

**MINUTES**  
**COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY**  
**December 14, 2016**  
**IDA OFFICE BUILDING**  
**44 W. BRIDGE ST.**  
**OSWEGO, NEW YORK**

**PRESENT:** Canale, Rush, Schick, Sorbello and Toth

**Absent/Excused:** Kunzwiler

**Also Present:** Kevin C. Caraccioli, David S. Dano, Greg Furlong, Tom Iorizzo, Ben Kail, Betsy McTiernan, Justin Rudgick, Jeff Smetana, Tim Stahl, L. Michael Treadwell, Chris Trevisani, Bob Wilmott and Teresa Woolson

Chair Toth called the meeting to order at 9:00 a.m. at the offices of the County of Oswego IDA in Oswego, NY.

**APPROVAL OF MINUTES**

On a motion by Ms. Rush, seconded by Mr. Sorbello, the minutes of the November 7, 2016 meeting were approved.

**TREASURER'S REPORT**

On a motion by Mr. Schick, seconded by Mr. Canale, the Financial Statements for the period ended September 30, 2016 were approved.

**NOTICE OF MEETING**

Meeting notices were posted at the Oswego County Building, the IDA Office Building and on the IDA website. A notice was published in The Palladium Times on November 25, 2016.

**Newman Development Group/Lakeside Commons**

Mr. Smetana provided an extensive presentation on the proposed student housing project being planned for the Town of Oswego. The project would include the construction of 11 residential buildings containing approximately 84 units representing a 320 bedroom complex of market rate student apartments. The complex would include a 9,000 sf clubhouse, a 1,600 sf maintenance building and parking for 240 cars plus sidewalks and a footpath connecting to SUNY Oswego.

Mr. Smetana reviewed their market analysis for demand, the proposed structure of the requested PILOT, improvements to enhance the connections to the City of Oswego for wastewater treatment, plans for security and landscaping.

Ms. McTiernan noted that she had no objection, however, expressed concerns about the need and costs to residents about a new sewer pump. She also noted that the PILOT should be a win-win for the developer and residents. Mr. Smetana noted that the company would be covering the pump and that the PILOT would contribute to the revenue of the taxing authorities.

Mr. Iorizzo expressed concerns about whether 104 needed to be widened at the entrance and perhaps a traffic light. Mr. Smetana stated that NYS DOT will not require it.

Mr. Wilmott inquired about the number of jobs and Mr. Smetana reported 5-6 full-time and 5-6 part-time jobs.

Mr. Furlong expressed concern about the level of demand for student housing. He also requested that the COIDA comply with its UTEP for the project.

Mr. Canale requested that Mr. Smetana provide a list of projects that the company had done and reference letters.

**Housing Visions/Harbor View Square**

Mr. Trevisani provided a presentation on the proposed Harbor View Square project being planned for the City of Oswego. He reported that Housing Visions responded to a RFP and was selected by the City to redevelop the Flexo-Wire site. He reviewed the plans for the mixed use development.

Mr. Rudgick stated that this was a very important project for the City and is a core project in the DRI plan.

**Executive Session**

Chair Toth and Mr. Caraccioli reported that due to matters involving the financial history of a business/organization and individuals and pending and current contractual matters, on a motion by Mr. Schick, seconded by Ms. Rush, it was approved to go into Executive Session at 12:01 p.m.

On a motion by Mr. Canale, seconded by Mr. Sorbello, the Executive Session ended at 12:52 p.m.

**Housing Visions/Harbor View Square**

Following a review of the Application for Financial Assistance and a review of the Cost/Benefit Analysis of the project, copy of each are on file at the Agency, on a motion by Mr. Sorbello, seconded by Mr. Schick, a resolution was approved authorizing undertaking the acquisition, construction, equipping and completion of a certain project, appointing the Company as Agent of the Agency for the purpose of the acquisition, construction, equipping and completion of the project; approving certain financial assistance; and authorizing the execution and delivery of an agreement between the Agency and the Company. A copy of the Inducement Resolution is attached and made an official part of the minutes.

On a motion by Mr. Canale, seconded by Mr. Schick, a resolution was approved approving a PILOT Schedule and authorizing the execution and delivery of certain documents by the Agency in connection with a certain project undertaken at the request of the Company. A copy of the PILOT Resolution is attached and made an official part of the minutes.

On a motion by Ms. Rush, seconded by Mr. Schick, a resolution was approved authorizing the execution and delivery of certain documents by the Agency in connection with a project undertaken at the request of the Company. A copy of the Final Approving Resolution is attached and made an official part of the minutes.

