

**RESOLUTION AUTHORIZING PERMANENT MORTGAGE
HILLSIDE COMMONS ONEONTA, LLC PROJECT**

A regular meeting of County of Otsego Industrial Development Agency (the "Agency") was convened in public session at the office of the Agency located at 189 Main Street, Suite 500, in the City of Oneonta, Otsego County, New York on May 28, 2015 at 8:00 o'clock a.m., local time.

The meeting was called to order by the Treasurer of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Jeffrey C. Lord	Treasurer
Joseph A. Bernier	Secretary
Devin S. Morgan	Member
Craig Gelbsman	Member
James Salisbury	Member

ABSENT:

Robert S. Hanft	Chairman
James M. Jordan	Vice Chairman
Hugh I. Henderson	Assistant Secretary
Leonard Marsh	Member

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Sandy Mathes	CEO
Elizabeth Horvath	COO
Kurt D. Schulte, Esq.	Agency Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by James Salisbury, seconded by Devin S. Morgan, to wit:

Resolution No. 0515-__

RESOLUTION AUTHORIZING THE EXECUTION BY COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY OF A CERTAIN MORTGAGE AND RELATED DOCUMENTS IN CONNECTION WITH THE HILLSIDE COMMONS ONEONTA, LLC PROJECT.

WHEREAS, the Agency is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 252 of the 1973 Laws of New York, as amended, constituting Section 910-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State

of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on October 7, 2013 (the “Lease Closing”), the Agency granted certain financial assistance to Hillside Commons Oneonta, LLC (the “Company”) to assist in financing a project (the “Project”) consisting of the following: (A)(1) the acquisition of an interest in an approximately 15 acre parcel of land located at 150 Blodgett Drive in the City of Oneonta, Otsego County, New York, more fully described as tax map numbers 288.6-1-2, 288.6-1-3, 288.6-1-62, 288.6-1-63 and 288.6-1-64, plus a portion of Blodgett Drive to be conveyed to the Company by the City of Oneonta (the “Land”), together with two (2) buildings containing approximately 6,000 square feet of space located thereon (collectively the “Existing Facility”), (2) the demolition of the Existing Facility, (3) the construction on the Land of a building to contain approximately +/- 170,000, square feet of space providing for approximately 117 units and approximately 330 beds (the “Facility”) and (4) the acquisition and installation therein and thereon of certain machinery and equipment (collectively, the “Equipment”) (the Land, the Existing Facility, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and operated as a student apartment facility and other directly and indirectly related uses; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real property transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease of the Project Facility to the Company pursuant to the terms of a lease agreement dated as of October 1, 2013 (the “Lease Agreement”) by and between the Company and the Agency; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement, the Company executed and delivered to the Agency (A) a certain lease to agency dated as of October 1, 2013 (the “Lease to Agency”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company leased to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the “Premises”) for a lease term ending on December 31, 2030; and (B) a bill of sale dated as of October 1, 2013 (the “Bill of Sale to Agency”), which conveyed to the Agency all right, title and interest of the Company in the Equipment; and

WHEREAS, in order to finance a portion of the costs of the Project, the Company obtained a loan in the principal sum of \$20,550,000 (the “Construction Loan”) from M&T Bank (the “Construction Lender”), which Loan was secured by a mortgage recorded on December 23, 2013 (the “Construction Mortgage”) from the Agency and the Company to the Construction Lender; and

WHEREAS, by correspondence dated May 11, 2015 (the “Request”), which Request is attached hereto as Exhibit A, the Agency was informed that the Company intends to refinance the Construction Loan with a permanent loan in the amount of \$21,500,500 (the “Permanent Loan”) with the Centerline Mortgage Partners Inc. (the “Permanent Lender”), which Permanent Loan will be secured by a mortgage (the “Permanent Mortgage”) from the Agency and the Company to the Permanent Lender; and

WHEREAS, in connection with the Request, the Company would like the Agency to enter into the Permanent Mortgage and any other security documents and related documents (collectively, the “Permanent Financing Documents”); and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations" and collectively with the SEQR Act, "SEQRA"), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to proceed with the Request; and

WHEREAS, pursuant to SEQRA, the Agency has examined the Request in order to make a determination as to whether the Request is subject to SEQRA, and it appears that the Request constitutes a Type II action under SEQRA;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. Based upon an examination of the Request, the Agency hereby makes the following determinations:

(A) The Request constitutes a "Type II action" pursuant to 6 NYCRR 617.5(c)(23), and therefore that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Request.

(B) That since compliance by the Agency with 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.

