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October 22, 2015

Andrea Klett
Assessor
Town of Owego
2354 State Route 434
Apalachin, New York 13732

Re: Tioga County Industrial Development Agency /
Owego Gardens Associates LLC Lease/Leaseback Transaction

Dear Ms. Klett:

Enclosed please find an original RP-412-a form, with attached original PILOT Agreement, in connection with the above captioned matter.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

THOMAS, COLLISON & MEAGHER


Joseph B. Meagher

JBM/smm
Enc.

cc: Terie Huseby (w/enc.)
Donald Castellucci, Jr. (w/enc.)
Dr. William Russell (w/enc.)
Kevin Millar (w/enc.)
Martha C. Sauerbrey (w/enc.)
Ralph E. Kelsey (w/enc.)



NYS DEPARTMENT OF TAXATION & FINANCE
OFFICE OF REAL PROPERTY TAX SERVICES

RP-412-a (1/95)

INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name Tioga County IDA
Street 56 Main Street
City Owego, New York 13827
Telephone no. Day (607) 687-8259
Evening () N/A
Contact Ralph E. Kelsey
Title Chairman

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)

Name Owego Gardens Associates LLC
Street 180 Clinton Square
City Rochester, New York 14604
Telephone no. Day () 585-246-4111
Evening () _____
Contact Nelson Leenhouts
Title Managing Member

3. DESCRIPTION OF PARCEL

a. Assessment roll description (tax map no./roll year)
PORTION OF 129.09-2-18
b. Street address PORTION OF 130A Southside
Drive
c. City, Town or Village Village/Town of Owego

d. School District Owego Appalachin

e. County Tioga

f. Current assessment \$69,400

g. Memo of Leaseback (TCIDA to Owego Gardens LI
Dec 10/15 (date recorded; liber and page)

Rec'd: 10/20/15

Instrument No: 2015-00004253

4. GENERAL DESCRIPTION OF PROPERTY

(if necessary, attach plans or specifications)

a. Brief description (include property use) Mixed income senior rental community

b. Type of construction Wood Frame

c. Square footage 65,252+/-

d. Total cost \$12,295,571

e. Date construction commenced 10/15/15

f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA)
October 15, 2045

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION

(Attach copy of the agreement or extract of the terms relating to the project).

a. Formula for payment See attached copy of PILOT Agreement

b. Projected expiration date of agreement October 15, 2045

c. Municipal corporations to which payments will be made

	Yes	No
County <u>Tioga</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City <u>Owego</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village <u>Owego</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
School District <u>Owego Apalachin</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

d. Person or entity responsible for payment

Name Nelson Leenhouts
 Title Managing Member
 Address 180 Clinton Square
Rochester, New York 14604

e. Is the IDA the owner of the property? Yes No (check one)

If "No" identify owner and explain IDA rights or interest Telephone (585) 246-4111
 in an attached statement. **The property has been owned by the TCIDA since November 3, 2004 and, as such, is tax-exempt.**

6. Is the property receiving or has the property ever received any other exemption from real property taxation? (check one) Yes No

If yes, list the statutory exemption reference and assessment roll year on which granted:
 exemption _____ assessment roll year _____

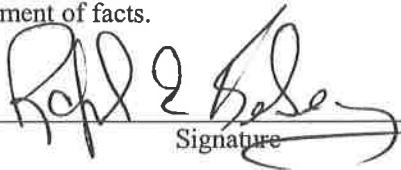
7. A copy of this application, including all attachments, has been mailed or delivered on 10/22/15 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, RALPH E. KELSEY, Chairman _____ of _____
 Name Title
Tioga County Industrial Development Agency hereby certify that the information
 Organization

on this application and accompanying papers constitutes a true statement of facts.

