

Date: January 11, 2023

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held at 1 Independence Hill, 2<sup>nd</sup> Floor, Farmingville, New York 11738, on the 11th day of January, 2023, the following members of the Agency were:

Present: Frederick C. Braun III, Chairman  
Martin Callahan, Treasurer  
Ann-Marie Scheidt, Secretary (via Zoom)  
Gary Pollakusky, Asst. Secretary  
Frank C. Trotta, Asst. Treasurer (via Zoom)  
Mitchell H. Pally, Member

Recused: Mitchell H. Pally, Member

Excused: Felix J. Grucci, Jr., Vice Chair

Also Present: Lisa M. G. Mulligan, Chief Executive Officer  
Lori LaPonte, Chief Financial Officer  
Amy Illardo, Director of Marketing and Project Development  
John LaMura, Deputy Director  
Jocelyn Linse, Executive Assistant  
Terri Alkon, Administrative Assistant (via Zoom)  
Annette Eaderesto, Esq., Counsel to the Agency  
William F. Weir, Esq., Transaction Counsel  
Howard Gross, Esq., Transaction Counsel (via Zoom)

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the consent to a Fourth Amendment to Loan Documents in connection with a certain industrial development facility more particularly described below (HSRE-EB Holtsville, LLC 2015 Facility).

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Braun  
Callahan  
Scheidt  
Pollakusky  
Trotta

Voting Nay

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY CONSENTING TO A FOURTH AMENDMENT TO LOAN DOCUMENTS AND TO THE CONTINUED LEASING OF THE FACILITY TO HSRE-EB HOLTSVILLE, LLC AND APPROVING THE FORM, SUBSTANCE, EXECUTION AND DELIVERY OF SUCH RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 358 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "**Act**"), the Town of Brookhaven Industrial Development Agency (the "**Agency**"), was created with the authority and power among other things, to assist with certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously provided assistance to HSRE-EB Holtsville, LLC (the "**Company**"), in connection with the acquisition, construction, equipping and furnishing of an industrial development facility (i) the acquisition of a parcel of land totaling approximately 5.89 acres located at 2000 North Ocean Avenue, Farmingville, Town of Brookhaven, County of Suffolk, New York (the "**Land**"), and (ii) the construction, equipping and furnishing of a four-story above-grade approximately 120,000 square foot building to be located thereon consisting of approximately 140 assisted living units and 150 beds, for use by elderly citizens in the community as a fully integrated residence including living, dining, housekeeping, personal laundry and transportation services (collectively, the "**Facility**"), which Facility is currently leased by the Agency to the Company and used by the Company as an assisted living residential facility (the "**Project**"); and

WHEREAS, the Agency previously acquired subleasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of August 1, 2015 (the "**Company Lease**"), by and between the Company and the Agency, a memorandum of which Company Lease was to be recorded in the office of the Suffolk County Clerk;

WHEREAS, the Agency previously acquired title to the Equipment pursuant to a certain Bill of Sale, dated August 11, 2015 (the "**Bill of Sale**"), from the Company to the Agency; and

WHEREAS, the Agency is currently sub-subleasing and leasing the Facility to the Company, pursuant to a certain Lease Agreement, dated as of August 1, 2015 (the "**Lease Agreement**"), by and between the Agency and the Company; and

WHEREAS, the Agency and the Company previously mortgaged their respective rights in the property described on Exhibit A attached to the Lease Agreement to Wells Fargo Bank, National Association ("**Lender**"), pursuant to (i) a Building Loan Fee, Leasehold and Subleasehold Mortgage, Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated August 11, 2015 (the "**Building Loan Mortgage**"), in the amount of \$24,897,977.00, and (ii) a Project Loan Fee, Leasehold and Subleasehold Mortgage, Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated August 11, 2015 (the "**Project Loan Mortgage**"); and, together with the Building Loan Mortgage, the "**Mortgages**"), in the amount of \$5,549,720.00, which Mortgages were recorded separately in the Suffolk County Clerk's office; and

