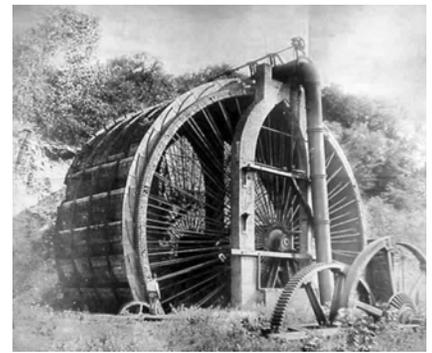


**Chair**

**David Stackrow  
Vice-Chair**

**City of Troy  
Industrial Development  
Authority**



**2012 Board Members**

Mr. Michael Cocca

Mrs. Lorraine  
Schindler

Hon. Dean Bodnar

Mr. Paul Carroll

Rev. Cornelius Clark

**BOARD OF DIRECTORS MEETING**

**February 16, 2012**

**9:00 a.m.**

**Second Floor Conference Room B  
City Hall**

**A G E N D A**

**Old Business**

- I. Approval of the Minutes from the January 12, 2011 Board meeting.
- II. Resolution #1: Project Authorizing Resolution for Financial Assistance to City Station South, LLC Project.
- III. Resolution #2: Initial Project Resolution for Financial Assistance to Realex, LLC/Bombers Burrito Bar.
- IV. Other Business
  - Budget 2012 – Joe Mazzariello – To be presented at meeting.
  - Membership Renewals – Rensselaer County Chamber of Commerce \$410.00
  - Economic Development Council \$750.00
- V. Adjournment

---

**City Hall – 1776 Sixth Avenue, Troy New York 12180  
Phone: 518.279.7166**

PUBLIC HEARING AGENDA  
TROY INDUSTRIAL DEVELOPMENT AUTHORITY  
CITYSTATION SOUTH, LLC PROJECT

FEBRUARY 16, 2012, AT 9:00 A.M.  
CITY HALL, 1776 SIXTH AVENUE, TROY, NEW YORK 12180

Report of the public hearing of the Troy Industrial Development Authority (the “Authority”) regarding the CityStation South, LLC Project held on Thursday February 16, 2012, 9:00 a.m., at the Troy City Hall, located at 1776 Sixth Avenue, Troy, New York 12180.

I. ATTENDANCE

William Dunne, Authority CEO  
Justin S. Miller, Esq., Authority Transaction Counsel  
[list other TIDA representatives in attendance]

[\_\_\_\_\_, Company Representative]  
Members of the General Public

II. CALL TO ORDER: (Time: 9:00 a.m.). \_\_\_\_\_ opened the hearing and Joseph Amicone read the following into the hearing record:

This public hearing is being conducted pursuant to Title 11 of Article 8 of the Public Authorities Law of the State of New York, as amended, and Chapter 759 of the Laws of 1967 of the State of New York, as amended (collectively, the “Act”). A Notice of Public Hearing describing the Project was published in *Troy Record* on \_\_\_\_\_, a copy of which is attached hereto and is an official part of this transcript. A copy of the Application submitted by CityStation South, LLC to the Authority, along with a cost-benefit analysis, is available for review and inspection by the general public in attendance at this hearing.

III. PROJECT SUMMARY

**CITYSTATION SOUTH, LLC** (the “Company”), previously submitted an Application for Financial Assistance (the “Application”) requesting the Authority’s assistance with a certain project (the “Project”) consisting of (i) the acquisition by the Authority of fee title to or a leasehold interest in one or more parcels of real property located in the vicinity of Fifth Avenue and Ferry Street, Troy, New York 12180 (the “Land”, being comprised of approximately 1.80 acres) and the existing site and infrastructure improvements located thereon (the “Existing Improvements”), (ii) the construction and equipping upon the Land and around the Existing Improvements of a four (4) story housing facility consisting of fifty-five (55) units of rental residential housing (collectively, the “Improvements”), such Improvements to be known as “City Station South”, and (iii) the acquisition and installation by the Company in and around the Existing Improvements and Improvements of certain items of equipment and other tangible personal property necessary and incidental in connection with the Company’s development of the Project in and around the Land and Existing Improvements (the “Equipment”, and collectively with the Land, the Existing Improvements and the Improvements, the “Facility”).

It is contemplated that the Authority will acquire title to, or a leasehold interest in, the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the Company will purchase the Facility from the Authority, or if the Authority holds a leasehold interest, the leasehold interest will be terminated. The Authority contemplates that it will provide financial

assistance (the “Financial Assistance”) to the Company in the form of (a) a mortgage recording tax exemption relating to one or more financings secured in furtherance of the Project; (b) a sales and use tax exemption for purchases and rentals related to the Project; and (c) a partial real property tax abatement structured through a PILOT Agreement. The foregoing Financial Assistance and the Authority’s involvement in the Project are being considered to promote the economic welfare and prosperity of residents of the City of Troy, New York.

The Authority is considering a deviation from its Uniform Tax Exemption Policy (“UTEP”) with respect to the contemplated payment-in-lieu-of-tax-agreement (the “PILOT Agreement”) to be entered into between the Authority and the Company. Specifically, the Authority is contemplating a deviation from the UTEP to provide: (i) a PILOT term of up to twenty (20) years; (ii) a fixed PILOT payment schedule requiring initial annual fixed-dollar amount payments for each of the Fifty-Five (55) residential units to be incorporated into the Project, with such annual payments escalating annually during the term of the PILOT Agreement. Portions of the Land and Existing Improvements are currently exempt from real property and special district taxes by virtue of their ownership by the City. Upon due consideration of the Company’s application, the various positive economic and social impacts of the Project, and the Project’s general satisfaction of several considerations set forth within the UTEP, including, but not limited to (i) the impact of the proposed project on existing and proposed businesses and economic development projects in the City; (ii) the substantial capital investment associated with the Project derived from Company sources; and (iii) the extent to which the proposed project will provide additional sources of revenue for municipalities or school districts, the Authority desires to approve the proposed terms of the PILOT Agreement.

IV. AGENCY COST-BENEFIT ANALYSIS:

The Company Application for Financial Assistance indicates a total project cost of approximately \$7,600,000 with the addition of at least 1 new full-time job. A significant number of construction jobs are contemplated, and the Company contemplates investing over \$6,000,000 in improvements to the Facility.

