

**Inducement Resolution
People First AMP 1, LLC Facility**

RESOLUTION OF THE CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION IN CONNECTION WITH A LEASE-LEASEBACK TRANSACTION WITH PEOPLE FIRST AMP 1, LLC, THE PRINCIPALS OF PEOPLE FIRST AMP 1, LLC, AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT, AUTHORIZING A PUBLIC HEARING AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT.

WHEREAS, People First AMP 1, LLC, on behalf of itself and/or the principals of People First AMP 1, LLC and/or an entity or entities formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) has applied to the Agency to enter into a set of lease-leaseback transactions in which the Agency will assist in a multiphase development consisting of (i) the phased demolition of forty-one (41) residential apartment buildings containing 361 units known as F.X. Matt, ND Peters and Adrean Terrace Apartments and the community room known as the Vega Center; (ii) the phased construction of 425 new, energy efficient affordable housing units including 60 supportive units with onsite services; a new community building; outdoor amenities and landscaping; and all roads, sidewalks, parking lots and infrastructure to service the same (collectively, the “Improvements”) situated on three (3) parcels of land containing 25± acres in the aggregate located at 1600, 1736 and 1790 Armory Drive in the City of Utica, Oneida County, New York (collectively, the “Land”) and (iii) acquisition and installation of furniture, fixtures and equipment in the Improvements (the “Equipment”), all to be used for the purpose of preserving affordable housing and to enhance economic development and retain employment in the City of Utica (the respective Land, the Improvements and the Equipment are referred to individually each as a “Facility, and collectively as the “Facilities” and the phased demolition, construction and equipping of each Facility is referred to individually each as a “Project” and collectively as the “Projects”); and

WHEREAS, the Company is the fee owner of the Facilities and will lease the Facilities to the Agency pursuant to one or more Lease Agreements; and

WHEREAS, the Facilities will be leased back to the Company for its operation pursuant to one or more Leaseback Agreements by and 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 intends to further sublease individual residential units comprising the Facilities to residential tenants (each a "Sublessee" and collectively the "Sublessees"); and

WHEREAS, the New York State Housing Finance Agency ("NYS HFA") intends to finance a portion of the costs of the Facilities by extending a loan to the Company in the estimated principal sum of \$155,780,000.00 to be secured by a Subsidy Mortgage (the "HFA Mortgage") from the Company to NYS HFA; and

WHEREAS, the New York State Homeless Housing and Assistance Corporation ("NYS HHAC") through the New York State Homeless Housing and Assistance Program ("NYS HHAP") intends to finance a portion of the costs of the Facilities by extending a loan to the Company in the estimated principal sum of up to \$15,000,000.00 to be secured by a Mortgage (the "NYS HHAC Mortgage") from the Company and HDFC to NYS HHAC; and

WHEREAS, the City of Utica commissioned a housing study (the "Utica Housing Study") that identified a need for quality affordable housing; and

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

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes on materials incorporated into each Facility, exemptions from mortgage recording taxes, and abatement of real property tax for a period of thirty-five (35) years during which time the Company will pay as PILOT Payments (i) fixed payments during the construction period of each Project and (ii) after completion of each Project, three and one-half percent (3.50%) of the effective gross income of the applicable Facility for a period of 30 years (the "Financial Assistance"), which Financial Assistance is a deviation from the Agency's Uniform Tax Exemption Policy; and

WHEREAS, the value of the proposed Financial Assistance is as follows:

Sales and use tax exemption	\$ 7,875,000.00
Mortgage recording tax exemption	\$ 195,000.00
Real property tax abatement	\$18,322,812.00 (approximately)

WHEREAS, as a condition of Financial Assistance, the Company has committed to retain the existing six (6) full-time equivalent (“FTE”) positions and create an additional seven (7) FTEs at the Facilities within two years of project completion; and

WHEREAS, the Agency is contemplating deviation from its Policy for the following reasons:

- **The nature of the proposed Facilities** – The Facilities will provide 425 new, energy efficient affordable housing units, providing 60 new supportive units with onsite services. The Facilities will also fill a demand for affordable housing identified in the Vision2020 initiative and the City of Utica Housing Study.
- **The nature of the Facilities before the project begins** – The F.X. Matt, ND Peters and Adrean Terrace Apartments have reached functional obsolescence and are in dire need of rehabilitation. The current units do not meet the needs of residents, ranging from lack of ADA accessibility to failing infrastructure.
- **The impact of the proposed Facilities on existing and proposed businesses and economic development projects in the vicinity** – redeveloping and stabilizing the Facilities will help to revitalize the neighborhood.
- **The extent to which the Facilities will retain and increase permanent, private sector jobs.**
- **Impact of the proposed tax exemptions on affected tax jurisdictions:** The Facilities currently make tax payments under a Cooperation Agreement with the City of Utica. The proposed PILOT Payments are considerably higher than the payments that are currently generated by the property. The proposed Financial Assistance will increase the amount of tax revenue presently realized by the affected tax jurisdictions while allowing the Company to make a significant investment to renovate the Facilities, which will benefit the community.
- **The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located** – as the buildings have deteriorated over the years, renovations may be

a boost to the local taxing jurisdictions by providing for additional real property tax revenues through the possibility of a higher assessed value.

WHEREAS, prior to the closing of a 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 Facilities, can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of a 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 for Financial Assistance of the Company dated August __, 2024 (the “Application”) and to representations by the Company that the proposed lease-leaseback transaction is either an inducement to the Company to maintain and expand the Facilities in the City of Utica or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the “SEQR Act” or “SEQRA”), the Agency constitutes a “State Agency”; and

WHEREAS, to aid the Agency in determining whether the Facilities may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form and related documents (the “Questionnaire”) with respect to the Facilities, a copy of which is on file at the office of the Agency; and

WHEREAS, prior to the granting of any tax benefits, the Agency will complete its environmental review and make determinations for purposes of SEQRA.

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

Section 1. (a) The demolition, construction and equipping of the Facilities and the financial assistance thereof by the Agency, through the lease of the

Facilities to the Company by the Agency pursuant to one or more lease-leaseback transactions, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the City of Utica and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and the same is, therefore, approved;

- (b) It is desirable and in the public interest for the Agency to enter into one or more lease-leaseback transactions, for the purpose of providing financial assistance for the demolition, construction and equipping of the Facilities, together with necessary incidental expenses in connection therewith as reflected in the Application.
- (c) The purpose of the Project is to significantly rehabilitate existing affordable housing, which fills a need identified in the Utica Housing Study by increasing the stock of new and safe, affordable housing as well as rehabilitating underutilized buildings into affordable housing, and will promote employment opportunities and prevent economic deterioration in the area served by the Agency

Section 2. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and between the Agency and the Company setting forth the undertakings of the Agency and the Company with respect to the closing of the lease-leaseback transaction and the development of the Facilities (the "Agreement") are hereby approved. The Chairman of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, with such changes in terms and form as the Chairman shall approve. The execution thereof by the Chairman shall constitute conclusive evidence of such approval.

Section 3. Subject to the conditions set forth in Section 4.02 of the Agreement, the Agency shall (i) assist with the demolition, construction and equipping of the Facilities, (ii) lease the Facilities to the Company pursuant to one or more agreements by and between the Agency and the Company whereby the Company will be obligated, among other things, to make payments to or for the account of the Agency.

Section 4. The Company is herewith and hereby appointed the agent of the Agency to demolish, construct, equip and complete the Facilities. The Company is hereby empowered to delegate its status as agent of the Agency to agents, subagents, contractors, subcontractors,

materialmen, suppliers, vendors and such other parties as the Company may choose in order to demolish, construct, equip and complete the Facilities. The terms and conditions for the appointment of the Company as agent of the Agency for the purposes described in this resolution are set forth in the form of the attached letter addressed to the Company, marked as **Exhibit C** to this resolution. The form of such letter is incorporated herein by reference and is approved and adopted by the Agency, and the Chairman or Executive Director of the Agency or any other duly authorized official of the Agency are authorized to execute and deliver such letter to the Company. The Agency hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agents of the Agency solely for purposes of making sales or leases of goods, services, and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Agency shall be deemed to be on behalf of the Agency and for the benefit of the Facility. The Company shall indemnify the Agency with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Agency.

