
COUNTY OF OTSEGO
INDUSTRIAL DEVELOPMENT AGENCY

AND

CSL HERITAGE, LLC

FIRST AMENDMENT TO
LEASE AGREEMENT

DATED AS OF MAY 29, 2015

RELATING TO A LEASEHOLD INTEREST IN A CERTAIN
PARCEL OF LAND LOCATED AT 4389 STATE HIGHWAY 7 IN
THE TOWN OF ONEONTA, OTSEGO COUNTY, NEW YORK.

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FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT dated as of May 29, 2015 is by and between COUNTY OF OTSEGO INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 189 Main Street, Oneonta, New York (the "Agency"), and CSL HERITAGE, LLC, a limited liability company organized and existing under the laws of the State of Delaware, having an office for the transaction of business located at 14160 Dallas Parkway, Suite 300, Dallas, Texas (the "Company").

WITNESSETH:

WHEREAS, Title One of Article 18-A of the General Municipal Law of the State of New York (as amended, the "Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York; and

WHEREAS, the Enabling Act authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State of New York (the "State") and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and dispose of land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment, deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for, among others, manufacturing, warehousing, research, commercial or industrial purposes, in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease or sell its projects and to charge and collect rent or the purchase price therefor; and

WHEREAS, the Agency was created, pursuant to and in accordance with the provisions of the Enabling Act, by 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") and is empowered under the Act to undertake the Project (as hereinafter defined) in order to so advance the job opportunities, health, general prosperity and economic welfare of the people of the State and improve their standard of living; and

WHEREAS, on August 8, 2008 (the "Closing Date"), the Agency entered into a lease agreement dated as of July 1, 2008 (the "Lease Agreement") by and between the Agency and The Plains, LLC (the "Original Company") for the purpose of undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an approximately 30 acre parcel of land located at 4389 State Highway 7 in the Town of Oneonta, Otsego County, New York (the "Land"), (2) the construction on the Land of an approximately 120,000 square foot interconnected building consisting of the following components: (a) a 3 story, 68 unit, independent living facility, (b) a 2 story, 28 unit, enriched living program facility, and (c) a single story, 15 unit, memory care living facility (collectively, the "Facility"), and (3) the acquisition and installation therein and thereon of machinery and equipment (the "Equipment") (the Land, the Facility and Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to constitute an active adult community; (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 Original Company pursuant to the Lease Agreement; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement (the "Closing"), the Original Company executed and delivered to the Agency (A) a certain lease to agency dated as of July 1, 2008 (the "Underlying Lease") by and between the Original Company, as landlord and the Agency, as tenant pursuant to which the Original 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 "Leased Premises"), (B) a certain license agreement dated as of July 1, 2008 (the "License to Agency") by and between the Original Company, as licensor, and the Agency, as licensee, pursuant to which the Original Company granted to the Agency a license to enter upon the balance of the Land (the "Licensed Premises") for the purpose of undertaking and completing the Project and, in the event of an occurrence of an Event of Default by the Original Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement, (C) a bill of sale dated as of July 1, 2008 (the "Bill of Sale to Agency"), which conveyed to the Agency all right, title and interest of the Original Company in the Equipment and (D) a payment in lieu of tax agreement dated as of July 1, 2008, as amended by an amended and restated payment in lieu of tax agreement dated as of February 1, 2011 (collectively, the "Payment in Lieu of Tax Agreement") by and between the Agency and the Original Company, pursuant to which the Original Company agreed to pay certain payments in lieu of taxes with respect to the Project Facility (collectively, with the Lease Agreement, the "Basic Documents"); and

WHEREAS, the Original Company has agreed to sell all of its right, title and interest in and to the Project Facility to the Company; and

WHEREAS, pursuant to an assignment and assumption agreement dated as of May 29, 2015 (the "Assignment and Assumption Agreement"), the Agency, the Original Company and the Company agreed to (A) the assignment to, and assumption by, the Company of all of the Original Company's interest in the Project Facility and the Assigned Documents (as defined in the Assignment and Assumption Agreement), including but not limited to the benefits of the Lease Agreement and the Payment in Lieu of Tax Agreement and (B) the assumption by the Company of all obligations of the Original Company under the Basic Documents pursuant to an assignment and assumption agreement; and

WHEREAS, the Agency and the Company desire to amend the Lease Agreement to provide for the extension of the termination date of the Lease Agreement from December 31, 2018 to December 31, 2022; and

WHEREAS, all things necessary to constitute this First Amendment to Lease Agreement a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this First Amendment to Lease Agreement have in all respects been duly authorized by the Agency and the Company;

NOW, THEREFORE, for good and valuable consideration, the parties hereto agree as follows:

SECTION 1. DEFINITIONS. (A) Except as provided in subsection (B) below, unless the context or use indicates another or different meaning, initially capitalized terms used in this First Amendment to Lease Agreement, including in any instrument delivered pursuant hereto and in the recitals and granting clauses hereof, shall have the respective meanings specified in Article I to the Original Lease Agreement. Any term defined in both this First Amendment to Lease Agreement and in the Original Lease Agreement shall have the meaning specified in this First Amendment to Lease Agreement.