WHEREAS, the Agency previously consented to a request by the Company, (i) to extend the Maturity Date of the Mortgages, from August 11, 2020 to August 11, 2022, and (ii) to make certain amendments to the Loan Documents all as set forth, defined and subject to the terms and accordance of a certain Second Amendment to Loan Documents, dated as of September 18, 2020 (the “**Second Amendment to Loan Documents**”), between the Company and the Lender and consented to by the Agency; and

WHEREAS, the Company previously requested the Agency’s consent to the Second Amendment to Loan Documents pursuant to a certain Consent, Reaffirmation, Agreement and Amendment of Master Lease and Operating Lease (the “**Second Amendment Consent**”), from the Agency to the Lender; and

WHEREAS, the Agency also previously consented to a request by the Company, (i) to extend the Maturity Date of the Mortgages to December 8, 2022, and (ii) to make certain amendments to the Loan Documents all as set forth, defined and subject to the terms and accordance of a certain Third Amendment to Loan Documents, dated as of August 22, 2022 (the “**Third Amendment to Loan Documents**”), between the Company and the Lender and consented to by the Agency; and

WHEREAS, the Company also previously requested the Agency’s consent to the Third Amendment to Loan Documents pursuant to a certain Consent, Reaffirmation, Agreement and Amendment of Master Lease and Operating Lease (the “**Third Amendment Consent**”), from the Agency to the Lender; and

WHEREAS, the Company, by letter dated December 20, 2022, from counsel to the Company, has now notified the Agency that the Lender has agreed to extend the Maturity Date (as defined in the Loan Documents), from December 8, 2022 to March 31, 2023 and the Company intends to make certain amendments to the Loan Documents all as set forth, defined and subject to the terms and accordance of a certain Short Term Extension Letter, dated a date to be determined (the “**Fourth Amendment to Loan Documents**”), between the Company and the Lender and consented to by the Agency; and

WHEREAS, further the Company confirms that it is not borrowing any additional funds from the Lender and the Company is not seeking any additional economic assistance from the Agency; and

WHEREAS, the Company has requested the Agency’s consent to the Fourth Amendment to Loan Documents; and

WHEREAS, the Agency will consent to the Fourth Amendment to Loan Documents pursuant to this resolution and a certain Consent and Reaffirmation of Agency, dated a date to be determined (the “**Consent**”), from the Agency to the Lender; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transactions contemplated by the Consent and the continued leasing and sub-subleasing of the Facility;

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

- (a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act.
- (b) The Facility continues to constitute a "project", as such term is defined in the Act.
- (c) The Fourth Amendment to Loan Documents will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Brookhaven and the State of New York and improve their standard of living and thereby serve the public purposes of the Act.
- (d) The Fourth Amendment to Loan Documents is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York.
- (e) Based upon representations of the Company and its counsel, the Facility continues to conform with the local zoning laws and planning regulations of the Town of Brookhaven and all regional and local land use plans for the area in which the Facility is located.
- (f) It is desirable and in the public interest for the Agency to consent to the Fourth Amendment to Loan Documents.
- (g) The Consent will be an effective instrument whereby the Agency will provide its consent to the Fourth Amendment to Loan Documents.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) consent to the Fourth Amendment to Loan Documents; (ii) execute, deliver and perform the Consent, and (iii) execute, deliver and perform such related documents as may be, in the judgment of the Chairman, Vice Chairman, Chief Executive Officer or counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution.

Section 3. Subject to the provisions of this resolution, the Lease Agreement and the Consent, the Agency hereby consents to the Fourth Amendment to Loan Documents and all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such Fourth Amendment to Loan Documents are hereby approved, ratified and confirmed.

Section 4.

(a) Subject to the provisions of this resolution and the Lease Agreement, the Chairman, Chief Executive Officer, and all other members of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Consent and such documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by the Chairman, Chief Executive Officer, or any member of the Agency shall constitute conclusive evidence of such approval; and

(b) The Chairman, Chief Executive Officer, and any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional authorized representatives of the Agency.

Section 5. Subject to the provisions of this resolution and the Lease Agreement, 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 Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, 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 Agency Documents binding upon the Agency.