- Section 5. The law firm of Bond, Schoeneck & King, PLLC is appointed Transaction Counsel and Agency Counsel in connection with the lease-leaseback transaction.
- Section 6. Counsel to the Agency and Transaction Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Agency, all documents necessary to effect the lease-leaseback transactions.
- Section 7. The Chairman of the Agency is hereby authorized and directed (i) to distribute copies of this resolution to the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.
- Section 8. This resolution shall take effect immediately.

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 on August 21, 2024.

A handwritten signature in blue ink, appearing to read 'JNS', followed by a long horizontal flourish.

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 9th day of September 2024, at 10:00 a.m., local time, at Utica City Hall, Urban & Economic Development Corporation conference room, Second Floor, One Kennedy Plaza, Utica, New York, in connection with the following matters:

People First AMP 1, LLC, on behalf of itself and/or the principals of People First AMP 1, LLC and/or an entity or entities formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Agency to enter into a set of lease-leaseback transactions in which the Agency will assist in a multiphase development consisting of (i) the phased demolition of forty-one (41) residential apartment buildings containing 361 units known as F.X. Matt, ND Peters and Adrean Terrace Apartments and the community room known as the Vega Center; (ii) the phased construction of 425 new, energy efficient affordable housing units including 60 supportive units with onsite services; a new community building; outdoor amenities and landscaping; and all roads, sidewalks, parking lots and infrastructure to service the same (collectively, the "Improvements") situated on three (3) parcels of land containing 25± acres in the aggregate located at 1600, 1736 and 1790 Armory Drive in the City of Utica, Oneida County, New York (collectively, the "Land") and (iii) acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all to be used for the purpose of preserving affordable housing and to enhance economic development and retain employment in the City of Utica (the respective Land, the Improvements and the Equipment are referred to individually each as a "Facility, and collectively as the "Facilities" and the phased demolition, construction and equipping of each Facility is referred to individually each as a "Project" and collectively as the "Projects"). The Facilities will be initially operated by the Company.

The Company will lease the Facilities to the Agency for a term of approximately thirty-five (35) years each (each, a "Lease Term"). The Agency will lease the Facilities back to the Company for the Lease Term, and the Company will further sub-lease the Facilities to residential tenants to be determined from time to time. At the end of each Lease Term, the Agency will terminate its applicable leasehold interest in the Facility. The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes on materials incorporated into each Facility, exemptions from mortgage recording taxes, and abatement of real property tax for a period of thirty-five (35) years during which time the Company will pay as PILOT Payments (i) fixed payments during the construction period of each Project and (ii) after completion of each Project, three and one-half percent (3.50%) of the effective gross income of the applicable Facility for a period of 30 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. Comments may also be submitted to the Agency in writing or electronically prior to the Public Hearing. The Public Hearing may be viewed on the Agency's website, and minutes of the Public Hearing will be transcribed and posted on the Agency's website. 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 and on the Agency's website.

CITY OF UTICA INDUSTRIAL
DEVELOPMENT AGENCY

Dated: August 27, 2024

By: /s/ Vincent J. Gilroy, Jr., Chairman

EXHIBIT B

MINUTES OF PUBLIC HEARING

City of Utica Industrial Development Agency
2024 Real Estate Lease
People First AMP 1, LLC Facility

1. Jack Spaeth, Executive Director of the City of Utica Industrial Development Agency (the “Agency”), called the hearing to order at 10:00 a.m.
2. The Executive Director, also being the Assistant Secretary of the Agency, recorded the minutes of the hearing.
3. The Executive Director then described the proposed project and related financial assistance as follows:

People First AMP 1, LLC, on behalf of itself and/or the principals of People First AMP 1, LLC and/or an entity or entities formed or to be formed on behalf of any of the foregoing (collectively, the “Company”) has applied to the Agency to enter into a set of lease-leaseback transactions in which the Agency will assist in a multiphase development consisting of (i) the phased demolition of forty-one (41) residential apartment buildings containing 361 units known as F.X. Matt, ND Peters and Adrean Terrace Apartments and the community room known as the Vega Center; (ii) the phased construction of 425 new, energy efficient affordable housing units including 60 supportive units with onsite services; a new community building; outdoor amenities and landscaping; and all roads, sidewalks, parking lots and infrastructure to service the same (collectively, the “Improvements”) situated on three (3) parcels of land containing 25± acres in the aggregate located at 1600, 1736 and 1790 Armory Drive in the City of Utica, Oneida County, New York (collectively, the “Land”) and (iii) acquisition and installation of furniture, fixtures and equipment in the Improvements (the “Equipment”), all to be used for the purpose of preserving affordable housing and to enhance economic development and retain employment in the City of Utica (the respective Land, the Improvements and the Equipment are referred to individually each as a “Facility, and collectively as the “Facilities” and the phased demolition, construction and equipping of each Facility is referred to individually each as a “Project” and collectively as the “Projects”). The Facilities will be initially operated by the Company.

The Company will lease the Facilities to the Agency for a term of approximately thirty-five (35) years each (each, a “Lease Term”). The

Agency will lease the Facilities back to the Company for the Lease Term, and the Company will further sub-sublease the Facilities to residential tenants to be determined from time to time. At the end of each Lease Term, the Agency will terminate its applicable leasehold interest in the Facility. The Agency contemplates that it will provide financial assistance to the Company in the form of exemptions from sales and use taxes on materials incorporated into each Facility, exemptions from mortgage recording taxes, and abatement of real property tax for a period of thirty-five (35) years during which time the Company will pay as PILOT Payments (i) fixed payments during the construction period of each Project and (ii) after completion of each Project, three and one-half percent (3.50%) of the effective gross income of the applicable Facility for a period of 30 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.

4. The Executive Director 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. Below is a listing of the persons heard and a summary of their views.

Robert Calli was in attendance; no comments were presented.

5. The Executive Director then asked if there were any further comments, and, there being none, the hearing was closed at 10:15 a.m.

A handwritten signature in blue ink, appearing to be 'M. G.', with a long horizontal flourish extending to the right.

(Assistant) Secretary

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

I, the undersigned Assistant 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 "Agency") on September 9, 2024 at 10:00 a.m. local time, at Utica City Hall, Urban & Economic Development Corporation conference room, Second Floor, One Kennedy Plaza, Utica, New York with the original thereof on file in the office of the Agency, 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 September 9, 2024.



(Assistant) Secretary

EXHIBIT C

AGENCY APPOINTMENT LETTER

(To be copied on Agency letterhead and delivered to the Company at the commencement of each phase when appropriate.)

_____, 2024

People First AMP 1, LLC
Attn.: Robert Calli, President, CNYCS
509 Second Street, Suite 1
Utica, New York 13501-2450

Re: *City of Utica Industrial Development Agency 2024 Lease-Leaseback Transaction
People First AMP 1, LLC Facility*

Dear Mr. Calli:

Pursuant to a resolution duly adopted on August 21, 2024, the City of Utica Industrial Development Agency (the "Agency") appointed People First AMP 1, LLC, on behalf of itself and/or the principals of People First AMP 1, LLC and/or an entity or entities formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Agency to enter into a set of lease-leaseback transactions in which the Agency will assist in a multiphase development consisting of (i) the phased demolition of forty-one (41) residential apartment buildings containing 361 units known as F.X. Matt, ND Peters and Adrean Terrace Apartments and the community room known as the Vega Center; (ii) the phased construction of 425 new, energy efficient affordable housing units including 60 supportive units with onsite services; a new community building; outdoor amenities and landscaping; and all roads, sidewalks, parking lots and infrastructure to service the same (collectively, the "Improvements") situated on three (3) parcels of land containing 25± acres in the aggregate located at 1600, 1736 and 1790 Armory Drive in the City of Utica, Oneida County, New York (collectively, the "Land") and (iii) acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all to be used for the purpose of preserving affordable housing and to enhance economic development and retain employment in the City of Utica (the respective Land, the Improvements and the Equipment are referred to