(B) The following definitions are equally applicable to both the singular and plural forms of any of the terms herein defined. As used in the Lease Agreement and herein:

“First Amendment to Lease Agreement” means the first amendment to lease agreement dated as of May 29, 2015 by and between the Agency and the Company.

“First Amendment to Lease to Agency” means the first amendment to lease to agency dated as of May 29, 2015 by and between the Company and the Agency.

“Lease Agreement” means the Original Lease Agreement, as amended by the First Amendment to Lease Agreement, as said Lease Agreement may be further amended or supplemented from time to time.

“Original Lease Agreement” means the lease agreement dated as of July 1, 2008 by and between the Agency, as landlord, and the Company, as tenant.

“Original Underlying Lease” or “Original Lease to Agency” means the lease to agency dated as of July 1, 2008 by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company has conveyed a leasehold interest in the Premises to the Agency.

“Underlying Lease” or “Lease to Agency” means the Original Underlying Lease or the Original Lease to Agency, as amended by the First Amendment to Lease to Agency, as said Underlying Lease or Lease to Agency may be further amended or supplemented from time to time.

SECTION 2. ADDITIONAL REPRESENTATIONS BY AGENCY. (A) Except as modified by this First Amendment to Lease Agreement, the Agency confirms, as of the date hereof, the representations set forth in Section 2.1 of the Original Lease.

(B) The Agency further represents that (1) the Agency has the power under the Act to enter into the transactions contemplated by the Basic Documents to be executed by the Agency, (2) the Agency has not received notice that it is in default under the Basic Documents, and (3) the Agency has duly authorized the execution, delivery and performance of the Basic Documents to be executed by the Agency.

SECTION 3. ADDITIONAL REPRESENTATIONS BY COMPANY. (A) Except as modified by this First Amendment to Lease Agreement, the Company confirms, as of the date hereof, the representations set forth in Section 2.2 of the Original Lease Agreement.

(B) The Company further represents that (1) the Company has the power to enter into the transactions contemplated by the Basic Documents to be executed by the Company, (2) the Company has not received notice that it is in default under the Basic Documents, and (3) the Company has duly authorized the execution, delivery and performance of the Basic Documents to be executed by the Company.

SECTION 4. AMENDMENTS TO ORIGINAL LEASE AGREEMENT. The Original Lease Agreement is hereby amended as follows:

(A) Article I of the Original Lease Agreement is hereby amended so that the following words and terms shall have the respective meanings ascribed thereto in Section 1 of this First Amendment to Lease Agreement: “First Amendment to Lease Agreement”, “First Amendment to Lease to Agency”, “Lease Agreement”, “Original Lease Agreement”, “Original Underlying Lease”, “Original Lease to Agency”, “Underlying Lease”, and “Lease to Agency”.

(B) Section 5.2(B) of the Original Lease Agreement shall be amended to read as follows:

“(B) Except as otherwise provided in Article X hereof, the leasehold estate created hereby shall terminate on the earlier to occur of (1) December 31, 2022 or (2) the date that this Lease Agreement shall terminate pursuant to Article X or Article XI hereof.”

(B) Section 5.3(A) of the Original Lease Agreement shall be amended to read as follows:

“(A) The Company shall pay basic rental payments for the Project Facility as follows: (1) On the date of execution and delivery of this Lease Agreement, the Company shall pay, as the basic lease payments due hereunder, (a) a single lump sum basic rental payment, equal to the Agency’s initial administrative fee relating to the Project; and (2) the fees and expenses of general counsel and special counsel to the Agency relating to the Project.

(2) In addition, (a) on May 29, 2015, a lump sum payment of \$10,000 representing the Agency’s supplemental administrative fee, and (b) beginning on January 1, 2016 and annually on each January 1 thereafter during the term of the Lease Agreement, an amount equal to \$9,887.50 (.0007 x \$14,125,000), representing the Agency annual administrative fee.”

SECTION 5. PROVISIONS OF FIRST AMENDMENT TO LEASE AGREEMENT CONSTRUED WITH ORIGINAL LEASE AGREEMENT. All of the covenants, agreements and provisions of this First Amendment to Lease Agreement shall be deemed to be and construed as part of the Original Lease Agreement and vice versa to the same extent as if fully set forth verbatim therein and herein. In the event of any variation or inconsistency between any covenant, agreement or provision contained in this First Amendment to Lease Agreement and any covenant, agreement or provision contained in the Original Lease Agreement, the covenant, agreement or provision contained herein shall govern.

SECTION 6. ORIGINAL LEASE AGREEMENT AS AMENDED TO REMAIN IN EFFECT. Except as amended by this First Amendment to Lease Agreement, the Original Lease Agreement shall remain in full force and effect and the terms and conditions thereof are hereby confirmed.

SECTION 7. RECORDING AND FILING. This First Amendment to Lease Agreement (or a memorandum thereof) shall be recorded by the Agency in such office or offices as may at the time be provided by law as the proper place or places for the recordation of filing thereof.

