

**Supplemental Inducement Resolution
Vecino Group New York, LLC Facility**

RESOLUTION OF THE CITY OF UTICA INDUSTRIAL
DEVELOPMENT AGENCY RATIFYING OFFICIAL ACTION
IN CONNECTION WITH A SALE-LEASEBACK OR LEASE-
LEASEBACK TRANSACTION WITH VECINO GROUP
NEW YORK, LLC AND AUTHORIZING A PUBLIC
HEARING WITH RESPECT TO THE PROJECT.

WHEREAS, Vecino Group New York, LLC, on behalf of itself and/or the principals of Vecino Group New York, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the City of Utica Industrial Development Agency (the "Agency") to enter into a transaction in which the Agency will assist in (i) the renovation of an existing six-story, 45,500± square foot historic building to convert the same to a multi-family residential development consisting of forty-nine (49) rental units and amenities and offices to service the same to be known as Asteri Utica, (ii) the demolition of the adjacent 5,109± square foot building and the construction of a parking lot thereon, (iii) the demolition of the adjacent 2,464± square foot building and the construction of a parking lot thereon and (iv) construction of all infrastructure to service the same (collectively, the "Improvements"), all such existing buildings situated on a .71± acre parcel of land located at 327 - 331 Bleecker Street, City of Utica, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing residential housing for persons and families of low-income and developmental disabilities (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the acquisition, demolition, construction, renovation and equipping of the Facility is referred to collectively as the "Project"); or, in the alternative, to enter into a sale-leaseback transaction in connection with the Facility; and

WHEREAS, the Company owns or will own the Land and will convey to the Agency a leasehold interest in the Facility; and

WHEREAS, the Facility will be leased back to the Company pursuant to a Leaseback Agreement between the Agency and the Company (the "Leaseback Agreement") and pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 372 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "Act"); and

WHEREAS, the Company will further sublease the Facility to residential tenants to be determined from time to time (the "Tenant Leases"); 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, by way of a resolution adopted on November 17, 2015, the Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales tax, exemptions from mortgage recording tax and abatement of real property tax for a period of thirty-two years (the "Financial Assistance"), which Financial Assistance is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein; and

WHEREAS, the Agency contemplates that the abatement of real property tax will be for a period of thirty-two years, during which time the Company will pay 100% of taxes during the construction period (years 1 and 2), one-third of taxes for thirty years (years 3 through 32) and one hundred percent (100%) of taxes after year 32; and

WHEREAS, prior to the closing of a sale-leaseback or lease-leaseback transaction, and the granting of any Financial Assistance, a public hearing (the "Hearing") will 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, can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of a sale-leaseback or lease-leaseback transaction, and the granting of any Financial Assistance, and such notice (together with proof of publication) will be substantially in the form annexed hereto as **Exhibit A**; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as **Exhibit B**; and

WHEREAS, the Agency has given due consideration to the application of the Company and to representations by the Company that the proposed sale-leaseback transaction or lease-leaseback transaction, is either an inducement to the Company to maintain and expand the Facility in the City of Utica or is necessary to maintain the competitive position of the Company in its industry; and

NOW, THEREFORE, BE IT RESOLVED by the City of Utica Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. The Chairman of the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company; (ii) to conduct the Hearing; and (iii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 2. 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 foregoing copy of a resolution of the City of Utica Industrial Development Agency (the "Agency"), with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of such resolution and of the proceedings of the Agency in connection with such matter.

Such resolution was passed at a meeting of the Agency duly convened in public session on February 2, 2016 at 8:30 a.m., local time, at Utica, New York which the following members were:

Members Present: Joseph Hobika, Sr., Vin Gilroy, John Buffa, Emmett Martin

Also Present: Jack Spaeth (Executive Director), Laura Ruberto (BS&K – Agency Counsel), Fred Swayze – NE Regional Council of Carpenters

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

Joseph Hobika voting aye;
John Buffa voting aye;
Emmett Martin voting aye; and
Vincent Gilroy, Jr. voting aye.

and, therefore, the resolution was declared duly adopted.

The Agreement and the Application are in substantially the form presented to and approved at such 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 103a and 104, (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 this 22nd day of December 2016.



