

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT (the "Agreement"), dated as of February 6, 2014, by and between SHEEDY ROAD LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, with offices located at 286 North Main Street, Suite 308, Spring Valley, New York 10977, and JUNE BERRY ROAD, LLC, a limited liability company duly organized and validly existing under the laws of the State of New York, with offices located at 286 North Main Street, Suite 308, Spring Valley, New York 10977 (collectively, the "Company") and the BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public-benefit corporation duly organized and validly existing under the laws of the State of New York with an office for the transaction of business located at 60 Hawley Street, P.O. Box 1510, Binghamton, New York 13902 (the "Agency"), collectively, the "Parties".

WITNESSETH:

WHEREAS, Title 1 of Article 18-A, as amended, of the General Municipal Law of the State of New York (the "Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York (the "State"); and

WHEREAS, the Enabling Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the 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 any or all of its facilities on such terms and conditions as it deems advisable, to issue its bonds for the purpose

of carrying out any of its corporate purposes; and, as security for the payment of the principal and redemption price of, and interest on, any such bonds so issued and any agreements made in connection therewith, to pledge the revenues and receipts from its facilities or from the lease thereof; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act, Chapter 564 of the Laws of 1970 of the State (collectively, the "Act") created the Broome County Industrial Development Agency (the "Agency"), which is empowered under the Act to undertake the providing, financing and leasing of the facility described below; and

WHEREAS, BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") was created as a public benefit corporation pursuant to and for the purposes specified in Title 1 of Article 18-A of the General Municipal Law; and

WHEREAS, the Company has agreed to a lease and lease-back transaction, on the real property more particularly described on Exhibit "A" attached hereto, to facilitate the acquisition, construction and equipping of a multi-use senior long-term care campus facility located in the Town of Vestal, Broome County, New York (the "Facility"), and to lease the Facility from the Agency; and

WHEREAS, the Agency will lease the Facility to the Company for a term not to exceed fifteen (15) years; and

WHEREAS, the Agency is exempt from the payment of taxes and assessments imposed upon real property, and as a further condition related to the acquisition of the Facility, the Company has agreed that, notwithstanding such exemption, the Company will nevertheless make payments to the Town of Vestal (the "Town"), the Vestal Central School District (the "School District") and the County of Broome (the "County") while occupying the Facility in lieu of general tax levies.

NOW, THEREFORE, in consideration of the covenants herein contained, it is mutually

agreed as follows:

1. Pursuant to Section 874 of the General Municipal Law and Section 412-a of the Real Property Tax Law, the Parties hereto understand that, upon acquisition of the Facility by the Agency and the filing of an Equalization and Assessment Form RP-412-a (and "Exemption Form") with respect to the Facility, and for so long thereafter as the Agency shall own the Facility, the Facility shall be assessed by the various taxing entities having jurisdiction over the Facility, including, without limitation, the Town, the School District and the County as exempt on their respective assessment rolls prepared subsequent to the acquisition by the Agency of Title to the Facility and the filing of the Exemption Form. The Parties hereto understand that the Project Facility shall not be entitled to such exempt status on any tax roll until the first tax year following the tax status date subsequent to the date upon which the Agency became the record owner of the Facility and an Exemption Form is filed. The Company shall be required to pay all taxes and assessments lawfully levied and/or assessed against the Facility, including taxes and assessments levied for the current tax year and all subsequent years until the Facility is entitled to exempt status on the tax roll. The Agency will cooperate with the Company to obtain and preserve the tax exempt status of the Facility, including the preparation and filing of the Exemption Form.

2. During the period that the Agency has a leasehold interest in the Facility, pursuant to the terms of a lease agreement with the Company, the Company agrees to make payments-in-lieu-of-taxes ("PILOT payments") as follows:

While the Facility is under construction and before it is fully assessed, the Company will pay one hundred percent (100%) of the Town, the County and the School District taxes that would otherwise be levied on the Premises if the same were subject to real property taxation. Thereafter, commencing March 1 of the first year that the Facility is fully assessed, the Company shall pay to the Town, the County, and the School District the following percentages that would

have otherwise been levied on the Premises if the same were subject to real property taxation.

