

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

INDUCEMENT RESOLUTION

CONVENTUS PARTNERS, LP

A regular meeting of the Erie County Industrial Development Agency was convened on Monday, March 25, 2013 at 9:00 a.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF CONVENTUS PARTNERS, LP (THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH THE PILOT AGREEMENT, AND (C) A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT AND 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 293 of the Laws of 1970 of the State of New York, as amended (collectively, the "Act"), the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing, commercial and other facilities as authorized by the Act; and

WHEREAS, Conventus Partners, LP, for itself or on behalf of an entity formed or to be formed (the "Company") has submitted an application to the Agency (the "Application") requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) a .29+/- acre parcel of land located at 1001 Main Street, City of Buffalo, Erie County, New York (the "Land"); (ii) the construction of a 287,000+/- SF six-story, medical office building, together with the construction of two (2) levels of below grade parking that will provide 332 parking spaces (the "Improvements"). and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (except furniture,

fixtures, and equipment for the benefit of Medical Tenants, as identified below) (the "Equipment", and collectively with the Land and the Improvements, the "Facility"). The building will be comprised of retail space on the first floor (ground level) to support the Buffalo Niagara Medical Campus, with the remaining floors devoted to clinical, practical and research office space and support services for the John R. Oishei Children's Hospital and the University of Buffalo Medical School (collectively, the "Medical Tenants") and

WHEREAS, pursuant to General Municipal Law Section 859-a, on January 3, 2013, at 9:00 a.m., at the Agency's offices located at 143 Genesee Street, Buffalo, New York 14203, the Agency held a public hearing with respect to the Project and the proposed financial assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of acquiring, constructing and/or renovating and equipping the Facility pursuant to an agent agreement (the "Agent Agreement"), (ii) negotiate and enter into a lease agreement (the "Lease Agreement") and related leaseback agreement (the "Leaseback Agreement") with the Company, pursuant to which the Agency will retain a leasehold interest in the Land, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide financial assistance to the Company in the form of (a) an exemption from all New York State and local sales and use taxes with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility (except furniture, fixtures, and equipment for the benefit of Medical Tenants), (b) a PILOT Agreement, and (c) a mortgage recording tax exemption for the financing related to the Project (collectively, the sales and use tax exemptions, the PILOT Agreement and the mortgage recording tax exemption are hereinafter collectively referred to as the "Financial Assistance"); and

WHEREAS, the Company has requested that the Agency deviate from its Uniform Tax Exemption Policy (the "UTEP") eligibility standards with respect to permitting the Medical Tenants and retail component of Project and has requested that the Agency deviate from its standard PILOT Agreement terms by requesting that the Company make full-tax payments under the PILOT as if the Company owned the Project without any leasehold interest so held by the Agency; and

WHEREAS, Notice Letters detailing the aforementioned deviation request were mailed or delivered to the chief executive officers of each Affected Tax Jurisdiction on January 4, 2013, and again on January 28, 2013 and again on March 6, 2013; and

WHEREAS, Kaleida Health, Ciminelli Development, the Company, and the 134 High Street, LLC submitted various applications to the City of Buffalo (the "City") associated with the Buffalo Niagara Medical Campus North End Project cumulatively consisting of the development of approximately 1.2 million square feet of medical, research and office facilities at the north end of the Buffalo Niagara Medical Campus, including: (1) construction of an approximately 600,000 square foot Global Vascular Institute; (2) construction of an approximately 200,000 square foot Skilled Nursing Facility; (3) construction of an approximately 300,000 square foot Medical Office Building; and (4) construction of an approximately

1,800 space Multi-Modal Transportation Structure (MMTS) to service the north end of the Buffalo Niagara Medical Campus (collectively, the "North End Project"); and

WHEREAS, the City of Buffalo Planning Board (the "Planning Board") in accordance with Article 8 of the New York Environmental Conservation Law and the regulations promulgated thereto in 6 N.Y.C.R.R. Part 617 (collectively referred to as the "State Environmental Quality Review Act" and/or "SEQR") undertook coordinated review with respect to the North End Project, established itself as Lead Agency as defined in SEQR, and determined that the Project was a "Type I" action; and

WHEREAS, the Agency did not object to the Planning Board's request to be Lead Agency, as defined under SEQR; and

WHEREAS, on September 23, 2008, the Planning Board issued a positive declaration with respect to the North End Project pursuant to SEQR requiring the Planning Board to undertake a coordinated review of the North End Project and requiring the preparation of a Draft Generic Environmental Impact Statement ("DGEIS"); and

WHEREAS, on October 7, 2008, the Planning Board found the DGEIS to be in compliance with SEQR, provided the DGEIS to all involved and interested agencies as defined by SEQR, and conducted a public hearing on the DGEIS on November 6, 2008; and

WHEREAS, after receiving input from the public review process in the form of written and oral comments, the Planning Board determined that all comments should be addressed in the form of a Final Generic Environmental Impact Statement ("FGEIS") and on January 13, 2009, determined that the FGEIS as so submitted to the Planning Board was complete; and

WHEREAS, On January 15, 2009, the FGEIS was provided to all involved and interested agencies and to the public; and

WHEREAS, the DGEIS and FGEIS specifically analyzed the potential impacts of the Project and identified various mitigation measures designed to ensure that such impacts are minimized to the maximum extent practicable; and

WHEREAS, on January 27, 2009, the Planning Board, as Lead Agency, issued its Findings Statement with respect to the North End Project (the "Findings Statement"), which findings are incorporated herein by reference; and

