re-enter and reacquire the property, in fee simple, subject only to the lien and mortgage rights of an institutional construction loan or a permanent "take-out" loan from an institutional lender, which shall include the New York State Medical Care Facilities Financing Agency ("MCFFA") and Chemical Bank ("Chemical") with regard thereto. Notice of the cessation of the use shall include an action by the State of New York Department of Health to revoke the Operating Certificate of the Residential Health Care Facility, pursuant to Article 2806 of the New York State Public Health Law. An opportunity to cure shall be provided for a period not to exceed six (6) months during which time the Operating Certificate for the Residential Health Care Facility must be reinstated.

Notwithstanding the provisions stated in the preceding paragraph, the Deputy Commissioner is authorized to execute an agreement subordinating the said restrictions and rights of reacquisition, and extinguishing same under circumstances defined in the agreement ("Subordination Agreement") to the extent required in order to secure a mortgage loan made by MCFFA and Chemical which loan is insured by the State of New York Mortgage Agency and financed by the sale of bonds issued by MCFFA the Mortgagee, to be insured by Capital Guaranty Insurance Company.

Specifically, the Deputy Commissioner is authorized to enter into a Subordination Agreement which provides, subject to such amendment as may be approved by Corporation Counsel, that:

1. The City shall have the right to seek legal and equitable relief in the event of non-compliance by the Mortgagor with its obligations to the City, subject to the provisions set forth below. The City may not (a) exercise its right of re-entry, reversion or foreclosure or any other remedy set forth in the Deed and the City Mortgage, (b) enforce the conditions relating to rehabilitation, use and priority access set forth in the Deed by exercise of its right of re-entry and reversion, or (c) exercise any of its other rights pursuant to the City Mortgage made as of the date hereof between the Mortgagor and the City, unless and until either (x) MCFFA (in its sole discretion) shall consent thereto, or (y) the Prior Mortgages shall be fully satisfied and discharged by the City and all other obligations of the Mortgagor with respect to the related Project (the "Project"), including, without limitation any outstanding contract and other obligations of the Mortgagor with respect to the Project, shall be fully satisfied and discharged.

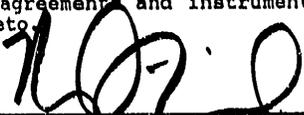
2. In the event of an uncured default by the Mortgagor under the MCFFA Mortgage, prior to assignment of the MCFFA Mortgage to SONYMA, Chemical, Capital Guaranty or the Trustee, or any designee of the foregoing, MCFFA shall use reasonable efforts to continue the operation of the Project as a not-for-profit residential health care facility by a qualified operator in accordance with the restriction set forth in the Deed on a financially feasible basis as determined by MCFFA.

REEL 1927PG0236

3. Irrespective of the compliance by MCFFA of its obligations set forth in paragraph 2. above, upon (a) the assignment of the MCFFA Mortgage (or any part thereof) by MCFFA to SONYMA, Chemical, Capital Guaranty or the Trustee, or any designee of any of the foregoing, or (b) the conveyance of title to the property subject to the MCFFA Mortgage resulting from a mortgage foreclosure sale or deed in lieu of foreclosure, at the option of the holder of the MCFFA Mortgage, in its sole discretion, the City's right of re-entry and reversion set forth in the Deed and the City Mortgage and the conditions relating to rehabilitation, use and priority access set forth in paragraphs 1, 2 and 3 of the Deed (the "Use Restrictions") shall automatically terminate and be void and of no further force and effect. Notwithstanding such automatic termination, the City shall execute and deliver to MCFFA any release or other agreement reasonably requested by MCFFA to evidence the termination of the Use Restrictions.

Except as specifically provided herein, all Standard Terms and Conditions of Sale shall apply to this sale.

The Deputy Commissioner of the Division of Real Property of the Department of General Services is hereby authorized to execute such agreements and instruments after approval as to form by the Corporation Counsel, and to take such other actions as he may deem advisable to effectuate this transaction, and the City Clerk is hereby directed to attest such agreements and instruments and to affix the seal of the City thereto.