Based upon additional information provided by the Company, the Agency estimates the following amounts of financial assistance to be provided to the Company:

Mortgage Recording Tax Exemption (\$7,600,000 mortgage loan)	=	\$95,000.00
Sales and Use Tax Exemptions (Estimated \$2,500,000 in taxable materials)	=	\$200,000.00
PILOT Payments	=	\$811,007.00
Estimated Full Taxes (est \$4M FMV)	=	\$3,507,559.00
Estimated PILOT Savings	=	\$2,696,552.00
<b>Total estimated Financial Assistance</b>	=	<b>\$2,991,552.00</b>

IV. SEQRA:

The City’s Planning Board is designated lead agency under Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, “SEQRA”) for purposes of review of the Project. It is contemplated that the Authority will ratify the findings adopted by the Planning Board prior to or commensurate with the approval of the undertaking of the Project.

V. COMMENTS AND SUBMISSIONS FROM AFFECTED TAX JURISDICTIONS

[The Authority has received and reviewed the following correspondence from the affected taxing jurisdictions:]

The Authority now invites any representatives of the affected taxing jurisdictions to address this public hearing and meeting of the Authority with regard to the Project and the proposed deviation.

VI. PUBLIC COMMENTS

VII. ADJOURNMENT

As there were no comments, the public hearing was closed at \_\_\_\_\_ a.m.

City of Troy  
Industrial Development Authority

January 12th, 2012  
9:00AM  
Meeting Minutes

Present: Tony Dawson, Rev. Cornelius Clark, David Stackrow, Paul Carroll, Lorraine Schindler, Michael Cocca,

Absent: John Brown, Dean Bodnar

Also in attendance: Sondra Little, Donna Ned, Justin Miller, Esq., Bill Dunne, Mayor Rosamilia, Joe Mazzariello, Jeff Buell, Tim Haskins

I. Approval of the Minutes from the October 24th, 2011 Board Meeting.

Rev. Cornelius Clark made the motion to approve.

Paul Carroll seconded the motion.

II. Resolution #1 – Authorizing Initial Approval of Financial Assistance for City Station South.

Jeff Buell

Tim Haskins

United Development Group

Paul Carroll made the motion to approve.

Rev. Cornelius Clark seconded the motion.

III. Other Business

Tony Dawson – Regularly scheduled meetings will be every 3<sup>rd</sup> Thursday of the month at 9AM in the Second Floor Conference Room, City Hall.

Joe Mazzariello – Financial Report – Expediting BST Contract for last year.

Tony Dawson made the motion to approve.

Dave Stackrow seconded the motion.

Joe Mazzariello – Budget presentation for 2012 will be presented at the next scheduled IDA Meeting.

Tony Dawson made the motion to approve.

Rev. Cornelius Clark seconded the motion.

Tony Dawson presented the new Executive Director, Bill Dunne to the IDA Board.

Dave Stackrow made the motion to approve.

Rev. Cornelius Clark seconded the motion.

Justin Miller spoke on behalf of the National Grid Application for Wesley Costanzo, 2829 Sixth Avenue to be presented at the next regularly scheduled IDA Meeting.

### III. Adjournment

Dave Stackrow made the motion to adjourn.

Michael Cocca seconded the motion to adjourn.

TROY INDUSTRIAL DEVELOPMENT AUTHORITY

AND

CITYSTATION SOUTH, LLC

---

PAYMENT IN LIEU OF TAX AGREEMENT

---

Dated as of March 1, 2012

*Affected Tax Jurisdictions:*

Rensselaer County

City of Troy

**Enlarged City School District of Troy**

**Street Address: \_\_\_\_\_, Troy, New York 12180**  
**TMID Nos. and former addresses (as may be merged):**

101.61-13-2.1 - 120 Ferry Street  
101.61-13-4 - Ferry Street (Former Reed Alley)  
101.61-13-12 - 1488 Fifth Avenue  
101.61-13-13 - 116 Ferry Street  
101.61-13-14 - 1494 Fifth Avenue  
101.61-13-3.1 - 124 Ferry Street  
101.61-13-3.2 - Ferry Street  
101.61-13-2.2 - Fifth Avenue  
101.61-13-10.2 - 1486 Fifth Avenue  
101.61-13-11 - 1478 Fifth Avenue

## PAYMENT IN LIEU OF TAX AGREEMENT

THIS PAYMENT IN LIEU OF TAX AGREEMENT (the "Agreement"), dated as of the 1<sup>st</sup> day of March 2011, by and between the **TROY INDUSTRIAL DEVELOPMENT AUTHORITY**, a public benefit corporation of the State of New York, having its offices at 1776 Sixth Avenue, Troy, New York 12180 (the "Authority") and **CITYSTATION SOUTH, LLC**, a New York limited liability Company having offices at 300 Jordan Road, Troy, New York 12180 (the "Company").

### W I T N E S S E T H:

WHEREAS, by Title 11 of Article 8 of the Public Authorities Law of the State of New York (the "State"), as amended, and Chapter 759 of the Laws of 1967 of the State of New York, as amended (hereinafter collectively called the "Act"), the Authority 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 and commercial facilities as authorized by the Act; and

WHEREAS, **CITYSTATION SOUTH, LLC** (the "Company"), has requested the Authority's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Authority of fee title to or a leasehold interest in one or more parcels of real property located in the vicinity of Fifth Avenue and Ferry Street, Troy, New York 12180 (the "Land", being comprised of approximately 1.80 acres) and the existing site and infrastructure improvements located thereon (the "Existing Improvements"), (ii) the construction and equipping upon the Land and around the Existing Improvements of a four (4) story housing facility consisting of fifty-five (55) units of rental residential housing (collectively, the "Improvements"), such Improvements to be known as "City Station South", and (iii) the acquisition and installation by the Company in and around the Existing Improvements and Improvements of certain items of equipment and other tangible personal property necessary and incidental in connection with the Company's development of the Project in and around the Land and Existing Improvements (the "Equipment", and collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and

WHEREAS, in order to induce the Company to acquire, renovate, construct and equip the Facility, the Authority is willing to take a fee interest in the land, improvements and personal property constituting the Facility and lease said land, improvements and personal property back to the Company pursuant to the terms and conditions of a certain Lease Agreement to be dated on or about the date hereof (the "Lease Agreement"); and

WHEREAS, pursuant to Section 1963 of the Act, the Authority is exempt from the payment of taxes imposed upon real property and improvements owned by it or under its jurisdiction, control or supervision, other than special ad valorem levies, special assessments and service charges against real property which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the Authority and the Company deem it necessary and proper to enter into an agreement making provisions for payments in lieu of taxes by the Company to the Authority for the benefit of the County of Rensselaer (the “County”), the City of Troy (the “City”), and the Enlarged City School District of Troy (hereinafter the “School District” or “School” and, collectively with the County and the City, the “Affected Tax Jurisdictions”).