Each PILOT year shall run from March 1 to the following February 28:

<u>PILOT Year</u>	<u>Percentage of Tax Due</u>
Year 1 of Full Assessment	50%
Year 2 of Full Assessment	50%
Year 3 of Full Assessment	50%
Year 4 of Full Assessment	50%
Year 5 of Full Assessment	50%
Year 6 of Full Assessment	75%
Year 7 of Full Assessment	75%
Year 8 of Full Assessment	75%
Year 9 of Full Assessment	75%
Year 10 of Full Assessment	75%
Year 11 of Full Assessment and thereafter	100%

Commencing with the eleventh (11th) year following full assessment of the Premises and until such time as the Premises are conveyed by the Agency to the Company, the Company shall pay the actual taxes of the Facility that would have been imposed but for the Agency's tax exemption.

3. During the term of this Agreement, the Company reserves the right to contest the assessment(s) on the Facility.

4. The Town, the County, and the School District shall separately bill the Company for each PILOT payment due hereunder. For the purposes of this Agreement, the term "Timely Payment" shall be defined as payment made within thirty (30) days after receipt by the Company of a written bill demanding payment.

5. Should the Company use the Facility for other than a multi-use senior long term care campus or allied purposes such as defined in Article 18-A of the General Municipal Law, fail to retain substantially the number of jobs anticipated by the project, or acquire title during the

term of this Agreement to the leased Facility from the Agency, this Agreement shall terminate immediately and the Premises shall be returned to the non-exempt portion of the tax roll and be subject to taxation thereafter, including any portion of a tax year not otherwise covered by this Agreement.

6. If any default shall be made in the payment referred to in Paragraph 2, supra, the Company hereby agrees to pay the same to the extent above specified:

A. Without requiring any notice of non-payment or of default to the Company, the Agency, or to any other person; and

B. Without proof of demand.

7. The Parties hereto understand that the tax exemption extended to the Agency by Section 874 of the General Municipal Law and Section 412-A of the Real Property Tax Law does not entitle the Agency to an exemption from special assessments and special ad valorem levies such as, but without limitation, charges for metered water and sewer rent. The Company hereby agrees to pay all special assessments and special ad valorem levies lawfully levied and/or assessed against the Facility.

8. Pursuant to Section 858 (15) of the General Municipal Law, the Agency agrees to give the Town, the School District and the County a copy of this Agreement within fifteen (15) days of the execution and delivery hereof, together with a request that a copy thereof be given to the appropriate officer or officers with respect to each taxing jurisdiction responsible for preparing the tax rolls for said jurisdiction, together with a request that said officer or officers submit to the Company and the appropriate receiver of taxes periodic statements specifying the amount and due date or dates of the payments due to each hereunder. Such periodic statements

to be submitted to the Company at approximately the times that tax bills are mailed by such jurisdictions.

9. The Company agrees to pay the amounts due hereunder to each particular taxing jurisdiction in any calendar year to the appropriate receiver of taxes within the period that such taxing entity allows the payment of taxes levied in such calendar year without penalty. The Company shall be entitled to receive receipts for such payments.

10. Pursuant to Section 874(5) of the General Municipal Law, if the Company shall fail to make any payment required by this Agreement when due, the Company shall pay the same, together with a late-payment penalty equal to five (5%) percent of the amount due. If the Company shall remain in default beyond the first month after such payment is due, the Company shall hereafter pay a late-payment penalty of one (1%) percent per month for each month, or part thereof, that the payment due thereunder is delinquent beyond the first month plus interest thereon, to the extent permitted by law, at the greater of (a) one (1%) percent per month, or (b) the rate per annum which would have been payable if such amount were delinquent taxes, until so paid in full.