  
\_\_\_\_\_  
NORMAN STEIGEL  
FIRST DEPUTY MAYOR

Date: Dec 2, 1992

REEL 192760257

IN WITNESS WHEREOF, the party of the first part has caused these presents to be subscribed to by the Deputy Commissioner of General Services, Division of Real Property and by the City Clerk and its corporate seal to be hereunto affixed the day and year first above written.

THE CITY OF NEW YORK

By: Randi E. Gordon  
Deputy Commissioner  
Department of General Services,  
Division of Real Property

Approved As To Form:

[Signature]  
Acting Corporation Counsel

By: [Signature]  
1st Deputy and Acting  
City Clerk

RIVINGTON HOUSE HEALTH CARE FACILITY

By: Charles B. Powell  
VICE PRESIDENT

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

On this 2<sup>nd</sup> day of December 1992, before me personally came RANDI E. GORDON to me known and known to me to be the Deputy Commissioner of the Department of General Services, Division of Real Property of the City of New York and the same person who executed the foregoing Deed, and she acknowledged that she executed the foregoing Deed on behalf of the City of New York as said Deputy Commissioner of the Department of General Services, Division of Real Property pursuant to the authority vested in her by authorization of the Mayor, date and Calendar number, set forth in the within instrument.

JOAN CHESELIN  
Notary Public, State of New York  
No. 314349502  
Qualified in New York County  
Commission Expires 4/17/93

[Signature]

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

On this 2<sup>nd</sup> day of Dec. 1992, before me personally came RAYMOND C. TEATUM, with whom I am acquainted and known to me to be the 1st Deputy and Acting City Clerk of the City of New York, being by me duly sworn, deposes and say: that he resides at 45 East End Avenue, New York, New York; that he is the 1st Deputy and Acting City Clerk of the City of New York, the municipal corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that it was so affixed as provided by law; and that he signed his name thereto as 1st Deputy and Acting City Clerk by like authority.

[Signature]

VIVIAN RHEM  
Commissioner of Deeds  
City of New York, No. 2-7054  
Certificate Filed in Kings County, City of New York, No. 2-7054  
Commission Expires May 1, 1993  
Commission Expires April 1, 1990

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

On this 3<sup>rd</sup> day of Dec, 1992, before me personally came [Signature] to me known, who, being by me duly sworn, did depose and say that he/she resides at [Address], that he/she is the President of RIVINGTON HOUSE HEALTH CARE FACILITY, INC., the corporation described in and which executed, the foregoing instrument; that he/she knows the seal of said corporation; that it was so affixed by order of the Board of Directors of said corporation; and that he/she signed his/her name thereto by like order.

[Signature]

ELLEN M. KRESBACK, JR.  
Notary Public, State of New York  
No. 41-4868679  
Qualified in Queens County  
Commission Expires Sept. 22, 1994

REEL 1927PG0258

DEED

BLOCK: 420 (aka 47, 48 & 49)  
LOT(S): 47  
COUNTY: NEW YORK

THE CITY OF NEW YORK  
TO  
RIVINGTON HOUSE HEALTH CARE FACILITY

26262  
*[Signature]*  
9001-00198

Record and return to:

City of New York  
Division of Real Property  
2 Lafayette Street - Room 2200  
New York, N.Y. 10007  
Title Closing Unit

CHICAGO TITLE INSURANCE  
1211 AVE. OF THE AMERICAS  
28th FLOOR  
NEW YORK, N.Y. 10036-8701

(314)

*copy of*

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6,200-  
R 5173  
RPT

Y-1

6,200  
REAL ESTATE  
DEC 15 1992  
TRANSFER TAX  
NEW YORK  
COUNTY

OFFICE OF CITY REGISTER  
New York County  
RECORDED  
Witness my hand  
and official seal

*Joy A. Bolinas*  
City Register

1992 DEC 15 PM 3:26

DEED  
CHIEF

451890  
\$31,000  
451890  
\$11.00