NOW, THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

Section I - Payment in lieu of Ad Valorem Taxes:

1.1 A. Acquisition of Land and Existing Improvements; Prior Exemption Continued. Prior to the date hereof, certain portions of the Land and Existing Improvements were owned by the City of Troy (the “City”), including TMID Nos. 101.61-13-2.1 - 120 Ferry Street, 101.61-13-4 - Ferry Street (Former Reed Alley), 101.61-13-12 - 1488 Fifth Avenue, 101.61-13-13 - 116 Ferry Street, and 101.61-13-14 - 1494 Fifth Avenue (collectively, the “City Land”), and therefore such City Land was heretofore exempt from real property taxes pursuant to the Real Property Tax Law. The Company and City have cause title to the City Land to be delivered to the Authority by deed dated March 1, 2012 (the “Deed to Authority”).

Pursuant to the Deed to Authority, the Company has also transferred fee title to certain parcels of real property (and existing improvements thereon) constituting portions of the Land and Existing Improvements, including 101.61-13-3.1 - 124 Ferry Street, 101.61-13-3.2 - Ferry Street, 101.61-13-2.2 - Fifth Avenue, 101.61-13-10.2 - 1486 Fifth Avenue, and 101.61-13-11 - 1478 Fifth Avenue (collectively, the “Company Land”).

Pursuant to Section 1963 of the Act, RPTL Section 412, and relevant opinions issued by the New York State Office of Real Property Tax Services, the Authority’s acquisition of a fee interest in (i) the City Land shall have the effect of continuing and maintaining the exempt status (Section Roll 8) of the City Land, and (ii) the Company Land shall have the effect of immediate exempt status (Section Roll 8) of the Company Land.

B. Subject to the completion and filing by the taxable status date of March 1, 2012 (the “Taxable Status Date”) of New York State Form RP-412-a Application For Real Property Tax Exemption (the “Exemption Application”) under RPTL Section 412 and Section 1963 of the Act and the approval of the Exemption Application by the appropriate assessors or Board of Assessment Review, the Land and Existing Improvements, and Improvements once constructed, shall be and continue to be exempt from Real Estate Taxes commencing as of the date hereof, such exemption to include the current tax years and prospectively, the 2013 City and County tax years and the 2012/2013 School tax year through the termination date, as defined herein. For purposes of the foregoing “Real Estate Taxes” means all general levy real estate taxes levied against the Facility by the County, City and School. The Company shall provide to the Authority the information necessary for the completion and filing of the Exemption Application and shall provide such additional information and take such actions as are required

by the appropriate assessors or Board of Assessment Review to process and approve the Exemption Application. Notwithstanding anything contained herein or in the Lease Agreement to the contrary, in the event the exemption from Real Estate Taxes is denied for any reason, the Company shall pay (and hereby agrees to pay) all Real Estate Taxes levied upon the Facility as they become due. After giving written notice to the Authority, the Company may in good faith contest the denial of the Exemption Application, provided that (i) the overall operating efficiency of the Facility is not impaired and the Facility continues to qualify as a “project” under the Act; (ii) neither the Facility nor any part of or interest therein has been declared in default under any document for which the Facility could be sold, forfeited or lost; and (iv) neither the Company nor the Authority, as a result of such contest, shall be in any danger of any civil or criminal liability. The Company hereby waives any claim or cause of action against the Authority, and releases the Authority from any liability to the Company, arising from the denial of an exemption from Real Estate Taxes except to the extent that such denial results solely from the failure of the Authority to file the Exemption Application with the appropriate assessors or Board of Assessment Review by the Taxable Status Date.

B. Payee. As long as the Facility is owned by the Authority and leased by the Authority to the Company pursuant to the Lease Agreement, or under the Authority's jurisdiction, control or supervision, the Company agrees to pay annually to the Affected Tax Jurisdictions as a payment in lieu of taxes, on or before **September 30** of each year (collectively, the “Payment Date”), commencing on **September 30, 2013**, an amount equal to the Total PILOT Payment, as defined in Schedule A hereto. The Authority shall send a single invoice to the Company on or before September 1 of each year which shall state the Total PILOT Payment due.

The parties agree and acknowledge that payments made hereunder are to obtain revenues for public purposes, and to provide a revenue source that the Affected Tax Jurisdictions would otherwise lose because the subject parcels are not on the tax rolls.

In addition to the Total PILOT Payments payable hereunder, the Company shall pay or cause to be paid all Real Estate Taxes due and payable as of the date hereof and relating to the Company Land, including all County and City Real Estate Taxes for the calendar year 2012.

1.2 Allocation. The Authority shall remit to the Affected Tax Jurisdictions amounts received hereunder, if any, within thirty (30) days of receipt of said payment and shall allocate said payments among the Affected Tax Jurisdictions in the same proportion as ad valorem taxes would have been allocated but for the Authority's involvement, unless the Affected Tax Jurisdictions have consented in writing to a specific allocation.

1.3 Tax Rates. For purposes of determining the allocation of the Total PILOT Payment among the Affected Tax Jurisdictions, the Authority shall use the last tax rate utilized for levy of taxes by each such jurisdiction. For County, City and special district purposes, the tax rates used to determine the allocation of the Total PILOT Payment shall be the tax rates relating to the calendar year which includes the PILOT payment due date. For School District purposes, the tax rates used to determine the PILOT payment shall be the rate relating to the school year which includes the PILOT payment due date.

1.4 Valuation of Future Additions to the Facility: If there shall be a future addition to the Facility constructed or added in any manner after the date of this Agreement (excluding the Improvements, as defined herein), the Company shall notify the Authority of such future addition (“Future Addition”). The notice to the Authority shall contain a copy of the application for a building permit, plans and specifications, and any other relevant information that the Authority may thereafter request. Upon the earlier of substantial completion, or the issuance of a certificate of occupancy for any such Future Addition to the Facility, the Company shall become liable for payment of an increase in the Total PILOT Payment. The Authority shall notify the Company of any proposed increase in the Total PILOT Payment related to such Future Addition. If the Company shall disagree with the determination of assessed value for any Future Additions made by the Authority, then and in that event that valuation shall be fixed by a court of competent jurisdiction. Notwithstanding any disagreement between the Company and the Authority, the Company shall pay the increased Total PILOT payment until a different Total PILOT Payment shall be established. If a lesser annual payment is determined in any proceeding or by subsequent agreement of the parties, the Total PILOT Payment shall be re-computed and any excess payment shall be refunded to the Company or, in the Authority's sole discretion, such excess payment shall be applied as a credit against the next succeeding PILOT payment(s).