October 22, 2015
 Date


 Signature

FOR USE BY ASSESSOR

1. Date application filed _____
2. Applicable taxable status date _____
- 3a. Agreement (or extract) date _____
- 3b. Projected exemption expiration (year) _____
4. Assessed valuation of parcel in first year of exemption \$ _____
5. Special assessments and special as valorem levies for which the parcel is liable:

Date

Assessor's signature

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT (the "Agreement"), dated as of October 15, 2015, by and between OWEGO GARDENS ASSOCIATES LLC, a limited liability company duly organized and validly existing under the laws of the State of New York with an address for the transaction of business located at 180 Clinton Square, Rochester, New York 14604 (the "Company") and the TIOGA 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 56 Main Street, Owego, New York 13827 (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 534 of the Laws of 1971 of the State (collectively, the "Act") created the Tioga 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, TIOGA 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 Schedule "A" attached hereto, to facilitate the acquisition, construction and equipping of a mixed income senior rental community located at 130A Southside Drive (to be known as Belva Lockwood Lane) in the Village and Town of Owego, Tioga County, New York (the "Project"), and to lease the facility from the Agency; and

WHEREAS, the Agency will lease the Project to the Company for a term not to exceed thirty (30) 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 Project, the Company has agreed that, notwithstanding such exemption, the Company will nevertheless make payments to the Village of Owego (the "Village"), the Town of Conklin (the "Town"), the Owego Apalachin Central School District (the "School District") and the County of Tioga (the "County") while occupying the Project 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 Project by the Agency and the filing of an Equalization and Assessment Form RP-412-a (“Exemption Form”) with respect to the Project, and for so long thereafter as the Agency shall own the Project, the Project shall be assessed by the various taxing entities having jurisdiction over the Project, including, without limitation, the Village, 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 Project and the filing of the Exemption Form. The Parties hereto understand that the Project 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 Project and an Exemption Form is filed, which shall be the tax year beginning March, 2017 (“Year 1.”) The Company shall be required to pay all taxes and assessments lawfully levied and/or assessed against the Project, including taxes and assessments levied for the current tax year and all subsequent years until the Project is entitled to exempt status on the tax roll, such taxes and assessments to be levied on the land value only until commencement of Year 1, such amount anticipated not to exceed \$7,500.00 annually. The Agency will cooperate with the Company to obtain and preserve the tax exempt status of the Project, including the preparation and filing of the Exemption Form.

2. During the period the Project is leased by the Agency, pursuant to a lease agreement with the Company, the Company agrees to pay to the Agency, in lieu of taxes, the amounts set forth on Exhibit “A” attached hereto. The Agency will, in turn, distribute such payments to the affected taxing jurisdictions in the amounts also set forth on Exhibit “A” attached hereto.. Commencing with the thirty-first (31st) year, and until such time as the Agency’s lease agreement with the Company is terminated, the Company shall pay the actual taxes that would have been levied on the Project if not for the Agency’s tax exemption.

3. Intentionally left blank.

4. The Agency shall bill the Company yearly for the total PILOT payment due as set forth in Exhibit "A" attached hereto. 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 Project for other than a mixed income senior rental community or allied purposes such as defined in Article 18-A of the General Municipal Law, fail to retain substantially the number of jobs anticipated to be created by the Project, which both the Agency and the Company hereby agree is two (2) FTE jobs following completion of the Project, or acquire title during the term of this Agreement to the leased Project from the Agency, this Agreement shall terminate immediately and the Project 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;

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 Project.

8. Pursuant to Section 858 (15) of the General Municipal Law, the Agency agrees to

give the Village, the Town, the School District and the County a copy of this PILOT 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. Intentionally left blank.

10. Pursuant to Section 874(5) of the General Municipal Law, if the Company shall fail to make any payment required by this PILOT 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 percent (1%) 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 PILOT 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, actual 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 PILOT 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 Project and departure of the Company from Tioga County;
- B. Significant change in the use of the Project and/or business activities of the Company; and
- C. Significant employment reductions from the anticipated two (2) FTE jobs to be created by the Project, which are not reflective of the Project'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>
During Year 1	100%
During Year 2	75%
During Year 3	50%

During Year 4	25%
After Year 4	0%

The time period above is from the effective date of the PILOT Agreement. 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:

IF TO THE AGENCY: Tioga County Industrial Development Agency
56 Main Street
Owego, New York 13827

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

IF TO THE COMPANY: Owego Gardens Associates LLC
180 Clinton Square
Rochester, New York 14604