Section 6. Any expenses incurred by the Agency with respect to the transactions contemplated herein shall be paid by the Company. The Company shall agree to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 7. This resolution shall take effect immediately.

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

I, the undersigned Chief Executive Officer of the Town of Brookhaven Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), including the resolutions contained therein, held on the 11th day of January, 2023, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Agency Documents contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 11th day of January, 2023.

By  \_\_\_\_\_  
Chief Executive Officer

Date: August 17, 2022

At a meeting of the Town of Brookhaven Industrial Development Agency (the “Agency”), held at 1 Independence Hill, 2<sup>nd</sup> Floor, Farmingville, New York 11738, on the 17th day of August, 2022, the following members of the Agency were:

Present: Frederick C. Braun III, Chairman  
Felix J. Grucci, Jr., Vice Chair (via Zoom)  
Martin Callahan, Treasurer  
Ann-Marie Scheidt, Secretary  
Gary Pollakusky, Asst. Secretary (via Zoom)  
Frank C. Trotta, Asst. Treasurer

Recused:

Excused:

Also Present: Lisa M. G. Mulligan, Chief Executive Officer  
Lori LaPonte, Chief Financial Officer  
Jocelyn Linse, Executive Assistant  
Amy Illardo, Administrative Assistant  
Annette Eaderesto, Esq., Counsel to the Agency  
Barry Carrigan, Esq., Transaction Counsel

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the consent to a Third Amendment to Loan Documents in connection with a certain industrial development facility more particularly described below (HSRE-EB Holtsville, LLC 2015 Facility).

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Braun  
Grucci  
Callahan  
Scheidt  
Pollakusky  
Trotta

Voting Nay

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY CONSENTING TO A THIRD AMENDMENT TO LOAN DOCUMENTS AND TO THE CONTINUED LEASING OF THE FACILITY TO HSRE-EB HOLTSMVILLE, LLC AND APPROVING THE FORM, SUBSTANCE, EXECUTION AND DELIVERY OF SUCH RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 358 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the “**Act**”), the Town of Brookhaven Industrial Development Agency (the “**Agency**”), was created with the authority and power among other things, to assist with certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously provided assistance to HSRE-EB Holtsville, LLC (the “**Company**”), in connection with the acquisition, construction, equipping and furnishing of an industrial development facility (i) the acquisition of a parcel of land totaling approximately 5.89 acres located at 2000 North Ocean Avenue, Farmingville, Town of Brookhaven, County of Suffolk, New York (the “**Land**”), and (ii) the construction, equipping and furnishing of a four-story above-grade approximately 120,000 square foot building to be located thereon consisting of approximately 140 assisted living units and 150 beds, for use by elderly citizens in the community as a fully integrated residence including living, dining, housekeeping, personal laundry and transportation services (collectively, the “**Facility**”), which Facility is currently leased by the Agency to the Company and used by the Company as an assisted living residential facility (the “**Project**”); and

WHEREAS, the Agency previously acquired subleasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of August 1, 2015 (the “**Company Lease**”), by and between the Company and the Agency, a memorandum of which Company Lease was to be recorded in the office of the Suffolk County Clerk;

WHEREAS, the Agency previously acquired title to the Equipment pursuant to a certain Bill of Sale, dated August 11, 2015 (the “**Bill of Sale**”), from the Company to the Agency; and

WHEREAS, the Agency is currently sub-subleasing and leasing the Facility to the Company, pursuant to a certain Lease Agreement, dated as of August 1, 2015 (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Agency and the Company previously mortgaged their respective rights in the property described on Exhibit A attached to the Lease Agreement to Wells Fargo Bank, National Association (“**Lender**”), pursuant to (i) a Building Loan Fee, Leasehold and Subleasehold Mortgage, Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated August 11, 2015 (the “**Building Loan Mortgage**”), in the amount of \$24,897,977.00, and (ii) a Project Loan Fee, Leasehold and Subleasehold Mortgage, Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated August 11, 2015 (the “**Project Loan Mortgage**”); and, together with the Building Loan Mortgage, the



