

**Final Authorizing Resolution
Colonial Deerfield, LLC Facility**

Date: April 5, 2016

At a meeting of the City of Utica Industrial Development Agency, Utica, New York (the "Agency"), held at Urban and Economic Development Conference Room, One Kennedy Plaza, Utica, New York on the 5th day of April 2016, the following members of the Agency were:

PRESENT: Vincent J. Gilroy, Jr.
Joseph Hobika, Sr.
Emmett Martin

ALSO PRESENT: Jack Spaeth
Robert Olivieri
Fred Swayze
Bill Maxim

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 acquisition of a leasehold interest in, construction, equipping and finance of a certain industrial development facility more particularly described below (Colonial Deerfield, LLC Facility) and the leasing of the facility to Colonial Deerfield, LLC.

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

Vincent J. Gilroy, Jr. voting aye;
Joseph Hobika, Sr. voting aye;
Emmett Martin voting aye.

WHEREAS, the Company intends to further sublease portions of the Facility to residential tenants (each a "Sublessee" and collectively the "Sublessees"); and

WHEREAS, the Agency, by resolution duly adopted on March 1, 2016 (the "Resolution"), decided to proceed under the provisions of the Act to lease the Facility and directed that a public hearing be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency, or the location or nature of the Facility, could be heard; and

WHEREAS, in the Resolution, the Agency contemplated that it would provide financial assistance to the Company in the form of exemptions from sales tax (the value of which was estimated at \$612,000) by appointing the Company as agent of the Agency for an initial period of one (1) year, exemptions from mortgage recording tax and abatement of real property tax for a period of twelve years during which time the Company will pay as PILOT Payments no taxes during years 1-3, 15% of taxes during years 4-5, 20% of taxes during years 6-8, 25% of taxes during years 9-10 and 30% of taxes during years 11-12 (the "Financial Assistance"), which Financial Assistance is a deviation from the Agency's Uniform Tax Exemption Policy; and

WHEREAS, based upon comments received at the public hearing and based upon supplemental information provided by the Company and other information received by the Agency, the Agency wishes to amend the financial assistance as described in the Resolution, and now contemplates providing financial assistance to the Company in the form of exemptions from sales tax (the value of which is estimated at \$966,000 but shall not exceed \$1,073,300.00) by appointing the Company as agent of the Agency for an initial period of two (2) years from the closing on Project financing and execution and delivery of the Bank Documents (as hereinafter defined), exemptions from mortgage recording tax and abatement of real property tax for a period of twelve years commencing with the August 1, 2017 taxable status date, during which time the Company shall pay as PILOT Payments the following fixed PILOT Payments: no taxes (years 1 – 3), \$79,000 (year 4), \$80,000 (year 5), \$140,000 (years 6 – 7), \$142,000 (year 8), \$175,000 (year 9), \$300,000 (years 10 – 12) and 100% of taxes after year 12 (the "Financial Assistance"), which Financial Assistance represents a deviation from the Agency's Uniform Tax Exemption Policy (the "Policy"); and

WHEREAS, on March 29, 2016 the Agency mailed notices to all affected taxing jurisdictions describing the Financial Assistance and the Agency's reasons for deviating from its Policy, and also providing the date and time of this meeting so that each may have the opportunity to comment on the Financial Assistance; and

WHEREAS, the Company intends to seek financing for a portion of the costs of the Facility through a commercial lender (the "Bank") in the approximate amount of \$22,000,000.00, to be secured by the Facility as will be described in certain financing instruments from the Agency and the Company to the Bank (collectively, the "Bank Documents"); and

WHEREAS, the Oneida County Vision 20/20 Initiative (the "Vision 20/20 Initiative") identifies certain types of housing for which there exists a demand in order to accommodate the growing workforce in the area served by the Agency; and

WHEREAS, the Company delivered to the Agency a Comprehensive Market Study prepared March 28, 2016 by GAR Associates, LLC (the "Market Study") that describes the type of housing the Project will provide and the type of clientele who will most likely be attracted to the Project; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities which may arise in connection with the transaction contemplated by the lease of the land and the transfer of a leasehold interest in the Facility.