**Nine Mile Point Nuclear Station, LLC**

Following a review of the Application for Financial Assistance and a review of the Cost/Benefit Analysis of the project, copy of each are on file at the Agency, on a motion by Ms. Rush, seconded by Mr. Schick, a resolution was approved approving a PILOT Schedule and authorizing the execution and delivery of certain documents by the Agency in connection with a certain project undertaken at the request of Nine Mile Point Nuclear Station, LLC. A copy of the PILOT Resolution is attached and made an official part of the minutes.

On a motion by Mr. Canale, seconded by Mr. Schick, a resolution was approved authorizing the execution and delivery of certain documents by the Agency in connection with a project undertaken at the request of the Company. A copy of the Final Approving Resolution is attached and made an official part of the minutes.

**Delinquent Loan Report**

Mr. Dano reviewed the report for the period ended November 30, 2016.

**UEJ Coalition**

Mr. Treadwell reported that a one week extension for the billboard ad in Albany was authorized for the period 12/9 – 12/16/16.

**Board Vacancies**

Mr. Sorbello reported that the two appointments were on the Oswego County Legislative Agenda for the December 15, 2016 meeting. Tom Kells and Barry Trimble would be appointed to fill the vacancies for Jonathan Daniels and Carolyn Rush.

**Audit Committee/COIDA Audit FY Ended 7/31/16**

Mr. Toth reported that the Audit Committee had met on December 14, 2016 and recommends adoption of the COIDA Audit for FY Ended 7/31/16. On a motion by Ms. Rush, seconded by Mr. Canale, a resolution was approved approving the COIDA Audit for FY Ended 7/31/16.

Following a discussion on recommendations for Schedule A Control Deficiencies, on a motion by Mr. Schick, seconded by Mr. Sorbello, authorization was approved to establish an Internal Control Policy for reconciliation purposes per the Auditor's recommendation.

**Price Chopper/Incubator Project**

Following a discussion, on a motion by Mr. Schick, seconded by Mr. Sorbello, the \$650,000 purchase offer amount was approved.

Following a discussion and a recommendation from Mr. Caraccioli, on a motion by Mr. Schick, seconded by Ms. Rush, a waiver request was granted for Barclay Damon who will be representing the Oswego Port Authority regarding the bond transaction used by the Port to acquire the property and the COIDA's acquisition of the former Price Chopper property in the City of Oswego.

**COIDA Board Training**

Mr. Treadwell reported that the State of New York Authorities Budget Office has notified the Agency that 3 members of the COIDA Board have not complied with ABO Policy Guidance No. 15-02 "Board Member Training." A corrective action plan will be presented to the ABO on or before December 27, 2016.

**Champlain Valley Specialty**

Following a discussion, on a motion by Mr. Sorbello, seconded by Mr. Canale, authorization was approved to provide to the company an incentive proposal to encourage an expansion in Oswego County.

**Zink Screenprinting & Design**

Following a discussion, on a motion by Ms. Rush, seconded by Mr. Schick, a 6-month deferment was approved (December 2016 – May 2017).

**Next Meeting**

January 19, 2017 at 9:00 a.m. was scheduled.

**Carolyn A. Rush**

The Chair and all members of the COIDA Board thanked Ms. Rush for her 30 years of service to the Agency.

**Adjournment**

On a motion by Mr. Canale, seconded by Mr. Sorbello, the meeting was adjourned at 1:13 p.m.

Respectfully Submitted,

H. Leonard Schick  
Secretary

## INDUCEMENT RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on December 14, 2016, at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

**PRESENT:** Nick Canale, Jr., Carolyn A. Rush, H. Leonard Schick, Morris Sorbello and Gary T. Toth

**ABSENT:** Donald H. Kunzwiler

**ALSO PRESENT:** Kevin C. Caraccioli, David S. Dano and L. Michael Treadwell

The following resolution was duly offered and seconded:

**RESOLUTION UNDERTAKING THE ACQUISITION, CONSTRUCTION, EQUIPPING AND COMPLETION OF A CERTAIN PROJECT, APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION, EQUIPPING AND COMPLETION OF THE PROJECT; APPROVING CERTAIN FINANCIAL ASSISTANCE; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY**

**WHEREAS**, the County of Oswego Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the “*Act*”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and

economic deterioration; and

**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to grant “financial assistance” (as defined in the Act) in connection with the acquisition, construction, renovation and equipping of one or more “projects” (as defined in the Act); and