11. Pursuant to Section 874(6) of the General Municipal Law, if the Company should default in performing any of its obligations, covenants or agreements under this Agreement and the Agency or any taxing jurisdiction should employ attorneys or incur other expense for the collection of any amounts payable hereunder, or for the enforcement or performance or observation of any obligation, covenant or agreement on the part of the Company herein contained, the Company agrees that it will, on demand therefore, pay to the Agency or such taxing jurisdiction, as the case may be, not only the amounts adjudicated due hereunder, together

with the late-payment penalty and interest due thereon, but also reasonable fees and disbursements of such attorneys and all other expenses, costs and disbursements so incurred whether or not an action is commenced.

12. No remedy herein conferred upon or reserved to the Agency or any taxing jurisdiction is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now and hereafter existing at law or in equity or by statute. No delay or admission in exercising any such right or power accruing upon a default hereunder shall impair any such right or power or be construed as a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

13. The Agency reserves the right to recapture benefits provided through the abatement of real property taxes in the event that the Company's performance is substantially different than anticipated as defined below:

- A. Sale or closure of the Facility and departure of the Company from Broome County;
- B. Significant change in the use of the Facility and/or business activities of the Company; and
- C. Significant employment reductions not reflective of the Company's normal business cycle and/or local and national economic conditions.

In cases deemed to meet one or more of the above conditions, the following recapture schedule will apply:

<u>Period</u>	<u>Accumulative Amount of Recapture</u>
Within Year 1 of Full Assessment	100%
Within Year 2 of Full Assessment	75%
Within Year 3 of Full Assessment	50%
Within Year 4 of Full Assessment	25%
After Year 4 of Full Assessment	0%

Imposition of this recapture policy is at the sole discretion of the Agency and will be considered on a case by case basis.

14. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

To the Agency: Broome County Industrial Development Agency
60 Hawley Street
P.O. Box 1510
Binghamton, New York 13902-1510
Attn: Executive Director

with a copy to: Joseph B. Meagher, Esq.
Thomas, Collison, Meagher & Seiden
1201 Monroe Street
P.O. Box 329
Endicott, New York 13761-0329

To the Company: Sheedy Road LLC
Juneberry Road, LLC
286 North Main Street
Suite 308
Spring Valley, New York 10977

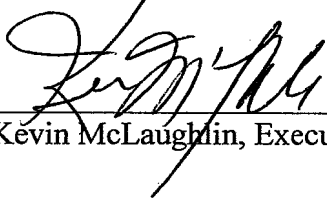
Attn: Jack Augenstein, CFO

with a copy to: Kenneth S. Kamlet, Esq.
Hinman, Howard & Kattell, LLP
700 Security Mutual Building
80 Exchange Street
P.O. Box 5250
Binghamton, New York 13902-5250

15. The Town, County, School District, Agency and the Company as used herein shall include their successors and assigns.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be duly executed the date set forth hereinabove.

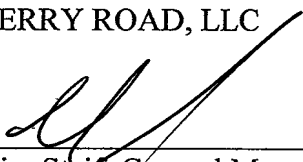
BROOME COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Kevin McLaughlin, Executive Director

SHEEDY ROAD LLC

By: 
Efraim Steif, General Manager

JUNEBERRY ROAD, LLC

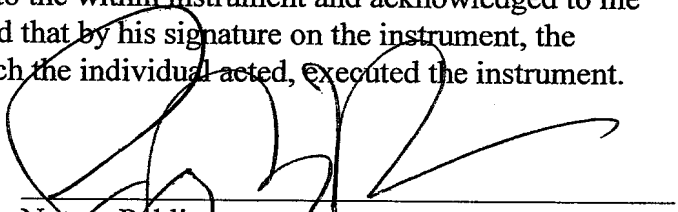
By: 
Efraim Steif, General Manager

STATE OF NEW YORK:

: ss.:

COUNTY OF BROOME:

On February 6, 2014, before me, the undersigned, personally appeared KEVIN McLAUGHLIN, 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

JOSEPH B. MEAGHER
Notary Public, State of New York
Broome County 02ME4974837
Commission Expires Nov. 26, 2014

STATE OF NEW YORK :

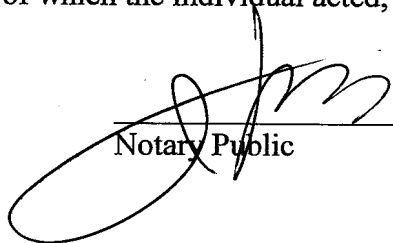
:

COUNTY OF Onondaga :

Onondaga

: ss.:

On February 14, 2014, before me, the undersigned, personally appeared EFRAIM STEIF, 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.



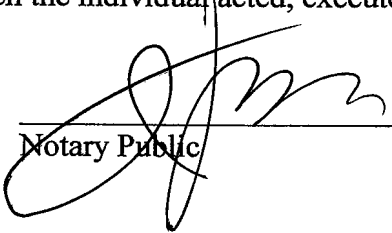
Notary Public

JOHN R. BRENNAN
NOTARY PUBLIC, State of New York
No. 02BR4883409
Qualified in Onondaga County
Commission Expires December 29, 2014

STATE OF NEW YORK :

COUNTY OF Onondaga : ss.:

On February 11, 2014, before me, the undersigned, personally appeared EFRAIM STEIF, 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

JOHN R. BRENNAN
NOTARY PUBLIC, State of New York
No. 02BR4883409
Qualified in Onondaga County
Commission Expires December 29, 2014

EXHIBIT "A"

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND SITUATE IN THE TOWN OF VESTAL, COUNTY OF BROOME AND STATE OF NEW YORK, BEING PART OF LOT NUMBER 33 IN THE REED AND FORD'S PATENT, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING at an iron rod on the westerly highway boundary of New York State Route #26 (Main Street) (New York State Route #26S) (Vestal-Vestal Center Highway), said iron rod standing at the intersection of the westerly highway boundary of New York State Route #26 with the southerly boundary of Jasukh Lalkiya and Kinne Lalkiya (Now or Formerly), as described in a Warranty Deed dated August 19, 2010 and filed in the Broome County Clerk's Office in Liber 2324 of Deeds at Page 531, the southerly boundary of Jasukh Lalkiya and Kinne Lalkiya being further described as the northerly line of Lot Number 33 and the southerly line of Lot Number 29 in the Reed and Ford's Patent;

THENCE S09°36'10"E 440.30 feet along the westerly highway boundary of New York State Route #26 to a broken concrete monument;

THENCE S01°08'10"E 365.91 feet continuing along the westerly highway boundary of New York State Route #26 to an iron rod standing on the easterly extension of the northerly boundary of Manley's Mighty-Mart II, LLC (Now or Formerly);

THENCE S88°51'50"W 150.00 feet along the easterly extension of the northerly boundary of Manley's Mighty-Mart II, LLC and then along the northerly boundary of Manley's Mighty-Mart II, LLC to an iron rod standing on the westerly boundary of Manley's Mighty-Mart II, LLC;

THENCE S01°08'10"E 243.41 feet along the westerly boundary of Manley's Mighty-Mart II, LLC to an iron rod standing on the northerly highway boundary of West Sheedy Road (New Juneberry Road) and on a curve to the right;

THENCE northwesterly 173.55 feet along said aforementioned curve to the right on the northerly highway boundary of West Sheedy Road with a radius of 501.85 feet, a delta angle of 19°48'51" and a chord bearing and distance of N71° 20'06"W 172.69 feet to an iron rod;

THENCE N61°25'40"W 60.00 feet continuing along the northerly highway boundary of West Sheedy Road to an iron rod standing on a curve to the left;