“**Mortgages**”), in the amount of \$5,549,720.00, which Mortgages were recorded separately in the Suffolk County Clerk’s office; and

WHEREAS, the Agency previously consented to a request by the Company, (i) to extend the Maturity Date of the Mortgages, from August 11, 2020 to August 11, 2022, and (ii) to make certain amendments to the Loan Documents all as set forth, defined and subject to the terms and accordance of a certain Second Amendment to Loan Documents, dated as date to be determined (the “**Second Amendment to Loan Documents**”), between the Company and the Lender and consented to by the Agency; and

WHEREAS, the Company previously requested the Agency’s consent to the Second Amendment to Loan Documents pursuant to a certain Consent, Reaffirmation, Agreement and Amendment of Master Lease and Operating Lease (the “**Second Amendment Consent**”), from the Agency to the Lender; and

WHEREAS, the Company has now notified the Agency that it intends to make certain amendments to the Loan Documents all as set forth, defined and subject to the terms and accordance of a certain Third Amendment to Loan Documents, dated as date to be determined (the “**Third Amendment to Loan Documents**”), between the Company and the Lender and consented to by the Agency; and

WHEREAS, the Company has requested the Agency’s consent to the Third Amendment to Loan Documents; and

WHEREAS, the Agency will consent to the Third Amendment to Loan Documents pursuant to this resolution and a certain Consent, Reaffirmation, Agreement and Amendment of Agency, dated a date to be determined (the “**Consent**”), from the Agency to the Lender; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York;

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transactions contemplated by the Consent and the continued leasing and sub-subleasing of the Facility

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

- (a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act.
- (b) The Facility continues to constitute a “project”, as such term is defined in the Act.

- (c) The Third Amendment to Loan Documents will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Brookhaven and the State of New York and improve their standard of living and thereby serve the public purposes of the Act.
- (d) The Third Amendment to Loan Documents is reasonably necessary to induce the Company to maintain and expand its business operations in the State of New York.
- (e) Based upon representations of the Company and its counsel, the Facility continues to conform with the local zoning laws and planning regulations of the Town of Brookhaven and all regional and local land use plans for the area in which the Facility is located.
- (f) It is desirable and in the public interest for the Agency to consent to the Third Amendment to Loan Documents.
- (g) The Consent will be an effective instrument whereby the Agency will provide its consent to the Third Amendment to Loan Documents.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) consent to the Third Amendment to Loan Documents; (ii) execute, deliver and perform the Consent, and (iii) execute, deliver and perform such related documents as may be, in the judgment of the Chairman, Vice Chairman, Chief Executive Officer or counsel to the Agency, necessary or appropriate to effect the transactions contemplated by this resolution.

Section 3. Subject to the provisions of this resolution, the Lease Agreement and the Consent, the Agency hereby consents to the Third Amendment to Loan Documents things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such Third Amendment to Loan Documents are hereby approved, ratified and confirmed.

Section 4.

(a) Subject to the provisions of this resolution and the Lease Agreement, the Chairman, Chief Executive Officer, and all other members of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Consent and such documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “**Agency Documents**”). The execution thereof by the Chairman, Chief Executive Officer, or any member of the Agency shall constitute conclusive evidence of such approval; and

(b) The Chairman, Chief Executive Officer, and any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional authorized representatives of the Agency.

Section 5. Subject to the provisions of this resolution and the Lease Agreement, 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 Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, 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 Agency Documents binding upon the Agency.

Section 6. Any expenses incurred by the Agency with respect to the transactions contemplated herein shall be paid by the Company. The Company shall agree to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 7. This resolution shall take effect immediately.

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

I, the undersigned Chief Executive Officer of the Town of Brookhaven Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Town of Brookhaven Industrial Development Agency (the “**Agency**”), including the resolutions contained therein, held on the 17th day of August, 2022, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

That the Agency Documents contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 17th day of August, 2022.

