

**RESOLUTION AUTHORIZING ASSIGNMENT AND ASSUMPTION
THE PLAINS, 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 April 23, 2015 at 8:00 o'clock a.m., local time.

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

PRESENT:

Robert S. Hanft	Chairman
James M. Jordan	Vice Chairman
Hugh I. Henderson	Assistant Secretary
Jeffrey C. Lord	Treasurer
Leonard Marsh	Member
Devin S. Morgan	Member

ABSENT:

Joseph A. Bernier	Secretary
Craig Gelbsman	Member
James Salisbury	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 Hugh I. Henderson, seconded by Leonard Marsh, to wit:

Resolution No. 0415-__

RESOLUTION CONSENTING TO AND AUTHORIZING THE EXECUTION AND
DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT TO THE ASSIGNMENT
AND ASSUMPTION OF THE PLAINS, LLC PROJECT.

WHEREAS, County of Otsego Industrial Development Agency (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 August 8, 2008, (the “Closing Date”), the Agency entered into a lease agreement dated as of July 1, 2008, as amended by a first amendment to lease agreement dated February 25, 2011 (collectively, the “Lease Agreement”) by and between the Agency and The Plains, LLC (the “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 Company pursuant to the Lease Agreement; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement (the “Closing”), the 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 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 “Leased Premises”), (B) a certain license agreement dated as of July 1, 2008 (the “License to Agency”) by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the 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 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 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 Company, pursuant to which the 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, in order to finance a portion of the costs of the Project, the Company obtained a loan in the principal sum of up to \$12,000,000 (the “Loan”) from S&T Bank (the “Lender”), which Loan will be secured by (1) a mortgage dated as of July 31, 2008 (the “Mortgage”) from the Agency and the Company to the Lender, (2) a security agreement dated as of July 31, 2008 (the “Security Agreement”), and (3) an assignment of rents and leases dated as of July 31, 2008 (the “Assignment of Rents”) from the Agency and the Company to the Lender; and

WHEREAS, by an application (the "Assignment Application") submitted by CSL Heritage, LLC, a limited liability company (the "New Company"), to the Agency, the Agency has been requested (A) to consent to and approve the assignment to, and assumption by the New Company, of all of the Company's interest in the Project Facility, the Basic Documents, including but not limited to the benefits of the Lease Agreement and the Payment in Lieu of Tax Agreement and (B) to authorize the assumption by the New Company of all obligations of the Company under the Basic Documents and the Payment in Lieu of Tax Agreement pursuant to an assignment and assumption agreement (the "Assignment and Assumption Agreement"); and

WHEREAS, in connection with the above referenced, the New Company will obtain new financing from a commercial lender (the "New Lender") and has requested the Agency to enter into a mortgage and any further documents to secure the financing from the New Lender with respect to the Project (the foregoing referenced documents being collectively referred to as the "Mortgage Documents" and collectively with the Assignment and Assumption Agreement, the "Assignment Documents"); and

WHEREAS, the Lease Agreement provides that the Company is prohibited from assigning the Lease Agreement or selling, leasing, transferring or otherwise conveying any part of the Project Facility without the prior written consent of the Agency; 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 above referenced (collectively, the "Assignment"); and

WHEREAS, pursuant to SEQRA, the Agency has examined the Assignment in order to make a determination as to whether the Assignment is subject to SEQRA, and it appears that the Assignment 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 Assignment, the Agency hereby makes the following determinations:

(A) The Assignment constitutes a "Type II action" pursuant to 6 NYCRR 617.5(c)(23) and (26), and therefor that, pursuant to 6 NYCRR 617.6(a)(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Assignment.

(B) That since compliance by the Agency with the Assignment 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 New Company, Section 859-a of the Act does not require a public hearing to be held with respect to the Assignment.

Section 2. The Agency hereby approves the Assignment and consents to (A) the assignment to, and assumption by, the New Company of all of the Company's interest in the Project Facility, the Assignment Documents, 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 New Company of all obligations of the Company under the Assignment Documents pursuant to the Assignment and Assumption Agreement; subject in each case, however to the following conditions: (1) receipt of confirmation that all real property

taxes and payments in lieu of taxes required by the Project have been satisfied; (2) receipt of confirmation from Agency counsel that no modifications shall result from the Assignment that result in any new tax relief for the Project (such as an extension of the term, increase in abatement or change in the Payment in Lieu of Tax Agreement); (3) receipt by the Agency or Special Counsel of evidence that the New Company is authorized to do business in New York State; (4) the written consent by any holder of any mortgage on the Project Facility, if required; (5) compliance with the terms and conditions contained in the Assignment Documents and the Basic Documents; (6) approval by special counsel to the Agency of the form of the documents to be executed by the Agency in connection with the Assignment, including the Assignment and Assumption Agreement, and the Mortgage Documents; (7) receipt by the Agency of its administrative fee relating to the Assignment and all fees and expenses incurred by the Agency with respect to the Assignment, including the fees and expenses incurred by Agency counsel and special counsel with respect thereto; (8) that an exemption from New York State mortgage recording tax shall be granted by the Agency in connection with the execution and delivery of the Mortgage Documents; and (9) the following additional conditions: the pay-off and satisfaction of the Agency Loan with the Company.

Section 3. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chairman (or Vice Chairman) of the Agency is hereby authorized to execute and deliver the Assignment Documents to provide for the Assignment, 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, with terms and conditions approved by the Chairman (or Vice Chairman), the execution thereof by the Chairman (or Vice Chairman) 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 Assignment, 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 Assignment.

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

The foregoing Resolution was thereupon declared duly adopted.


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

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 April 23, 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 23rd day of April, 2015.



(Assistant) Secretary

(S E A L)