NOW, THEREFORE, BE IT RESOLVED by the City of Utica Industrial Development 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; and

(b) The Facility constitutes a "project", as such term is defined in the Act; and

(c) The acquisition, construction and equipping of the Facility, the financing of the Facility, the leasing of the Facility to the Company and the subleasing of the Facility to the Sublessees will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the City of Utica and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The acquisition, construction and equipping of the Facility is reasonably necessary to induce the Company to maintain and expand its business operation in the State of New York; and

(e) The acquisition, construction and equipping of the Facility will provide the type of quality, market rate housing identified in the Vision 20/20 Initiative, which will help employers to attract a quality workforce to the region, and thereby will promote employment opportunities and prevent economic deterioration in the area served by the Agency; and

(f) Based upon representations of the Company, the Facility conforms with the local zoning laws and planning regulations of the City of Utica and all regional and local land use plans for the area in which the Facility is located; and

(g) It is desirable and in the public interest for the Agency to acquire a leasehold interest in the Facility and lease the Facility to the Company; and

(h) The SEQRA findings adopted by the Agency on March 1, 2016, encompassed the actions to be undertaken by this resolution and no changes have been made since that time to the proposed action that would create new or increased adverse environmental impacts; and

(i) The Lease Agreement will be an effective instrument whereby the Company conveys to the Agency a leasehold interest in the Facility; and

(j) The Leaseback Agreement will be an effective instrument whereby the Agency leases the Facility back to the Company; and

(k) The Payment-In-Lieu-of-Tax Agreement by and between the Agency and the Company (the "PILOT Agreement"), in form satisfactory to the Chairman and Agency Counsel, will be an effective instrument whereby the Agency and the Company set forth the terms and conditions of their Agreement regarding the Company's payments in lieu of real property taxes; and

(l) The Environmental Compliance and Indemnification Agreement (the "Environmental Compliance and Indemnification Agreement") by and between the Agency and the Company will be an effective instrument whereby the Company agrees to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency, the Bank and the City for all liability under all such Environmental Laws.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) acquire a leasehold interest in the Facility from the Company pursuant to the Lease Agreement; (ii) execute, deliver and perform the Lease Agreement; (iii) lease the Facility back to the Company pursuant to the Leaseback Agreement, (iv) execute, deliver and perform the Leaseback Agreement, (v)

execute, deliver and perform the PILOT Agreement, (vi) execute, deliver and perform the Environmental Compliance and Indemnification Agreement, (vii) grant a security interest in the Facility to the Bank pursuant to the Bank Documents, (viii) execute, deliver and perform the Bank Documents, subject to approval by Agency Counsel; (ix) appoint the Company as the agent of the Agency for an initial period of one (1) year, and will grant all reasonable requests for extensions thereof; and (x) deviate from its Policy by granting the Financial Assistance (as amended by this section).

Section 3. The Agency is hereby authorized to accept a leasehold interest in the real property described in Exhibit A to the Lease Agreement and the personal property described in Exhibit B to the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 4. The Agency hereby Authorizes the preparation of the Lease Agreement, the Leaseback Agreement, the PILOT Agreement and the Environmental Compliance and Indemnification Agreement (each in substantially the customary forms used by the Agency, with such changes therein as Agency Counsel shall approve, including changes to fully conform with this resolution).

Section 5.

(a) The Chairman, Vice Chairman, Secretary or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Lease Agreement, the Leaseback Agreement, the PILOT Agreement and the Environmental Compliance and Indemnification Agreement prepared pursuant to Section 4, with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Secretary or any member of the Agency shall approve, and 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, including but not limited to the Bank Documents (hereinafter collectively called the "Closing Documents"). The execution thereof by the Chairman, Vice Chairman, or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Secretary or member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Leaseback Agreement).

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 or provided for by the provisions of the Closing 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 Closing Documents binding upon the Agency.

Section 7. This resolution shall take effect immediately.

STATE OF NEW YORK)
 : ss.:
COUNTY OF ONEIDA)

I, the undersigned Secretary of the City of Utica Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the City of Utica Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on the 5th day of April 2016 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 Lease Agreement, the Leaseback Agreement, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement and the Bank 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 (i) all members of the Agency had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand as of this 5th
day of April 2016.

CITY OF UTICA INDUSTRIAL
DEVELOPMENT AGENCY

By: Emmett Martin II
Emmett Martin II, Secretary