SECTION 8. EXECUTION OF COUNTERPARTS. This First Amendment to Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9. EFFECTIVE DATE OF FIRST AMENDMENT TO LEASE AGREEMENT. This First Amendment to Lease Agreement shall be effective as of May 29, 2015.

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IN WITNESS WHEREOF, the parties have caused this First Amendment to Lease Agreement to be duly executed in their respective names by their respective authorized officers or representatives thereof, all as of the day and date first above written.

COUNTY OF OTSEGO INDUSTRIAL
DEVELOPMENT AGENCY

BY: Robert S. Hart
(Vice) Chairman

CSL HERITAGE, LLC

BY: _____
Authorized Officer

IN WITNESS WHEREOF, the parties have caused this First Amendment to Lease Agreement to be duly executed in their respective names by their respective authorized officers or representatives thereof, all as of the day and date first above written.

COUNTY OF OTSEGO INDUSTRIAL
DEVELOPMENT AGENCY


BY: _____
(Vice) Chairman

CSL HERITAGE, LLC

BY: *Glenn M. Holloch*
Authorized Officer

STATE OF NEW YORK)
)ss:
COUNTY OF OTSEGO)

On the 14th day of May, in the year 2015, before me, the undersigned, personally appeared ROBERT S. HANFT, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public
KURT D. SCHULTE
Notary Public, State of New York
No. 02SC4800315
Residing in Otsego Co.
My Commission Expires 10/31/17

STATE OF *TEXAS*)
)ss:
COUNTY OF *DALLAS*)

On the *26th* day of May, in the year 2015, before me, the undersigned, personally appeared *Georria M. Holland*, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Elizabeth E. Marks

Notary Public

EXHIBIT A
DESCRIPTION OF THE LAND

- SEE ATTACHED -

All that tract or parcel of land, situate in the Town of Oneonta, County of Otsego, and State of New York, being more particularly bounded and described as follows:

BEGINNING at the intersection of The Plains at Parish Homestead right-of-way with the northerly line of Parcel "E"; thence,

1. Northeasterly along said northerly line, N 44°-33'-07" E, 58.95' to southeasterly line of lands now or formerly of Larry M. Hiltz (T.M. No. 299.1-12.04); thence,
2. N 45°-26'-53" W along said southeasterly line of Larry M. Hiltz (T.M. No. 299.1-12.04) and continuing along the southeasterly line of James R. Hiltz (T.M. No. 299.1-12.32), 1375.81' to the division line between The Plains at Parish Homestead on the southeast and the lands reputedly of Shonnan R. All and Linda M. All (tax account parcel #298-2-18) on the northwest, also being the centerline of Otsego Creek; thence southwesterly along said division line the following ten (10) courses:
 - a) S 09°-37'-49" W, 106.65'; thence,
 - b) S 15°-27'-05" W, 59.58'; thence
 - c) S 20°-44'-48" W, 60.79'; thence
 - d) S 24°-33'-03" W, 84.88'; thence
 - e) S 28°-19'-54" W, 125.80'; thence
 - f) S 27°-11'-04" W, 183.81'; thence
 - g) S 23°-16'-27" W, 117.95'; thence
 - h) S 15°-11'-09" W, 67.99'; thence
 - i) S 02°-20'-27" E, 72.31'; thence
 - j) S 12°-01'-55" W, 73.72' to the division line between The Plains at Parish Homestead on the northeast and the lands reputedly of Raymond W. Groves, Jr. and Inez M. Groves (tax account parcel #299-1-19) on the southwest; thence
3. S 42°-08'-21" E, 833.42', along said division line, to the division line between The Plains at Parish Homestead on the northwest and the lands reputedly of Donald H. Ball and Marilyn R. Ball (tax account parcel #299-1-20) on the southeast; thence
4. N 45°-51'-18" E, 446.04', along said division line, to the division line between The Plains at Parish Homestead on the northeast and said lands of Ball on the southwest; thence
5. S 44°-08'-42" E, 62.48', along said division line, to the southeasterly corner of lot 4.01; thence
6. N 00°-26'-50" W along the westerly lines of Lots 4.01 thru 4.03, 156.59' to the northwesterly corner of Lot 4.03; thence the following 2 courses along Lot 4.03,
7. N 89°-33'-10" E, 57.51'; thence,
8. S 62°-11'-37" E, 64.56' to The Plains at Parish Homestead right-of-way; thence the following 2 courses along said right-of-way,

9. Northeasterly along a non-tangent curve to the right, having a central angle of $66^{\circ}-36'-58''$, a radius of 175.00', a chord bearing of $N\ 56^{\circ}-14'-40''\ E$, and an arc length of 203.47' to a point of tangency; thence,
10. $N\ 89^{\circ}-33'-10''\ E$, 54.15' to the Point and Place of Beginning.

Containing a total area of 21.498± Acres.

All as shown on "The Plains at Parish Homestead, Subdivision Plan," prepared by Erdman Anthony & Associates, Inc., which is to be filed in the Otsego County Clerk's Office.