**WHEREAS**, Housing Visions Consultants, Inc., on behalf of Harbor View Square, LLC, or an entity to be formed (the “**Company**”), submitted an application to the Agency on or about October 20, 2016 (the “**Application**”), a copy of which is on file at the office of the Agency, requesting the Agency undertake a project (the “**Project**”) consisting of: (A) (i) the acquisition of a leasehold interest in approximately 2.4 acres of land located at 58, 60, 68 West First Street and 22 Van Buren Street, City of Oswego, County of Oswego, State of New York (the “**Land**”); (ii) demolition of an existing building and construction of an approximately 86,000 square foot mixed-use building with approximately 46 one-bedroom rental units, approximately 11 two-bedroom rental units and approximately 10,000 square feet of retail/commercial space and three additional buildings containing approximately eighteen (18) three (3) bedroom rental town-house units (the “**Facility**”) (the Facility will consist of income levels ranging from work force to market rate); (iii) the acquisition and installation in and around the Facility and/or for use in connection with the Project of various machinery, equipment and furnishings (collectively the “**Equipment**”) (the Land, Facility and Equipment are hereinafter collectively referred to as the “**Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from real property taxes, mortgage recording tax (except as limited by Section 874 of the General Municipal Law) and State and local sales and use tax (collectively, the “**Financial Assistance**”); and (C) the lease of the Land and Facility by the Agency pursuant to a lease agreement; the acquisition by the Agency of an interest in the Equipment pursuant to a bill of sale from the Company; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

**WHEREAS**, the Agency adopted a resolution on November 7, 2016 describing the Project and the Financial Assistance and authorizing a public hearing (collectively, the “**Initial Resolution**”); and

**WHEREAS**, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on December 13, 2016 pursuant to Section 859-a of the Act, notice of which was published on December 4, 2016 in The Post-Standard, a newspaper of general circulation in the County of Oswego, New York and given to the chief executive officers of the affected tax jurisdictions by letter dated December 2, 2016; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “**SEQRA**”), the Agency is required to make a determination whether the “action” (as said quoted term is defined in SEQRA) to be taken by the Agency may have a “significant impact on the environment” (as said quoted term is utilized in SEQRA) and the preliminary agreement of the Agency to undertake of the Project constitutes such an action; and

**WHEREAS**, the City of Oswego Planning Board acted as lead agency for the purpose of conducting a coordinated environmental review of the Project under SEQRA, 6 NYCRR Part 617, determined that the Project will not result in any significant adverse environmental impacts, and issued a negative declaration for the Project dated September 7, 2016; and

**WHEREAS**, the Agency has considered the policy, purposes and requirements of the Act in making its determinations with respect to taking official action regarding the Project; and

**WHEREAS**, the Agency has given due consideration to the Application and to representations by the Company that the provision of Financial Assistance: (i) will induce the Company to develop the Project Facility in the County of Oswego; (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) the Project will serve the purposes of the Act by advancing job opportunities and economic welfare of the people of the State and the County and improve their standard of living.

**NOW, THEREFORE**, be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

**Section 1.** It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, renovating, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

**Section 2.** Based upon the representations and projections made by the Company to the Agency, the Agency hereby makes the following determinations:

- a. The Project previously underwent a coordinated environmental review under SEQRA that resulted in the issuance of a negative declaration on September 7, 2016 by the City of Oswego Planning Board, acting as lead agency, and therefore no further environmental review is required.
- b. Ratifies the findings in its Initial Resolution.
- c. The Project constitutes a “project” within the meaning of the Act.
- d. The granting of the Financial Assistance will be an inducement to the Company to develop the Project in the County of Oswego.
- e. The commitment of the Agency to provide Financial Assistance to the Company will enable the Company to undertake the Project.

- f. The construction, equipping and completion of the Project will promote employment opportunities, help prevent economic deterioration in the City of Oswego by the creation and/or preservation of jobs and advance the health, general prosperity and economic welfare of the people of the State.
- g. The acquisition of a controlling interest in the Project Facility by the Agency and the designation of the Company as the Agency's agent for construction, equipping and completion of the Project will be an inducement to the Company to construct, equip and complete the Project Facility in the County of Oswego, and will serve the purposes of the Act by, among other things, preserving and/or creating permanent private sector jobs, the general prosperity and economic welfare of the inhabitants of the County of Oswego and the granting of the Financial Assistance will assist in the financing the costs of the acquisition, construction, equipping and completing of the Project.
- h. The Project will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of 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 Facility located in the State, except as may be permitted by the Act.