1.5 Period of Benefits. The tax benefits provided for herein should be deemed to include (i) the remainder of 2012 County and City tax years and the 2011-2012 School tax year; and (ii) and prospectively, the 2013 County and City tax year through the 2032 County and City tax year, and (iii) the 2012-2013 School tax year through the 2031-2032 School tax year. This PILOT Agreement shall expire on December 31, 2032; *provided, however*, the Company shall pay the 2033 County and City tax bill and the 2032-2033 School tax bill on the dates and in the amounts as if the Authority were not in title on the tax status date with respect to said tax years. In no event shall the Company be entitled to receive tax benefits relative to the Facility for more than the periods provided for herein, unless the period is extended by amendment to this Agreement executed by both parties after any applicable public hearings. The Company agrees that it will not seek any tax exemption for the Facility which could provide benefits for more than the periods provided for herein and specifically agrees that the exemptions provided for herein, to the extent actually received (based on the number of lease years elapsed), supersede and are in substitution of the exemptions provided by Section 485-b and 485-e of the New York Real Property Tax Law (“RPTL”). It is hereby agreed and understood that the Affected Tax Jurisdictions can rely upon and enforce the above waiver to the same extent as if they were signatories hereto.

## Section II - Special District Charges, Special Assessments and Other Charges

2.1 Special district charges, special assessments, and special ad valorem levies (specifically including but not limited to fire district charges), and pure water charges and sewer charges are to be paid in full in accordance with normal billing practices, subject to any applicable exemptions afforded according to the laws of the State, County or City, as may be amended from time to time.

## Section III - Transfer of Facility.

3.1 In the event that the Facility is transferred from the Authority to the Company and the Company is ineligible for a continued tax exemption under some other tax incentive program, or the exemption results in a payment to the Affected Tax Jurisdictions in excess of the payment described in Section I herein, or this Agreement terminates and the property is not timely transferred back to the Company, the Company agrees to pay no later than the next tax lien date (plus any applicable grace period), to each of the Affected Tax Jurisdictions, an amount equal to the taxes and assessments which would have been levied on the Facility (taking into account any Total PILOT Payment previously made by the Company for the applicable PILOT year) if the Facility had been classified as fully taxable as of the date of transfer or loss of eligibility of all or a portion of the exemption described herein or date of termination.

#### Section IV - Assessment Challenges.

4.1 The Company shall have all of the rights and remedies of a taxpayer as if and to the same extent as if the Company were the owner of the Facility **only** with respect to any proposed special district charge and/or special assessment resulting from a change in assessment with respect to the Facility by any of the Affected Tax Jurisdictions relating to any and likewise shall be entitled to protest before and be heard by the appropriate assessors or Board of Assessment Review, and shall be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any proposed special district charge, special assessment or change in assessment with respect to the Facility by any of the Affected Tax Jurisdictions. However, the Company shall in all events make timely payments of all Total

**4.2 Where appropriate pursuant to the provisions of this Section IV, the Company shall (i) cause the appropriate real estate tax assessment office and tax levy officers to assess the Facility and apply tax rates to the respective assessments as if the Facility were owned by the Company, (ii) file any accounts or tax returns required by the appropriate real estate tax assessment office and tax levy officers.**

PILOT Payments due hereunder and no assessment challenge by the Company shall affect or cause to invalidate the amount of any tax equivalent provided for herein.

#### Section V - Changes in Law.

5.1 To the extent the Facility is declared to be subject to taxation or assessment by an amendment to the Act, other legislative change, or by final judgment of a Court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

#### Section VI - Events of Default.

6.1 The following shall constitute “Events of Default” hereunder. The failure by the Company (or any authorized assignee hereunder) to: (i) make the payments described in Section I within thirty (30) days of the Payment Date (the “Delinquency Date”); (ii) make any other payments described herein on or before the last day of any applicable cure period within which said payment can be made without penalty; or (iii) the occurrence and continuance of any events of default under the Lease Agreement after the expiration of any applicable notice or cure periods. Upon the occurrence of any Event of Default hereunder, in addition to any other right or remedy the Authority and/or the Affected Tax Jurisdictions may have at law or in equity, the Authority and/or Affected Tax Jurisdictions may, immediately and without further notice to the Company (but with notice to the Authority with respect to actions maintained by the Affected Tax Jurisdictions) pursue any action in the courts to enforce payment or to otherwise recover directly from the Company any amounts so in default. The Authority and the Company hereby acknowledge the right of the Affected Tax Jurisdictions to recover directly from the Company any amounts so in default pursuant to applicable provisions of the Act and the Company shall immediately notify the Authority of any action brought, or other measure taken, by any Affected Tax Jurisdiction to recover any such amount.

6.2 If payments pursuant to Section I herein are not made by the Delinquency Dates, or if any other payment required to be made hereunder is not made by the last day of any applicable cure period within which said payment can be made without penalty, the Company shall pay penalties and interest as follows. With respect to payments to be made pursuant to Section I herein, if said payment is not received by the Delinquency Date as defined in Section 6.1 herein, the Company shall pay, in addition to said payment, (i) a late payment penalty equal to five percent (5%) of the amount due and (ii) for each month, or any part thereof, that any such payment is delinquent beyond the first month, interest on the total amount due plus the late payment penalty, in an amount equal to one percent (1%) per month. With respect to all other payments due hereunder, if said payment is not paid within any applicable cure period, Company shall pay, in addition to said payment, the greater of the applicable penalties and interest or penalties and interest which would have been incurred had payments made hereunder been tax payments to the Affected Tax Jurisdictions.

#### Section VII - Assignment.

7.1 No portion of any interest in this Agreement may be assigned by the Company, nor shall any person other than the Company be entitled to succeed to or otherwise obtain any benefits of the Company hereunder without the prior written consent of the Authority, which shall not be unreasonably withheld or delayed.

#### Section VIII - Miscellaneous.

8.1 This Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.

8.2 All notices, claims and other communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or mailed first class, postage prepaid, as follows:

To the Authority:

Troy Industrial Development Authority  
1776 Sixth Avenue  
Troy, New York 12180  
Attn: Executive Director

To Authority Counsel:

Harris Beach PLLC  
677 Broadway, Suite 1101  
Albany, New York 12207  
Attn: Justin S. Miller, Esq.

To the Company:

CityStation South, LLC  
300 Jordan Road  
Troy, New York 12180  
Attn: Michael J. Uccellini

To Company Counsel:

Roemer Wallens Gold & Mineaux LLP  
13 Columbia Circle  
Albany, New York 12203  
Attn.: John R. Mineaux, Esq.

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed or personally delivered in the manner provided in this Section.

8.3 This Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal courts located in the City of Albany, New York and/or state courts located in the City of Troy, New York.