individually each as a “Facility, and collectively as the “Facilities” and the phased demolition, construction and equipping of each Facility is referred to individually each as a “Project” and collectively as the “Projects”).

The first phase of the Project consists of [TO BE PROVIDED BY COMPANY] (the “Phase 1 Project”).

It is the intent of the Agency that this agency appointment include, from the effective date of such appointment, authority to purchase, lease and otherwise use on behalf of the Agency all materials, equipment, goods, services and supplies to be incorporated into and made an integral part of the Facility and also include the following activities as they relate to the Phase 1 Project, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of the Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the Phase 1 Project; (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the Phase 1 Project including all utility services and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs), installed or placed in, upon or under such building, including all repairs and replacements of such property.

The agency appointment includes the power to delegate such agency appointment, in whole or in part, to agents, subagents, contractors, subcontractors, materialmen, suppliers and vendors of the Company and to such other parties as the Company chooses so long as they are engaged, directly or indirectly, in the activities hereinbefore described.

In exercising this agency appointment, the Company, its agents, subagents, contractors and subcontractors, should give the supplier or vendor a copy of this letter to show that the Company, its agents, subagents, contractors and subcontractors are each acting as agent for the Agency. Construction contracts, purchase orders and other agreements relating to the project should be executed by the Company, or any sub-agent appointed by the Company, as agent of the Agency. Also, purchases must be billed or invoiced by the vendor to the Company, or any sub-agent appointed by the Company, as agent of the Agency (e.g. “People First AMP 1, LLC as agent for the City of Utica Industrial Development Agency”). The supplier or vendor should identify the Facility as the **“People First AMP 1, LLC Phase 1 Project”** on each bill or invoice and indicate thereon that the Company, its agents, subagents, contractors and subcontractors acted as agent for the City of Utica Industrial Development Agency in making the purchase.

You and each of your agents, subagents, contractors and/or subcontractors claiming a sales tax exemption in connection with the Facility must execute a copy of the Contract in Lieu of Exemption Certificate attached hereto, and must complete a New York State Department of Taxation and Finance Form ST-60. Original copies of each Contract in Lieu of Exemption Certificate and completed Form ST-60 must be delivered to the Agency within five (5) days of the appointment of each of your agents, subagents, contractors or subcontractors. Any agent, subagent, contractor or subcontractors of the Company which delivers completed Form ST-60 to the Agency will be deemed to be the agent, subagent, contractor or subcontractor of the Agency for purposes of demolishing, constructing and equipping the Facility. **Failure to comply with these requirements may result in loss of sales tax exemptions for the Facility.**

You should be aware that the New York State General Municipal Law requires you to file with the New York State Department of Taxation and Finance Form ST-340 (Annual Report of Sales and Use Tax Exemptions Claimed by Agent/Project Operator of Industrial Development Agency/Authority) regarding the value of sales tax exemptions you, your agents, consultants or subcontractors have claimed pursuant to the authority we have conferred on you with respect to the Phase 1 Project. This statement must be filed on an annual basis for as long as the Company is claiming a sales tax exemption. **The penalty for failure to file such statement is the removal of your authority to act as an agent.**

The value of exemptions from sales and use taxes on materials and equipment currently authorized by the Agency is not to exceed \$7,875,000.00 in the aggregate for all Facilities, and is not to exceed \$1,100,000.00 in the aggregate for the Phase 1 Project. If the exemptions claimed by the Company exceed (a) \$100,000 between the inducement date and the date of the public hearing or (b) \$1,100,000.00 for the Phase 1 Project or (c) \$7,875,000.00 in the aggregate for all Facilities, it may subject the Company to recapture of the New York State portion of sales tax.