**Section 3.** Subject to the terms of this Resolution, the conditions set forth in Section 4.02 of the Agreement (hereinafter defined), the Agency's approval of the PILOT schedule and the execution and delivery of the Project Agreement (as defined herein), the Agency will: (i) acquire or continue a controlling interest in the Land and Facility pursuant to a lease agreement (the "**Company**") to be entered into between the Company and the Agency and accept an interest in the Equipment, if any, pursuant to a bill of sale from the Company (the "**Bill of Sale**"); (ii) sublease the Project Facility to the Company pursuant to a sublease agreement (the "**Agency**" and together with the Company Lease, the Bill of Sale, the Project Agreement and any other certificates and documents deemed necessary by the Agency to undertake the Project, collectively, the "**Lease Documents**") to be entered into between the Agency and the Company; (iii) grant the approved Financial Assistance; (iv) provided that no default shall have occurred and be continuing under the Agreement, the Lease Documents or any loan documents, and provided the Company has executed and delivered all documents and certificates required by the Agency in conjunction with the Agency's undertaking the Project, execute and deliver all other certificates and documents necessary or appropriate for the grant of the approved Financial Assistance requested by the Company, in form and substance acceptable to the Agency, or its commercial lender(s), in connection with financing for the Project, including but not limited to, one or more mortgages in favor of the Agency and/or the Company's commercial lender(s).

**Section 4.** The terms and conditions of subdivision 3 of Section 875 of the Act are herein incorporated by reference and the Company shall agree to such terms as a condition precedent to receiving or benefiting from an exemption from New York State sales and use tax exemptions benefits. Notwithstanding anything herein to the contrary, the amount of State and

local sales and use tax exemption benefits comprising the Financial Assistance approved herein shall not exceed **\$712,323**.

**Section 5.** The Company may utilize, and is hereby authorized to appoint, a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, “***Additional Agents***”) to proceed with the construction, equipping and completion of the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf, provided the Company execute, deliver and comply with the Lease Documents. The Company shall provide, or cause its Additional Agents to provide, and the Agency shall maintain, records of the amount of State and local sales and use tax exemption benefits provided to the Project; and the Company shall, and cause each Additional Agent, to make such records available to the State Commissioner of Taxation and Finance (the “***Commissioner***”) and the Agency upon request. The Agency shall, within thirty (30) days of providing any State sales and use tax exemption benefits, report to the Commissioner the amount of such benefits for the Project, identifying the Project, along with any such other information and specificity as the Commissioner may prescribe. As a condition precedent to the Company or Project’s receipt of, or benefit from, any State or local sales and use tax exemptions, the Company must acknowledge and agree to make, or cause its Additional Agents to make, all records and information regarding State and local sales and use tax exemption benefits realized by the Project available to the Agency or its designee upon request. For purposes of exemption from New York State (the “***State***”) sales and use taxation as part of the Financial Assistance requested, “sales and use taxation” shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the New York State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

**Section 6.** As a further condition to the granting of the Financial Assistance, the Company agrees to execute an agreement with the Agency setting forth the preliminary undertakings of the Agency and the Company with respect to the Project. The form and substance of the proposed agreement (as set forth as on **Exhibit “A”** attached hereto and presented at this meeting) (the “***Agreement***”) are hereby approved. The Chief Executive Officer or (Vice) Chairperson of the Agency are each hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, in substantially the same form as presented at this meeting and attached hereto as **Exhibit “A”**, with changes in terms and form as shall be consistent with this Resolution and as the Chief Executive Officer or (Vice) Chairperson shall approve. The execution thereof by the Chief Executive Officer or (Vice) Chairperson shall constitute conclusive evidence of such approval.

**Section 7.** As an additional condition precedent to the extension of Financial Assistance, the Company shall acknowledge and agree, that the Agency shall recapture from the Company or any Additional Agent (as defined herein) the State sales and use tax exemption (the “***Recapture Amount***”) taken or purported to be taken by any such person to which the person or Project is not entitled or which are in excess of the amounts authorized or which are for property or services not authorized or taken in cases where such Company or Additional Agent failed to comply with a material term or condition to use property or services in the manner required by the Company or Additional Agents agreement with, or for the benefit of, the Agency. Such Company or Additional Agent shall cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such State sales and use exemptions benefits



and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the commissioner to assess and determine State sales and use taxes due from the Company and/or Additional Agent under article twenty-eight of the tax law, together with any relevant penalties and interest due on such amounts. In addition, the Agency may recapture all other Financial Assistance in the event any of the foregoing occur or there is a Job Deficit, an Investment Deficit or a Reporting Failure (each as defined in the Agency's Recapture Policy).