8.4 Notwithstanding any other term or condition contained herein, all obligations of the Authority hereunder shall constitute a special obligation payable solely from the revenues and other monies, if any, derived from the Facility and paid to the Authority by the Company. Neither member of the Authority nor any person executing this Agreement on its behalf shall be liable personally under this Agreement. No recourse shall be had for the payment of the principal or interest on amounts due hereunder or for any claim based upon or in respect of any

modification of or supplement hereto against any past, present or future member, officer, agent, servant, or employee, as such, of the Authority, or of any successor or political subdivision, either directly or through the Authority or any such successor, all such liability of such members, officer, agents, servants and employees being, to the extent permitted by law, expressly waived and released by the acceptance hereof and as part of the consideration for the execution of this Agreement.

8.5 Notwithstanding anything contained herein to the contrary, the Authority, at its sole discretion and on a case-by-case basis, may determine, (but shall not be required to do so) with respect to a particular project, that a project has failed to meet its intended goals and to require the project applicant to agree to the recapture by the Authority of the value of any or all exemptions from taxation granted with respect to the project by virtue of the Authority's involvement. Events that the Authority may determine will trigger recapture may include, but not limited to (i) sale or closure of facility; (ii) significant employment reduction; (iii) significant change in use in facility; (iv) significant change in business activities or project applicant or operator; or (v) material noncompliance with or breach of terms of Authority transaction documents or of zoning or land use laws or regulations or federal, state or local environmental laws or regulations. If the Authority determines to provide for the recapture with respect to a particular project, the Authority also shall, in its sole discretion and on a case-by-case basis, determine the timing and percentage of recapture. The Authority shall notify the Company in writing within thirty (30) days of any such Event of Default of its intent to recapture the benefits conveyed pursuant to this PILOT Agreement (or any portion thereof).

8.6 PILOT Mortgage. As an inducement for the Authority to enter into this Agreement, and commensurate herewith, the Authority and the Company have executed a certain PILOT Mortgage, dated as of the date hereof (the "PILOT Mortgage"), wherein the Authority and Company, as mortgagors, have mortgaged their respective interests in the Facility to the Authority on behalf of the Affected Tax Jurisdictions, as mortgagees, for the purpose of securing the Company's performance and payment obligations hereunder, including the Company's obligation to make timely Total PILOT payments, as defined herein. The PILOT Mortgage, when recorded, shall constitute a priority lien against the Facility in an amount equal to any and all unpaid and defaulted Total PILOT Payments, such priority lien to be subordinate only to any other additional mortgage liens secured against the Facility that the Authority may approve from time to time (the "Additional Mortgages"); PROVIDED, HOWEVER, THE PAYMENT OBLIGATIONS OF THE COMPANY (AND ANY SUCCESSOR THERETO) UNDER THIS AGREEMENT AND THE PILOT MORTGAGE HAVE A PRIORITY RIGHT OF PAYMENT OVER AMOUNTS PAYABLE UNDER ANY SUCH ADDITIONAL MORTGAGES AND THE PAYMENT OBLIGATIONS CREATED HEREIN AND BY THE PILOT MORTGAGE ARE IN NO WAY SUBORDINATED TO THE PAYMENT OBLIGATIONS UNDER ANY ADDITIONAL MORTGAGES.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]*

[Signature Page to PILOT Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

TROY INDUSTRIAL  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_

Name: William Dunne

Title: Executive Director

CITYSTATION SOUTH, LLC

By: \_\_\_\_\_

Name: Michael J. Uccellini

Title: Managing Member

**SCHEDULE A**  
**TO**  
**PILOT AGREEMENT DATED AS OF MARCH 1, 2012,**  
**TROY INDUSTRIAL DEVELOPMENT AUTHORITY**  
**CITYSTATION SOUTH, LLC**

“Total PILOT Payment” shall be calculated as follows:

For each PILOT Year and Payment Date commencing September 30, 2013, the Company shall pay to the Authority an amount equal to the Total PILOT Payment, as defined and calculated herein.

<b><u>PILOT Year</u></b>	<b><u>City and County Tax Year</u></b>	<b><u>School Tax Year</u></b>	<b><u>Total PILOT Payment</u></b>
Interim	2012	2011/2012	---*
Year 1	2013	2012/2013	\$24,750.00
Year 2	2014	2013/2014	\$25,492.50
Year 3	2015	2014/2015	\$26,257.28
Year 4	2016	2015/2016	\$27,044.99
Year 5	2017	2016/2017	\$27,856.34
Year 6	2018	2017/2018	\$35,750.00
Year 7	2019	2018/2019	\$36,822.50
Year 8	2020	2019/2020	\$37,927.18
Year 9	2021	2020/2021	\$39,064.99
Year 10	2022	2021/2022	\$40,236.94
Year 11	2023	2022/2023	\$46,750.00
Year 12	2024	2023/2024	\$48,152.50
Year 13	2025	2024/2025	\$49,597.08
Year 14	2026	2025/2026	\$51,084.99
Year 15	2027	2026/2027	\$52,617.54
Year 16	2028	2027/2028	\$57,750.00
Year 17	2029	2028/2029	\$59,482.50
Year 18	2030	2029/2030	\$61,266.98
Year 19	2031	2030/2031	\$63,104.98
Year 20	2032	2031/2032	\$64,998.13

The Total PILOT Payment reflects an initial base payment of \$450 per unit for 55 units, escalating at 3% per year. In PILOT Year 6, the base per-unit figure increases to \$650 per unit. In year 11, the base per-unit figure increases to \$850 per unit. In year 16, the base per-unit figure increases to \$1,050 per unit.

\* - Pursuant to and in accordance with Section 1.1(B) hereof, and in addition to the Total PILOT Payments payable hereunder, the Company shall pay or cause to be paid all Real Estate Taxes due and payable as of the date hereof and relating to the Company Land, including all County and City Real Estate Taxes for the calendar year 2012.

**PROJECT AUTHORIZING RESOLUTION**  
*(CityStation South, LLC Project)*

A regular meeting of the Troy Industrial Development Authority (the "Authority") was convened on February 16, 2012, at 9:00 a.m., local time, at 1776 Sixth Avenue, Troy, New York 12180.

The meeting was called to order by \_\_\_\_\_ and, upon roll being called, the following members of the Authority were:

<u>MEMBER</u>	<u>PRESENT</u>	<u>ABSENT</u>
David Stackrow, Vice Chair		
Paul Carroll		
Hon. Dean Bodnar		
Rev. Cornelius Clark		
Lorraine Schindler		
Michael Cocca		

The following persons were ALSO PRESENT:

After the meeting had been duly called to order, \_\_\_\_\_ announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of CityStation South, LLC.