The Agency acknowledges that the projected completion date of the Phase 1 Project is August 31, 2027. It is the policy of the Agency to issue sales tax certificates in one-year increments. The aforesaid appointment of the Company as agent of the Agency to demolish, construct, and equip the Phase 1 Project shall expire on August 21, 2025; the Company must request in writing the Agency extend the appointment and the Agency shall not unreasonably withhold its consent if the Company is in substantial compliance with its agreements with the Agency. If the Company wishes to extend the agency appointment past August 31, 2027 or increase the value of the exemption for the Phase 1 Project above \$1,100,000,000.00, such request may be approved at the discretion of

the Agency, upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

This agency appointment is valid only for the Phase 1 Project, and the Company should notify the Agency prior to the commencement of the Phase 2 Project to obtain a separate agency appointment letter.

If, for some reason, this transaction never closes, you will be liable for payment of the sales tax, if applicable and you are not otherwise exempt, on all materials purchased.

Please sign and return a copy of this letter for our files.

Very truly yours,

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Jack N. Spaeth, Executive Director

ACCEPTED and AGREED

PEOPLE FIRST AMP 1, LLC

By its sole member, CENTRAL NEW YORK COMMUNITY SOLUTIONS, INC.

By: _____
Robert Calli, President

TO: All Contractors, Subcontractors,
Suppliers and Vendors, etc. of
People First AMP 1, LLC
(Phase 1 Project)

Attached please find a "Contract in Lieu of Exemption Certificate" (the "Contract") which will serve as documentation for not charging People First AMP 1, LLC (the "Company") sales or use tax in connection with any purchase, lease, rental or other use of materials, equipment, goods, services or supplies relating to Phase 1 of a facility to be owned or leased by the City of Utica Industrial Development Agency (the "Agency") and described in Addendum A to the aforesaid Contract (the "Facility").

Also attached is a letter signed by the Agency appointing the Company as its agent for the purpose of renovating and equipping the Phase 1 Project. This letter authorizes the Company to delegate its authority as agent of the Agency to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company authorizes.

In accordance with the authority granted to the Company by the Agency, you are hereby appointed as agent of the Agency for the purpose of making purchases or leases of materials, equipment, goods, services and supplies with respect to the Phase 1 Project. **Your appointment as agent of the Agency is contingent upon your completing the attached Form ST-60 and returning it to us and the Form ST-60 then being filed by the Agency with the New York State Department of Taxation and Finance.**

Very truly yours,

PEOPLE FIRST AMP 1, LLC

By: _____
Name:
Title:

cc: City of Utica Industrial Development Agency

CONTRACT IN LIEU OF EXEMPTION CERTIFICATE

This Contract is entered into by and between **PEOPLE FIRST AMP 1, LLC** (the "Company"), as agent for and on behalf of the City of Utica Industrial Development Agency, a public benefit corporation and a governmental agency of the State of New York (the "Agency") in connection with the demolition, construction, equipping and completion of the Phase 1 Project described in Addendum A hereto (the "Facility") and the contractor or the subcontractor more particularly described on page 2 hereof (the "Contractor").

Pursuant to the authority granted to the Company, as agent of the Agency, the Contractor is hereby appointed agent of said Agency for purposes of completing, executing or otherwise carrying out the obligations imposed under this Contract relating to the Phase 1 Project.