By  \_\_\_\_\_  
Chief Executive Officer

Date: September 16, 2020

At a meeting of the Town of Brookhaven Industrial Development Agency (the "Agency"), held electronically via webinar on the 16th day of September, 2020, the following members of the Agency were:

Present: Frederick C. Braun III, Chairman  
Felix J. Grucci, Jr., Vice Chair  
Martin Callahan, Treasurer  
Scott Middleton, Asst. Treasurer  
Ann-Marie Scheidt, Secretary  
Gary Pollakusky, Asst. Secretary  
Frank C. Trotta, Member

Recused:

Excused:

Also Present: Lisa M.G. Mulligan, Chief Executive Officer  
Lori LaPonte, Chief Financial Officer  
James M. Tullo, Deputy Director  
Jocelyn Linse, Executive Assistant  
Terri Alkon, Administrative Assistant  
Amy Illardo, Administrative Assistant  
Annette Eaderesto, Esq., Counsel to the Agency  
William F. Weir, Esq., Transaction Counsel  
Howard R. Gross, Esq., Transaction Counsel

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the consent to a mortgage financing in connection with a certain industrial development facility more particularly described below (HSRE-EB Holtsville, LLC 2015 Facility).

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Braun  
Grucci  
Callahan  
Middleton  
Scheidt  
Pollakusky  
Trotta

Voting Nay

RESOLUTION OF THE TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING A MORTGAGE FINANCING AND THE EXECUTION AND DELIVERY OF LOAN DOCUMENTS IN CONNECTION THEREWITH FOR THE HSRE-EB HOLTSVILLE, LLC 2015 FACILITY AND APPROVING THE FORM, SUBSTANCE, EXECUTION AND DELIVERY OF SUCH RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 358 of the Laws of 1970 of the State of New York, as the same may be amended from time to time (collectively, the “**Act**”), the Town of Brookhaven Industrial Development Agency (the “**Agency**”), was created with the authority and power among other things, to assist with certain industrial development projects as authorized by the Act; and

WHEREAS, the Agency previously provided assistance to HSRE-EB Holtsville, LLC (the “**Company**”), in connection with the acquisition, construction, equipping and furnishing of an industrial development facility (i) the acquisition of a parcel of land totaling approximately 5.89 acres located at 2000 North Ocean Avenue, Farmingville, Town of Brookhaven, County of Suffolk, New York (the “**Land**”), and (ii) the construction, equipping and furnishing of a four-story above-grade approximately 120,000 square foot building to be located thereon consisting of approximately 140 assisted living units and 150 beds, for use by elderly citizens in the community as a fully integrated residence including living, dining, housekeeping, personal laundry and transportation services (collectively, the “**Facility**”), which Facility is currently leased by the Agency to the Company and used by the Company as an assisted living residential facility (the “**Project**”); and

WHEREAS, the Agency previously acquired subleasehold interest in the Land and the Improvements pursuant to a certain Company Lease Agreement, dated as of August 1, 2015 (the “**Company Lease**”), by and between the Company and the Agency, a memorandum of which Company Lease was to be recorded in the office of the Suffolk County Clerk;

WHEREAS, the Agency previously acquired title to the Equipment pursuant to a certain Bill of Sale, dated August 11, 2015 (the “**Bill of Sale**”), from the Company to the Agency; and

WHEREAS, the Agency is currently sub-subleasing and leasing the Facility to the Company, pursuant to a certain Lease Agreement, dated as of August 1, 2015 (the “**Lease Agreement**”), by and between the Agency and the Company; and

WHEREAS, the Agency and the Company previously mortgaged their respective rights in the property described on Exhibit A attached to the Lease Agreement to Wells Fargo Bank, National Association (“**Lender**”), pursuant to (i) a Building Loan Fee, Leasehold and Subleasehold Mortgage, Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated August 11, 2015 (the “**Building Loan Mortgage**”), in the amount of \$24,897,977.00, and (ii) a Project Loan Fee, Leasehold and Subleasehold Mortgage, Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated August 11, 2015 (the “**Project Loan Mortgage**”); and, together with the Building Loan Mortgage, the

“**Mortgages**”), in the amount of \$5,549,720.00, which Mortgages were recorded separately in the Suffolk County Clerk’s office; and