On motion duly made by \_\_\_\_\_ and seconded by \_\_\_\_\_, the following resolution was placed before the members of the Troy Industrial Development Authority:

Member	Aye	Nay	Abstain	Absent
David Stackrow, Vice Chair				
Paul Carroll				
Hon. Dean Bodnar				
Rev. Cornelius Clark				
Lorraine Schindler				
Michael Cocca				

Resolution No. 12-\_\_-\_\_

RESOLUTION OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY  
 (THE "AUTHORITY") (i) AUTHORIZING THE UNDERTAKING OF A CERTAIN  
 PROJECT (AS FURTHER DEFINED HEREIN) FOR THE BENEFIT OF  
 CITYSTATION SOUTH, LLC (THE "COMPANY") IN CONNECTION WITH A  
 CERTAIN PROJECT; (ii) ADOPTING FINDINGS PURSUANT TO THE STATE

ENVIRONMENTAL QUALITY REVIEW ACT (“SEQRA”) WITH RESPECT TO THE PROJECT; AND (iv) AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND AGREEMENTS RELATING TO THE PROJECT

WHEREAS, by Title 11 of Article 8 of the Public Authorities Law of the State of New York, as amended, and Chapter 759 of the Laws of 1967 of the State of New York, as amended (hereinafter collectively called the “Act”), the **TROY INDUSTRIAL DEVELOPMENT AUTHORITY** (hereinafter called the “Authority”) 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 and commercial facilities as authorized by the Act; and

WHEREAS, **CITYSTATION SOUTH, LLC** (the “Company”), previously submitted an Application for Financial Assistance (the “Application”) requesting the Authority’s assistance with a certain project (the “Project”) consisting of (i) the acquisition by the Authority of fee title to or a leasehold interest in one or more parcels of real property located in the vicinity of Fifth Avenue and Ferry Street, Troy, New York 12180 (the “Land”, being comprised of approximately 1.80 acres) and the existing site and infrastructure improvements located thereon (the “Existing Improvements”), (ii) the construction and equipping upon the Land and around the Existing Improvements of a four (4) story housing facility consisting of fifty-five (55) units of rental residential housing (collectively, the “Improvements”), such Improvements to be known as “City Station South”, and (iii) the acquisition and installation by the Company in and around the Existing Improvements and Improvements of certain items of equipment and other tangible personal property necessary and incidental in connection with the Company’s development of the Project in and around the Land and Existing Improvements (the “Equipment”, and collectively with the Land, the Existing Improvements and the Improvements, the “Facility”); and

WHEREAS, by resolution adopted January 12, 2012 (the “Initial Project Resolution”), the Authority (i) accepted the Application submitted by the Company, (ii) authorized the scheduling, notice and conduct of a public hearing with respect to the Project (the “Public Hearing”), and (iii) described the forms of financial assistance being contemplated by the Authority with respect to the Project (the “Financial Assistance”, as more fully described herein); and

WHEREAS, pursuant to the Initial Project Resolution, the Authority duly scheduled, noticed and conducted the Public Hearing at 9:00 a.m. on February 16, 2012, whereat all interested persons (including Affected Tax Jurisdictions as duly notified to the extent that the Financial Assistance deviates from the Agency’s Uniform Tax Exemption Policy (“UTEF”)) were afforded a reasonable opportunity to present their views, either orally or in writing, on the location and nature of the Facility and the proposed Financial Assistance to be afforded the Company in connection with the Project (a copy of the Minutes of the Public Hearing, proof of publication and delivery of Notice of Public Hearing and Contemplated Deviation being attached hereto as **Exhibit A**); and

WHEREAS, pursuant to application by the Company, the Planning Board of the City of Troy (the “Planning Board”), as lead agency pursuant to the State Environmental Quality Review Act and regulations adopted

pursuant thereto (collectively, "SEQRA"), previously reviewed the Project and on December 15, 2011 adopted a negative declaration (the "Negative Declaration") with respect to the Project, a copy of which is attached hereto as **Exhibit B**; and

WHEREAS, the Authority has received and reviewed the Planning Board's Negative Declaration with respect to the Project and desires to adopt and ratify same in connection with the Authority's authorizing of the undertaking of the Project; and

WHEREAS, the Authority and Company have negotiated a lease agreement (the "Lease Agreement") and related payment-in-lieu-of-tax agreement (the "PILOT Agreement"), and, pursuant to this resolution it is contemplated that the Authority will (i) acquire a fee interest in the Land and Existing Improvements pursuant to a certain deed (the "Deed"), (ii) appoint the Company agent of the Authority to undertake the Project and lease the Land, Existing Improvements, Improvements and Equipment constituting the Facility to the Company for the term of the Lease Agreement and PILOT Agreement, and (ii) provide certain forms of Financial Assistance to the Company, including (a) mortgage recording tax exemption(s) relating to one or more financings secured in furtherance of the Project; (b) a sales and use tax exemption for purchases and rentals related to the construction and equipping of the Project; and (c) a partial real property tax abatement structured through the PILOT Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

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

(A) By virtue of the Act, the Authority 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 Authority has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Authority will induce the Company to develop the Project, thereby increasing employment opportunities in the City of Troy, New York, and otherwise furthering the purposes of the Authority as set forth in the Act; and

(D) 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 Authority 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

(E) The Authority has reviewed the Negative Declaration adopted by the Planning Board and determined the Project involves an "Unlisted Action" as said term is defined under SEQRA. The review is uncoordinated. Based upon the review by the Authority of the Negative Declaration, related Environmental Assessment Form (the "EAF") and related documents delivered by the Company to the Authority and other representations made by the Company to the Authority in connection with the Project, the Agency hereby ratifies the SEQRA determination made by the Planning Board and the Authority further finds that (i) the Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (ii) the Project will not have a "significant effect on the environment" as such quoted terms are defined in SEQRA; and (iii) no "environmental impact statement" as such quoted term is defined in SEQRA, need be prepared for this action. This determination constitutes a negative declaration in connection with the Authority's sponsorship and involvement with the Project for purposes of SEQRA.

Section 2. The Authority hereby accepts the Minutes of the Public Hearing and approves the provision of the proposed Financial Assistance to the Company, including (i) a sales and use tax exemption for materials, supplies and rentals acquired or procured in furtherance of the Project by the Company as agent of the Authority; (ii) mortgage recording tax exemption(s) in connection with secured financings undertaken by the Company in furtherance of the Project; and (iii) an abatement or exemption from real property taxes levied against the Land and Facility pursuant to a PILOT Agreement.

Section 3. Subject to the Company executing the Lease Agreement and the delivery to the Authority of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Authority, the Authority hereby authorizes the undertaking of the Project, including the acquisition of the Land and Existing Improvements pursuant to a Deed and related recording documents, the form and substance of which shall be approved as to form and content by counsel to the Authority. The Authority further authorizes the Company to undertake the construction and equipping of the Improvements and hereby appoints the Company as the true and lawful agent of the Authority: (i) to acquire, construct and equip the Improvements and acquire and install the Equipment; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Authority 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 Authority could do if acting in its own behalf.