THENCE northwesterly 208.75 feet along said aforementioned curve to the left continuing along the northerly highway boundary of West Sheedy Road with a radius of 569.55 feet, a

EXHIBIT "A" (Continued)

delta angle of 21° 00'00" and a chord bearing and distance of N71°55'41"W 207.58 feet to an iron rod;

THENCE N82° 25'40"W 233.86 feet still along the northerly highway boundary of West Sheedy Road to a point; the N07°19'19"E 346.50 feet to a point;

THENCE N29°13'05"E 60.47 feet to a point;

THENCE N04°18'15"E 357.92 feet to a point;

THENCE N44°51'58"E 85.86 feet to a point;

THENCE N80°31'06"E 78.81 feet to a point;

THENCE S78°50'34"E 145.36 feet to a point;

THENCE N11° 09'26"E 102.61 feet to a point standing on the southerly boundary of Jasukh Lalkiya and Kinne Lalkiya;

THENCE S83°58'15"E 310.30 feet along the southerly boundary of Jasukh Lalkiya and Kinne Lalkiya to the point and place of BEGINNING.

The above described parcel containing 14.606 acres (636,216.1 sq.ft.) of land, more or less.

The above described premises being a portion of the lands conveyed by Richard W. Botnick to Cal-Fran Corp. (later merged into 5 Riverside Drive Corporation, which name was changed to Botnick/5 Ventures, Inc.), by deed dated October 1, 1973 and recorded in the Broome County Clerk's Office on October 17, 1973 in Liber 1207 of Deeds at Page 613.

"LOT #2 - 14.606+/- ACRE PARCEL" (Broome County Tax ID No. 189.12-1-41.22)

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND SITUATE IN THE TOWN OF VESTAL, COUNTY OF BROOME AND STATE OF NEW YORK, BEING PART OF LOT NUMBER 33 IN THE REED AND FORD'S PATENT, BOUNDED AND DESCRIBED AS FOLLOWS:

Beginning at a point on the northerly highway boundary of West Sheedy Road (New Juneberry Road, said point standing therein distant northwesterly 173.55 feet along a curve to the right with a radius of 501.85 feet, a delta angle of 19°48'51" and a chord bearing and distance of N71°20'06"W 172.69 feet, N61°25'40"W 60.00 feet, northwesterly 208.75 feet along a curve to the left with a radius of 569.55 feet, a delta angle of 21°00'00" and a chord bearing and distance of N71°55'41"W 207.58 feet and N82°25'40"W 233.86 feet as measured respectively along the northerly highway boundary of West Sheedy Road from an iron rod standing at the intersection of the northerly highway boundary of West Sheedy Road with the westerly boundary of Manley's Mighty-Mart II, L.L.C. (Now or Formerly), as described in a Special Warranty Deed dated January 3, 2007 and filed in the Broome County Clerk's Office in Liber 2175 of Deeds at page 247; thence N82°25'40"W 344.90 feet along the northerly highway boundary of West Sheedy Road to an iron rod standing on the easterly boundary of the lands of The Town of Vestal (Now or Formerly); thence N27°58'05"E 1000.05 feet along the easterly boundary of the lands of The Town of Vestal to an iron rod standing on the southerly boundary of Nancy R. Fabrizio (Now or Formerly); thence S83°58'15"E 275.72 feet along the southerly boundary of Nancy R. Fabrizio to a point; thence S11°09'26"W 102.61 feet to a point; thence N78°50'34"W 145.36 feet to a point; thence S80°31'06"W 78.81 feet to a point; thence S44°51'58"W 85.86 feet to a point; thence S04°18'15"W 357.92 feet to a point; thence S29°13'05"W 60.47 feet to a point; thence S07°19'19"W 346.50 feet to the point and place of beginning.

The above described parcel containing 4.437 acres (193,295.1 sq. ft.) of land, more or less.