Copy to: RBC Tax Credit Equity, LLC
600 Superior Avenue
Suite 2300
Cleveland, Ohio 44114

Attn: President and General Counsel

Constance Giessert, Esq.
Cannon Heyman & Weiss, LLP
726 Exchange Street
Suite 516
Buffalo, New York 14210

15. The Village, the Town, the County, the School District, the 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.

OWEGO GARDENS ASSOCIATES LLC
a New York limited liability company

By: OWEGO GARDENS ASSOCIATES MM
LLC, its Managing Member

By: HOME LEASING, LLC, its Sole Member

By: 
Darin R. Young, Chief Financial Officer

TIOGA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Ralph E. Kelsey, Chairman

STATE OF NEW YORK

:
: ss.:

COUNTY OF New York

On this 13 day of October, 2015, before me, the undersigned, personally appeared DARIN R. YOUNG, 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.

Laura A. Eggert
Notary Public

Laura A Eggert
Notary Public, State of New York
Qualified in Niagara County
No. 01EG6117284
Commission Expires October 25, 2016

STATE OF NEW YORK:

: ss.:

COUNTY OF BROOME:

On this 8th day of October, 2015, before me, the undersigned, personally appeared RALPH E. KELSEY, 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.

Susan M. McGregor
Notary Public

SUSAN M. MCGREGOR
Notary Public, State of New York
No. 01MC6215671
Qualified in Broome County
Commission Expires January 4, 2018

EXHIBIT "A"

Proposed PILOT Schedule for Owego Gardens

Property Address: 130A Southside Drive, Owego, NY 13827

Date: May 2, 2015

The Company proposes to make annual PILOT Payments for 30 years ⁽¹⁾, pursuant to the Tioga County Industrial Development Agency's ("TCIDA") authority to grant a PILOT under Section 485B of the Real Property Tax law as well as full exemption from sales, use and mortgage recording taxes. The proposed PILOT is equal to \$350/unit in year 1, and is projected as follows:

Year	Total Payment (2)	Distribution			
		Village \$18.78	Town/County \$12.28	School \$25.80	Composite \$56.86 ⁽³⁾
Construction Year ⁽⁴⁾	0	0	0	0	0
1	21,700	7,167	4,687	9,846	21,700
2	22,134	7,311	4,780	10,043	22,134
3	22,577	7,457	4,876	10,244	22,577
4	23,028	7,606	4,973	10,449	23,028
5	23,489	7,758	5,073	10,658	23,489
6	23,959	7,913	5,174	10,871	23,959
7	24,438	8,071	5,278	11,089	24,438
8	24,926	8,233	5,383	11,310	24,926
9	25,425	8,397	5,491	11,536	25,425
10	25,934	8,565	5,601	11,767	25,934
11	26,452	8,737	5,713	12,003	26,452
12	26,981	8,911	5,827	12,243	26,981
13	27,521	9,090	5,944	12,487	27,521
14	28,071	9,272	6,063	12,737	28,071
15	28,633	9,457	6,184	12,992	28,633
16	29,205	9,646	6,307	13,252	29,205
17	29,789	9,839	6,434	13,517	29,789
18	30,385	10,036	6,562	13,787	30,385
19	30,993	10,237	6,694	14,063	30,993
20	31,613	10,441	6,827	14,344	31,613
21	32,245	10,650	6,964	14,631	32,245
22	32,890	10,863	7,103	14,924	32,890
23	33,548	11,080	7,245	15,222	33,548
24	34,219	11,302	7,390	15,527	34,219
25	34,903	11,528	7,538	15,837	34,903
26	35,601	11,759	7,689	16,154	35,601
27	36,313	11,994	7,843	16,477	36,313
28	37,039	12,234	7,999	16,806	37,039
29	37,780	12,478	8,159	17,143	37,780
30	38,536	12,728	8,323	17,485	38,536

Notes: (1) PILOT term is coterminous with project financing i.e. 30 years; (2) 2% annual increases; (3) 2014 tax rates per \$1000 according to Town of Owego Assessor's office as of 10/2014; (4) Payments begin upon Project Completion.