Section 4. The Chairman, Vice Chairman, and/or Executive Director/Chief Executive Officer of the Authority are hereby authorized, on behalf of the Authority, to execute, deliver (A) the Lease Agreement, pursuant to which the Authority will lease its interest in the Land, Existing Improvements, Improvements and Equipment constituting the Facility to the Company, (B) the PILOT Agreement pursuant to which the Company shall be required to make certain PILOT Payments to the Authority for the benefit of the Affected Taxing Jurisdictions (along with a related PILOT Mortgage Agreement), and (C) related documents, including, but not limited to, Sales Tax Exemption Letter(s), Bills(s) of Sale and related instruments; provided the rental payments under the Lease Agreement include payments of all costs incurred by the Authority arising out of or related to the Project and indemnification of the Authority by the Company for actions taken by the Company and/or claims arising out of or related to the Project.

Section 5. The Chairman, Vice Chairman and/or the Executive Director/Chief Executive Officer of the Authority are hereby further authorized, on behalf of the Authority, and to the extent necessary, to 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 and/or finance/refinance acquisition and Project costs, equipment and other personal property and related transactional costs, and, where appropriate, the Secretary or Assistant Secretary of the Authority is hereby authorized to affix the seal of the Authority to the Authority Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or the Executive Director/Chief Executive Officer of the Authority shall approve, the execution thereof by the Chairman, Vice Chairman or the Executive Director/Chief Executive Officer of the Authority to constitute conclusive evidence of such approval; provided, in all events, recourse against the Authority is limited to the Authority's interest in the Project.

Section 6. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required and to 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 Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 7. These Resolutions shall take effect immediately.

**SECRETARY'S CERTIFICATION**

STATE OF NEW YORK            )  
COUNTY OF RENSSELAER    )

I, \_\_\_\_\_, the undersigned, \_\_\_\_\_ of the Troy Industrial Development Authority (the "Authority"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Authority, including the Resolution contained therein, held on February 16, 2012, with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Authority had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Authority 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 rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_

(SEAL)

\_\_\_\_\_

**TROY INDUSTRIAL DEVELOPMENT AUTHORITY**

**AND**

**CITYSTATION SOUTH, LLC**

\_\_\_\_\_

**CityStation South, LLC Project**

**Facility Premises:**

**Street Address:** \_\_\_\_\_, Troy, New York 12180

**TMID Nos. and former addresses (as may be merged):**

101.61-13-2.1 - 120 Ferry Street

101.61-13-4 - Ferry Street (Former Reed Alley)

101.61-13-12 - 1488 Fifth Avenue

101.61-13-13 - 116 Ferry Street

101.61-13-14 - 1494 Fifth Avenue

101.61-13-3.1 - 124 Ferry Street

101.61-13-3.2 - Ferry Street

101.61-13-2.2 - Fifth Avenue

101.61-13-10.2 - 1486 Fifth Avenue

101.61-13-11 - 1478 Fifth Avenue

**Benefits:**

**Sales and Use Tax Exemption  
Real Property Tax Abatement  
Mortgage Recording Tax Exemption**

**Closing Date:**

**March 1, 2012**

**Prepared by:**

Justin S. Miller, Esq.  
Harris Beach PLLC  
677 Broadway, Suite 1101  
Albany, New York 12207  
(518) 427-9700

**TROY INDUSTRIAL DEVELOPMENT AUTHORITY  
CITYSTATION SOUTH, LLC PROJECT**

Troy Industrial Development Authority	-	Authority
Harris Beach PLLC	-	Authority Transaction Counsel
CityStation West, LLC	-	Applicant/Company
Roemer Wallens Gold & Mineaux LLP	-	Company Counsel
Chemung Canal Trust Company	-	Lender/Mortgagee
Whiteman Osterman & Hanna LLP	-	Lender Counsel

Closing Index

<u>Document Number</u>	<u>Document Title</u>
1.	Application for Financial Assistance, dated as of December 16, 2011.
2.	Authority Initial Project Resolution, adopted on January 12, 2012.
3.	Authority Notice of Public Hearing and Contemplated Deviation, dated February 1, 2012, with Proofs of Publication and Mailing.
4.	Approving Resolution of Planning Board of the City of Troy, dated December 15, 2011, with Negative Declaration and Environmental Assessment Form and related materials.
5.	Records and Minutes of Authority Public Hearing, held February 16, 2012
6.	Authority Project Authorizing Resolution, adopted on February 16, 2012.
7.	Title Insurance Policy and Instrument Survey.
8.	Evidence of Insurance.
9.	Warranty Deed to Authority, dated as of March 1, 2012, along with Forms TP-584 and RP-5217.
10.	Lease Agreement, dated as of March 1, 2012, from the Authority to the Company.
11.	Memorandum of Lease Agreement, dated as of March 1, 2012, along with Form TP-584.
12.	PILOT Agreement, dated as of March 1, 2012, between the Authority and the Company.
13.	Form RP-412-a with Proof of Mailing PILOT Agreement.
14.	PILOT Mortgage, dated as of March 1, 2012, with Mortgage Recording Tax Exemption Affidavit
15.	Environmental Compliance and Indemnification Agreement, dated as of March 1, 2012.
16.	Authority Sales Tax Exemption Letter, with NYS Form ST-60, expiring December 31, 2012.

<u>Document Number</u>	<u>Document Title</u>
17.	Bill of Sale, from Company to Authority, dated as of March 1, 2012.
18.	Bill of Sale, from Authority to Company to be held in escrow and released following completion of Improvements.
19.	Mortgage and Security Agreement, dated as of March 1, 2012, from Authority and Company to Lender.
20.	Absolute Assignment of Leases, Rents and Contracts, dated as of March 1, 2012, from Authority and Company to Lender
21.	Mortgage Recording Tax Exemption Affidavit, dated March 1, 2012
22.	Quitclaim Deed, from Authority to Company, along with Forms TP-584 and RP-5217, to be held in escrow by the Authority and released and recorded upon termination of the Lease Agreement.
23.	Authority General Certificate with: <u>Exhibit A</u> – By-laws <u>Exhibit B</u> – Authority Authorizing Resolutions.
24.	General Certificate of the Company with: <u>Exhibit A</u> – Articles of Organization with any Amendments thereto <u>Exhibit B</u> – Operating Agreement of the Company <u>Exhibit C</u> – Resolutions of the Company <u>Exhibit D</u> – Good Standing Certificate from the State of New York <u>Exhibit E</u> – Material Pending Litigation
25.	Opinion of Roemer Wallens Gold & Mineaux LLP, as counsel to the Company.
26.	Opinion of Harris Beach PLLC, as Authority Transaction Counsel.
27.	Closing Statements