WHEREAS, subsequent to the Findings Statement, the Company revised its Project, and on September 10, 2010, submitted a Full Environmental Assessment Form to the Planning Board to begin SEQR review of the revised project. On November 23, 2010, a Supplemental Draft Impact Statement was accepted as complete by the Planning Board; and

WHEREAS, on August 3, 2012, the Company submitted a Site Plan and Area Variance Application to the City of Buffalo Zoning Board of Appeals, and said application was subsequently amended on January 11, 2013, to remove the proposed hotel component from the original project description, and to make certain exterior design changes. The DSEIS and FSEIS specifically analyzed the potential impacts of this specifics of the Project at this location and the

Planning Board found that impacts were minimal, and as such, the Planning Board, on January 29, 2013, determined that the Project is consistent with the analysis and findings of the Planning Board in its original January 27, 2009 Findings Statement (the "Project Findings Statement"), which findings are incorporated herein by reference; and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance that the Agency is contemplating with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application and any other correspondence submitted by the Company to the Agency, the Agency hereby finds and determines that:

(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; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and/or renovating and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing and/or retaining employment opportunities in Erie County, New York and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

(F) Kaleida Health and UBMD Physicians' Group (collectively, the "Sub-Subtenants") will occupy the Facility. The Agency hereby approves the sub-subleasing of space in the Project to the Sub-Subtenants and authorizes the Company to proceed with the Project as herein authorized; and

(G) Based upon a thorough and complete review of the Application and its accompanying materials and information, the Agency's own independent review and participation in the SEQR reviews as an involved agency for the Project, and the Project Findings Statement, the Agency hereby states and determines it has thoroughly reviewed and considered the relevant environmental impacts, facts and conclusions disclosed in the DGEIS, the FGEIS, the Findings Statement, and the Project Findings Statement. The Agency has weighed and balanced the relevant environmental impacts with social, economic and other essential considerations. Based upon its own independent review and consideration of the DGEIS, FGEIS, the Findings Statement and Project Findings Statement, the Agency certifies that consistent with social, economic and other essential considerations from among the reasonable alternatives available, the action is one that avoids or minimizes adverse environmental impacts to the maximum extent practicable, and that adverse environmental impacts will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigative measures that were identified as practicable in the DGEIS, FGEIS, Planning Board's Findings Statement, and Project Findings Statement. The Agency further certifies that the SEQR implementing regulations at 6 NYCRR Part 617 have been met and determines that all of the provisions of SEQR that are required to be complied with as a condition precedent to the approval of the Project have been satisfied.

Section 2. The Agency hereby approves the Medical Tenants component and retail component end uses and the provision of a PILOT Agreement payment schedule providing for the full payment of taxes as if the Project was owned by the Company absent of the Agency's leasehold interest.

Section 3. Subject to the Company executing an Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of insurance for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project (except furniture, fixtures, and equipment for the benefit of Medical Tenants) and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and/or renovate and equip the Project (except furniture, fixtures, and equipment for the benefit of Medical Tenants); (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the Agent Agreement, if utilized, shall expire one year from the date of this resolution (unless extended for good cause by the Chairman, the Vice Chairman, the Chief Executive Officer, the Chief Operating Officer, the Executive Vice President, the Chief Financial Officer/Treasurer, and/or the Assistant Treasurer).

Section 4. Subject to the terms of this Inducement Resolution, the Chairman, the Vice Chairman, the Chief Executive Officer, the Chief Operating Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver (A) the Lease Agreement whereby the Company leases the Project to the Agency, (B) the related Leaseback Agreement conveying the Land and Project back to the Company, and (C) the PILOT Agreement and related documents; provided, however, that (i) the rental payments under the Leaseback Agreement to

the Company include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy, or procedures for deviation have been complied with accordingly.

Section 5. Subject to the terms of this Inducement Resolution, the Chairman, the Vice Chairman, the Chief Executive Officer, the Chief Operating Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance acquisition and Project costs or equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents, collectively called the "Agency Documents"); and, where appropriate, the Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman, the Vice Chairman, the Chief Executive Officer, the Chief Operating Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency shall approve, the execution thereof by the Chairman, the Vice Chairman, the Chief Executive Officer, the Chief Operating Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 6. 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 and to negotiate, execute and deliver all such 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 resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 7. The provision by the Agency of Financial Assistance with respect to the Project as described herein is subject to the execution and delivery of the Agency's Administrative Fee Agreement (the "Fee Agreement") and payment by the Company of an administrative fee calculated in accordance with the Fee Agreement, all within sixty (60) days of the date of this resolution. In the event the Agency has not received the executed Fee Agreement and the appropriate fee within such sixty (60) day period, this resolution shall become automatically null and void and of no further effect and the Agency shall have no liability to the Company hereunder or otherwise, unless extended in the discretion of the Chairman, the Vice Chairman, the Chief Executive Officer, the Chief Operating Officer, the Executive Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer for good cause shown.

Section 8. This resolution shall take effect immediately, and shall expire one (1) year from the date hereof unless extended for good cause by the Chairman, the Vice Chairman, the Chief Executive Officer, the Chief Operating Officer, the Executive Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer.

Dated: March 25, 2013

STATE OF NEW YORK)
COUNTY OF ERIE) SS:

I, the undersigned Assistant Secretary of the Erie County Industrial Development Agency, DO HEREBY CERTIFY:

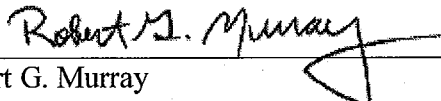
That I have compared the annexed extract of minutes of the meeting of the Erie County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on March 25, 2013, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of the Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY that 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 modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 25th day of March, 2013.



Robert G. Murray
Assistant Secretary

[SEAL]