The Contractor acknowledges that the Agency has acquired or will acquire a leasehold interest in the Facility and the Agency is a public benefit corporation and governmental entity of the State of New York. By reason of such status, Agency and its agents acting on its behalf are exempt from payment of all New York State and local sales and use taxes on the purchase or lease of all materials, equipment, goods, services and supplies incorporated into and made an integral component part of any structure, building or real property which becomes the property of Agency, and all equipment, machinery and other tangible personal property (including installation costs with respect thereto) which becomes the property of Agency or in which the Agency has a leasehold interest. In addition, Agency and its agents acting on its behalf are exempt from all sales and use taxes arising out of or connected with the following, as they relate to performance under this Contract: (i) purchases, leases, rentals and other uses of tools, machinery and equipment, and (ii) purchases, leases, rentals, uses or consumption of supplies, goods, materials and services of every kind and description; provided, however, that exemption from sales and use tax with respect to clauses (i) and (ii) above shall apply only if the Contractor is then acting as agent for Agency under the terms of this Contract.

Pursuant to these exemptions from sales and use taxes, the Contractor shall not include such taxes in its contract price, bid, or reimbursable costs, as the case may be. If the Contractor does not comply with the requirements for sales and use tax exemptions, as described above, then it shall be responsible for and pay any and all applicable New York State sales and use taxes, and no portion thereof shall be charged or billed to the Agency or the Company directly or indirectly, the intent of this Contract being that neither Agency nor the Company shall be liable for any of the sales or use taxes described above. This Contract may be accepted by the Contractor in lieu of an exemption certificate, and the Contractor shall retain a copy hereof to substantiate the sales and use tax exemption.

The aforesaid appointment of the Company as agent of the Agency to renovate and equip the Phase 1 Project shall expire at the earlier of (a) the completion of such

activities and improvements, or (b) August 21, 2025, provided, however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

The value of exemptions from sales and use taxes on materials and equipment currently authorized by the Agency is not to exceed \$7,875,000.00 in the aggregate for all Facilities, and is not to exceed \$1,100,000.00 in the aggregate for the Phase 1 Project. If the exemptions claimed by the Company exceed (a) \$100,000 between the inducement date and the date of the public hearing or (b) \$1,100,000.00 for the Phase 1 Project or (c) \$7,875,000.00 in the aggregate for all Facilities, it may subject the Company to recapture of the New York State portion of sales tax.

The Agency shall have the right to assign this Contract to the Company by written notice to the Contractor and without written consent of the Contractor, in which case Agency shall be relieved of all obligations hereunder. In the event of such assignment, all applicable sales and use taxes shall be added to the purchase price and paid to the Contractor pursuant to a change order. All of the above provisions with respect to exemptions for New York State sales and use taxes shall apply to all subcontractors and other parties in privity of contract with the Company, Agency or the Contractor pursuant to the terms of this Contract.

OWNER:

PEOPLE FIRST AMP 1, LLC

as agent for and on behalf of the City of
Utica Industrial Development Agency

[Insert name of Contractor or
Subcontractor]

By: _____
Name:
Title:

By: _____
Name:
Title:

DATE: _____

DATE: _____

Address of Contractor or
Subcontractor:

cc: City of Utica Industrial Development Agency

ADDENDUM A

DESCRIPTION OF THE FACILITY

A multiphase development consisting of (i) the phased demolition of forty-one (41) residential apartment buildings containing 361 units known as F.X. Matt, ND Peters and Adrean Terrace Apartments and the community room known as the Vega Center; (ii) the phased construction of 425 new, energy efficient affordable housing units including 60 supportive units with onsite services; a new community building; outdoor amenities and landscaping; and all roads, sidewalks, parking lots and infrastructure to service the same (collectively, the "Improvements") situated on three (3) parcels of land containing 25± acres in the aggregate located at 1600, 1736 and 1790 Armory Drive in the City of Utica, Oneida County, New York (collectively, the "Land") and (iii) acquisition and installation of furniture, fixtures and equipment in the Improvements (the "Equipment"), all to be used for the purpose of preserving affordable housing and to enhance economic development and retain employment in the City of Utica (the respective Land, the Improvements and the Equipment are referred to individually each as a "Facility, and collectively as the "Facilities" and the phased demolition, construction and equipping of each Facility is referred to individually each as a "Project" and collectively as the "Projects").

The "**Phase 1 Project**" shall consist of: [TO BE PROVIDED BY COMPANY]