WHEREAS, the Agency previously consented to a request by the Company, (i) to extend the Maturity Date of the Mortgages, from August 11, 2020 to August 11, 2022, and (ii) to make certain amendments to the Loan Documents all as set forth, defined and subject to the terms and accordance of a certain Second Amendment to Loan Documents, dated as date to be determined (the “**Amendment to Loan Documents**”), between the Company and the Lender and consented to by the Agency; and

WHEREAS, the Company has now requested that the Agency consent to enter into a mortgage with the Lender to provide a second mortgage loan with respect to the Facility in the principal amount presently expected to be \$200,000 (the “**Second Loan**”); and

WHEREAS, as security for such Second Loan being made to the Company by the Lender, the Company has submitted a request to the Agency that it join with the Company in executing and delivering to the Lender one or more mortgages and such other loan documents, satisfactory to the Agency, upon advice of counsel, in both form and substance, as may be reasonably requested by the Lender (the “**Second Loan Documents**”); and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York;

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities that may arise in connection with the transactions contemplated by the financing or refinancing of the Facility and the continued leasing and subleasing of the Facility.

NOW, THEREFORE, BE IT RESOLVED by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

- (a) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act.
- (b) The Facility continues to constitute a “project”, as such term is defined in the Act.
- (c) The Facility preserves the public purposes of the Act by increasing the number of private sector jobs in the Town of Brookhaven.
- (d) The financing or refinancing of the acquisition, renovation and equipping of the Facility will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Brookhaven, Suffolk County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act.

- (e) The financing or refinancing of the acquisition, renovation and equipping of the Facility as contemplated in this resolution is reasonably necessary to maintain the competitive position of the Company in its industry.
- (f) Based upon representations of the Company and counsel to the Company, the Facility continues to conform with the local zoning laws and planning regulations of the Town of Brookhaven and all regional and local land use plans for the area in which the Facility is located.
- (g) It is desirable and in the public interest for the Agency to assist in the financing or refinancing of the acquisition, construction and equipping of the Facility.
- (h) The Second Loan Documents will be effective instruments whereby the Agency and the Company agree to secure the Second Loan and assign to the Lender their respective rights under the Lease Agreement (except the Agency's Unassigned Rights as defined therein).

#### Section 2.

In consequence of the foregoing, the Agency hereby determines to: (i) grant a mortgage on and security interest in and to the Facility pursuant to a certain mortgage and security agreement for the benefit of the Lender (the "**Second Mortgage**"), (ii) authorize the execution and delivery of the Second Mortgage, and (vi) execute, deliver and perform the Second Loan Documents to which the Agency is a party, as may be necessary or appropriate to effect the Second Loan or any subsequent refinancing of the Second Mortgage, provided, however, the Company shall be required to pay the mortgage recording tax on the full principal amount of the Second Mortgage

Section 3. Subject to the provisions of this resolution and the Lease Agreement, the Agency is hereby authorized to do all things necessary or appropriate for the execution, delivery and performance of the Second Loan Documents and Second Mortgage, and such other related documents as may be necessary or appropriate to effect the Second Loan, or any subsequent refinancing of the Second Loan, and all acts heretofore taken by the Agency with respect to such financing or refinancing are hereby approved, ratified and confirmed.

#### Section 4.

(a) Subject to the provisions of this resolution and the Lease Agreement; the Chairman, Chief Executive Officer, and all other members of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Second Mortgage and Second Loan Documents, together with such other related documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the "**Agency Documents**"). The execution thereof by the Chairman, Chief Executive Officer, or any member of the Agency shall constitute conclusive evidence of such approval; and



(b) the Chairman, Chief Executive Officer, and any member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional authorized representatives of the Agency.

Section 5. Subject to the provisions of this resolution and the Lease Agreement, 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 Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, 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 Agency Documents binding upon the Agency.

Section 6. Any expenses incurred by the Agency with respect to the financing or refinancing of the Facility shall be paid by the Company. The Company has agreed to pay such expenses and further shall agree to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the financing or refinancing of the Facility.

Section 7. This resolution shall take effect immediately.