Section 2. The Agency hereby approves the execution and delivery of the Permanent Financing Documents, provided, however, that such consent is contingent upon (A) the written consent by any holder of any mortgage on the Project Facility, if required, (B) approval by Agency Counsel and Agency Special Counsel to the form of the Permanent Financing Documents, (C) compliance with the terms and conditions contained in the Basic Documents, (D) evidence satisfactory to the Agency that all payments in lieu of taxes and other local fees and assessments relating to the Project Facility, if any, have been paid, (E) any mortgage recording tax exemption to be granted in connection with the execution of the Permanent Financing Documents shall be in an amount less than \$100,000, (F) the payment by the Company of the up-front administrative fee of the Agency in the amount of \$20,000 and the annual fee of the Agency in the amount of \$1,500, and all other fees and expenses of the Agency in connection with the delivery of the Permanent Financing Documents, including the fees of Agency Counsel and Agency Special Counsel, and (G) the following additional conditions: None.

Section 3. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chairman (or Vice Chairman, Treasurer or Secretary) of the Agency is hereby authorized to execute and deliver the Permanent Financing Documents to the Company, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman, Treasurer or Secretary) shall approve, the execution thereof by the Chairman (or Vice Chairman, Treasurer or Secretary) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Permanent Financing Documents, and to execute and deliver all such additional

certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Permanent Financing Documents binding upon the Agency.

Section 5. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Robert S. Hanft	VOTING	<u>Absent</u>
James M. Jordan	VOTING	<u>Absent</u>
Joseph A. Bernier	VOTING	<u>Yes</u>
Jeffrey C. Lord	VOTING	<u>Yes</u>
Hugh I. Henderson	VOTING	<u>Absent</u>
Leonard Marsh	VOTING	<u>Absent</u>
Devin S. Morgan	VOTING	<u>Yes</u>
Craig Gelbsman	VOTING	<u>Yes</u>
James Salisbury	VOTING	<u>Yes</u>

The foregoing Resolution was thereupon declared duly adopted.

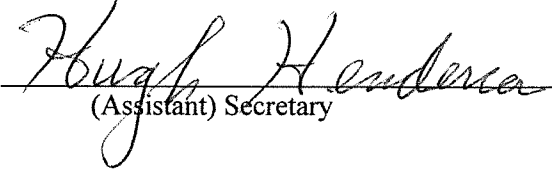
STATE OF NEW YORK)
)SS.:
COUNTY OF OTSEGO)

I, the undersigned, (Assistant) Secretary of the County of Otsego Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on May 28, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due public notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 28th day of May, 2015.


(Assistant) Secretary

(S E A L)

EXHIBIT A

REQUEST FROM HILLSIDE COMMONS ONEONTA, LLC

Hillside Commons Oneonta, LLC
300 Plaza Drive
Vestal, New York 13850

May 11, 2015

Attention: Chairman
County of Otsego Industrial Development Agency
242 Main Street
Oneonta, New York 13820

RE: Request for Mortgage Tax Exemption
Premises: 150 Blodgett Drive, City of Oneonta
Tax map numbers 288.6-1-2, 288.6-1-3, 288.6-1-62, 288.6-1-64
and 288.6-1-65

Dear Chairman,

In 2013, our company commenced a student housing project at the above-mentioned Premises. As part of the project, we entered into a lease-leaseback transaction with the County of Otsego Industrial Development Agency ("IDA") and granted a mortgage to M&T Bank in the amount of \$20,550,000. The M&T mortgage was allowed a mortgage tax exemption when it was recorded on December 23, 2013 in the Otsego County Clerk's Office as Instrument No. 2013-7091.

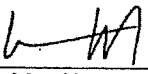
Presently, our company is working on refinancing the loan with Centerline Mortgage Partners Inc. ("Centerline") for an estimated sum of \$21,250,500. The purpose of the new loan is to obtain permanent financing. If we record a new mortgage with Centerline, we respectfully request that the IDA approve a mortgage tax exemption for the new Centerline mortgage. Please advise as to whether the IDA would be willing to approve the new exemption.

We appreciate your time and consideration of this matter. If you have any questions, please feel free to call me at 607-770-1010. Thank you.

Sincerely,

Hillside Commons Oneonta, LLC

By: Newman Development Group of
Oneonta, LLC, Member

By: 
Name: Marc Newman
Title: Managing Member

Cc: Kurt D. Shulte, Esq.
12 Club Avenue
Oneonta, New York 13820

A. Joseph Scott, III, Esq.
Hodgson Russ LLP
677 Broadway, Suite 301
Albany, New York 12207