Jack N. Spaeth, Assistant Secretary

EXHIBIT A
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law, will be held by the City of Utica Industrial Development Agency (the "Agency") on the 18th day of February 2016 at 9:00AM, local time, at Utica City Hall, Common Council Chambers, First Floor, One Kennedy Plaza, Utica, New York, in connection with the following matters:

Vecino Group New York, LLC, on behalf of itself and/or the principals of Vecino Group New York, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the City of Utica Industrial Development Agency (the "Agency") to enter into a transaction in which the Agency will assist in (i) the renovation of an existing six-story, 45,500± square foot historic building to convert the same to a multi-family residential development consisting of forty-nine (49) rental units and amenities and offices to service the same to be known as Asteri Utica, (ii) the demolition of the adjacent 5,109± square foot building and the construction of a parking lot thereon, (iii) the demolition of the adjacent 2,464± square foot building and the construction of a parking lot thereon and (iv) all infrastructure to service the same (collectively, the "Improvements"), all such existing buildings situated on a .71± acre parcel of land located at 327 - 331 Bleeker Street, City of Utica, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing residential housing for persons and families of low-income and developmental disabilities (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the acquisition, demolition, construction, renovation and equipping of the Facility is referred to collectively as the "Project"). The Facility will be initially operated and/or managed by the Company.

The Company will own the Land and will lease the Facility to the Agency for a term of approximately thirty-two years (the "Lease Term"). The Agency will lease the Facility back to the Company for the Lease Term, and the Company will further sublease the Facility to residential tenants to be determined from time to time. At the end of the Lease Term, the Agency will terminate its leasehold interest in the Facility. The Agency contemplates that it will provide financial assistance to the Company the form of exemptions from sales tax, exemptions from mortgage recording tax and abatement of real property tax for a period of thirty-two years, which financial assistance is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. A copy of the Application for Financial Assistance filed by the Company with the Agency, including an analysis of the costs and benefits of the proposed Project, is available for public inspection at the offices of the Agency, One Kennedy Plaza, Utica, New York.

CITY OF UTICA INDUSTRIAL
DEVELOPMENT AGENCY

Dated: February 2, 2016

By: /s/ Joseph H. Hobika, Sr., Chairman

EXHIBIT B

MINUTES OF PUBLIC HEARING

City of Utica Industrial Development Agency
2016 Real Estate Lease
Vecino Group New York, LLC Facility

1. _____, _____ of the City of Utica Industrial Development Agency (the "Agency"), called the hearing to order.
2. The _____ then appointed _____, Secretary of the Issuer, to record the minutes of the hearing.
3. The _____ then described the proposed project and related financial assistance as follows:

Vecino Group New York, LLC, on behalf of itself and/or the principals of Vecino Group New York, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the City of Utica Industrial Development Agency (the "Agency") to enter into a transaction in which the Agency will assist in (i) the renovation of an existing six-story, 45,500± square foot historic building to convert the same to a multi-family residential development consisting of forty-nine (49) rental units and amenities and offices to service the same to be known as Asteri Utica, (ii) the demolition of the adjacent 5,109± square foot building and the construction of a parking lot thereon, (iii) the demolition of the adjacent 2,464± square foot building and the construction of a parking lot thereon and (iv) all infrastructure to service the same (collectively, the "Improvements"), all such existing buildings situated on a .71± acre parcel of land located at 327 - 331 Bleecker Street, City of Utica, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing residential housing for persons and families of low-income and developmental disabilities (the Land, the Improvements and the Equipment is referred to collectively as the "Facility" and the acquisition, demolition, construction, renovation and equipping of the Facility is referred to collectively as the "Project"). The Facility will be initially operated and/or managed by the Company.

The Company will own the Land and will lease the Facility to the Agency for a term of approximately thirty-two years (the "Lease Term"). The Agency will lease the Facility back to the Company for the Lease Term, and the Company will further sublease the Facility to

residential tenants to be determined from time to time. At the end of the Lease Term, the Agency will terminate its leasehold interest in the Facility. The Agency contemplates that it will provide financial assistance to the Company the form of exemptions from sales tax, exemptions from mortgage recording tax and abatement of real property tax for a period of thirty-two years, which financial assistance is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. A copy of the Application for Financial Assistance filed by the Company with the Agency, including an analysis of the costs and benefits of the proposed Project, is available for public inspection at the offices of the Agency, One Kennedy Plaza, Utica, New York.

4. The _____ then opened up the hearing for comments from the floor for or against the proposed financial assistance and the location and nature of the Facility. Attached is a listing of the persons heard and a summary of their views.
5. The _____ then asked if there were any further comments, and, there being none, the hearing was closed at ____ a.m.

(Assistant) Secretary

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 foregoing copy of the minutes of a public hearing held
by the City of Utica Industrial Development Agency (the "Issuer") on _____, 2016 at
_____ a.m. local time, at _____, _____, New York _____ with the original
thereof on file in the office of the Issuer, and that the same is a true and correct copy of
the minutes in connection with such matter.

I FURTHER CERTIFY that (i) pursuant to Title 1 of Article 18-A of the New York
General Municipal Law, said hearing was open to the general public, and public notice
of the time and place of said hearing was duly given in accordance with such Title 1 of
Article 18-A, (ii) the hearing in all respects was duly held, and (iii) members of the public
had an opportunity to be heard.

IN WITNESS WHEREOF, I have hereunto set my hand as of _____,
2016.

Secretary