PILOT Year		Housing PILOT	Full Taxes	Abatement
1	2013	24750	144359.64	0.171446812
2	2014	25492.5	147246.8328	0.173127663
3	2015	26257.275	150191.7695	0.174824993
4	2016	27044.99325	153195.6048	0.176538963
5	2017	27856.34305	156259.5169	0.178269737
6	2018	35750	159384.7073	0.224300064
7	2019	36822.5	162572.4014	0.226499084
8	2020	37927.175	165823.8495	0.228719663
9	2021	39064.99025	169140.3264	0.230962013
10	2022	40236.93996	172523.133	0.233226346
11	2023	46750	175973.5956	0.265664856
12	2024	48152.5	179493.0675	0.268269414
13	2025	49597.075	183082.9289	0.270899506
14	2026	51084.98725	186744.5875	0.273555384
15	2027	52617.53687	190479.4792	0.276237299
16	2028	57750	194289.0688	0.297237515
17	2029	59482.5	198174.8502	0.300151608
18	2030	61266.975	202138.3472	0.303094271
19	2031	63104.98425	206181.1141	0.306065784
20	2032	64998.13378	210304.7364	0.309066428
Total		811009.2749	3507559.557	0.231217535
Net Savings				2696550.282

Notes:

Housing PILOT figures represent initial base payment of \$450/Unit for 55 Units, escalating at 3%/year.

Base Housing Payment increases to \$650/unit in year 6, \$850/unit in year 11, and \$1,050 in year 16.

Full Tax Assumptions:

\$7,600,000 Total Project Cost

Est. \$4,000,000 FMV upon completion

\$4M Equalized at 13.7% = \$548,000

A/V

Current \$263.43/1000 Rate = \$144,359.64 Total Taxes starting 2013.

Column above assumes 2% tax escalation each year



Application.pdf

**INITIAL PROJECT RESOLUTION**  
*(Realex LLC – Bomber’s Burrito Bar Project)*

A regular meeting of the Troy Industrial Development Authority (the “Authority”) was convened on February 16, 2012, at 9:00 a.m., local time, at 1776 Sixth Avenue, Troy, New York 12180.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Authority were:

<u>MEMBER</u>	<u>PRESENT</u>	<u>ABSENT</u>
David Stackrow, Vice Chair		
Paul Carroll		
Hon. Dean Bodnar		
Rev. Cornelius Clark		
Lorraine Schindler		
Michael Cocca		

The following persons were ALSO PRESENT:

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 a proposed project for the benefit of Realex LLC.

On motion duly made by \_\_\_\_\_ and seconded by \_\_\_\_\_, the following resolution was placed before the members of the Troy Industrial Development Authority:

Member	Aye	Nay	Abstain	Absent
David Stackrow, Vice Chair				
Paul Carroll				
Hon. Dean Bodnar				
Rev. Cornelius Clark				
Lorraine Schindler				
Michael Cocca				

Resolution No. \_\_\_\_\_

RESOLUTION OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY (THE "AUTHORITY") (i) ACCEPTING THE APPLICATION OF REALEX LLC (THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW); (ii) AUTHORIZING THE SCHEDULING, NOTICE AND CONDUCT OF A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AUTHORITY WITH RESPECT TO THE PROJECT

WHEREAS, by Title 11 of Article 8 of the Public Authorities Law of the State of New York, as amended, and Chapter 759 of the Laws of 1967 of the State of New York, as amended (hereinafter collectively called the "Act"), the **TROY INDUSTRIAL DEVELOPMENT AUTHORITY** (hereinafter called the "Authority") 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 and commercial facilities as authorized by the Act; and

WHEREAS, **REALEX LLC** (the "Company"), has requested the Authority's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Authority of a leasehold interest in one or more parcels of real property located at 2 King Street, Troy, New York 12180 (the "Land", being comprised of .06 acres and identified as TMID No. 101.37-3-3) and the existing commercial building improvements located thereon (the "Existing Improvements"), (ii) the planning, design, renovation, construction and equipping of the Existing Improvements for the operation by the Company as a restaurant facility to be known as "Bomber's Burrito Bar" (collectively, the "Improvements"), and (iii) the acquisition and installation by the Company in and around the Existing Improvements and Improvements of certain items of equipment and other tangible personal property necessary and incidental in connection with the Company's development of the Project in and around the Land and Existing Improvements (the "Equipment", and collectively with the Land, the Existing Improvements and the Improvements, the "Facility"); and

WHEREAS, pursuant to the Act, the Authority desires to adopt a resolution describing the Project and the Financial Assistance (as hereinafter defined) that the Authority is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Authority will (i) accept the Application submitted by the Company; (ii) approve the scheduling, notice and conduct of a Public Hearing with respect to the Project; and (iii) approve the negotiation, but not the execution or delivery, of certain documents in furtherance of the Project, as more fully described below.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE TROY INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

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

(A) By virtue of the Act, the Authority 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 Authority has the authority to take the actions contemplated herein under the Act; and

(C) The action to be taken by the Authority will induce the Company to develop the Project, and otherwise furthering the purposes of the Authority as set forth in the Act; and

(D) 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 Authority 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

Section 2. The proposed Financial Assistance being contemplated by the Authority includes (i) a sales and use tax exemption for materials, supplies and rentals acquired or procured in furtherance of the Project by the Company as agent of the Authority; and (ii) an abatement or exemption from real property taxes levied against the Land and Facility pursuant to a PILOT Agreement to be negotiated.

Section 3. The Chairman, Vice Chairman, and/or Executive Director/Chief Executive Officer of the Authority are hereby authorized, on behalf of the Authority, to schedule, notice and conduct a public hearing in compliance with the Act and negotiate (but not execute or deliver) the terms of (A) a Lease Agreement, pursuant to which the Company leases the Project to the Authority, (B) a related Leaseback Agreement, pursuant to which the Authority leases its interest in the Project back to the Company, (C) a PILOT Agreement, pursuant to which the Company agrees to make certain payments in-lieu-of real property taxes, and (D) related documents thereto; *provided* (i) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Authority arising out of or related to the Project and indemnification of the Authority 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 Authority's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 3. The officers, employees and agents of the Authority are hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required and to 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 Authority with all of the terms, covenants and provisions of the documents executed for and on behalf of the Authority.

Section 4. These Resolutions shall take effect immediately.

**SECRETARY'S CERTIFICATION**

STATE OF NEW YORK            )  
COUNTY OF RENSSELAER    )

I, \_\_\_\_\_, the undersigned, \_\_\_\_\_ of the Troy Industrial Development Authority (the "Authority"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Authority, including the Resolution contained therein, held on February 16, 2012, with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Authority had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Authority 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 rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority this \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_

(SEAL)

Memberships



Rens. County.pdf



Economic Development Council.pdf