**Section 8.** As another condition precedent to the extension of Financial Assistance, the Company and the Agency shall execute and deliver a project agreement (the "***Project Agreement***") setting forth certain terms and conditions relative to the approved Financial Assistance.

**Section 9.** Subject to the due execution and delivery by the Company of the Agreement and the Project Agreement, the satisfaction of the conditions of this Resolution, the Agreement, the Project Agreement and the payment by the Company of any attendant fees due to or incurred by the Agency, the Company is appointed the true and lawful agent of the Agency to proceed with the construction, equipping and completion of the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf. The appointment made by this Section 7 shall not be effective until the Agreement and the Project Agreement referred to in Section 6 hereof is duly executed and delivered by the Company.

**Section 10.** The Chief Executive Officer or (Vice) Chairperson of the Agency, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred herein and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution and the Agreement.

**Section 11.** The obligation of the Agency to consummate any transaction contemplated herein or hereby is subject to and conditioned upon the execution and delivery of, among other things, an environmental compliance and indemnification agreement in favor of the Agency in form and substance acceptable to the Agency and its counsel by the Company and some or all of its principals, in the discretion of the Chief Executive Officer or (Vice)Chairperson of the Agency.

**Section 12.** No covenant, stipulation, obligation or agreement contained in this Resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to herein on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

**Section 13.** Should the Agency's participation in the Project, or the appointments made in accordance herewith, be challenged by any party, in the courts or otherwise, the Company shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and

disbursement of the Agency's counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under the Act to participate in the Project, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the Company hereunder or otherwise.

**Section 14.** A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

**Section 15.** The Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

**Section 16.** Counsel to the Agency and special Agency counsel are hereby authorized to work with the Company, and others to prepare, for submission to the Agency, all documents necessary to effect the grant of Financial Assistance and consummate the Lease Documents.

**Section 17.** This Resolution shall take effect immediately.

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

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Donald H. Kunzwiler				X	
Carolyn A. Rush	X				
H. Leonard Schick	X				
Morris Sorbello	X				
Gary T. Toth	X				

The resolution was thereupon declared duly adopted.

STATE OF NEW YORK )

) ss.:

COUNTY OF OSWEGO )

I, the undersigned Chief Executive Officer of the County of Oswego Industrial Development Agency, Do Hereby Certify that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “**Agency**”) held on December 14, 2016, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I Further Certify that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

**In Witness Whereof**, I have hereunto set my hand and affixed the seal of the Agency on December 14, 2016.

---

L. Michael Treadwell  
Chief Executive Officer

(SEAL)

## EXHIBIT “A”

### AGENCY/COMPANY AGREEMENT

This Agreement is among the **County of Oswego Industrial Development Agency** (the “**Agency**”) and **Housing Visions Consultants, Inc., on behalf of Harbor View Square, LLC** (the “**Company**”).

**Article 1. Preliminary Statement.** Among the matters of mutual inducement which have resulted in the execution of this Agreement are the following:

1.01. The Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “**State**”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the “**Act**”) to grant “financial assistance” (as defined in the Act) in connection with “Projects” (as defined in the Act) and to lease or sell the same upon such terms and conditions as the Agency may deem advisable and designate an agent for renovating and equipping “projects” (as defined in the Act).

1.02. The purposes of the Act are to promote, attract, encourage and develop recreation and economically sound commerce and industry in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration. The Act vests the Agency with all powers necessary to enable it to accomplish such purposes, including the power to grant financial assistance, acquire and dispose of interests in real property and to appoint agents for the purpose of completion of projects undertaken by the Agency.

1.03. The Company submitted an application to the Agency on or about October 20, 2016 (“**Application**”), a copy of which is on file at the office of the Agency, requesting the Agency consider undertaking a project (the “**Project**”) consisting of: (A) (i) the acquisition of a leasehold interest in approximately 2.4 acres of land located at 58, 60, 68 West First Street and 22 Van Buren Street, City of Oswego, County of Oswego, State of New York (the “**Land**”); (ii) demolition of an existing building and construction of an approximately 86,000 square foot mixed-use building with approximately 46 one-bedroom rental units, approximately 11 two-bedroom rental units and approximately 10,000 square feet of retail/commercial space and three additional buildings containing approximately eighteen (18) three (3) bedroom rental town-house units (the “**Facility**”) (the Facility will consist of income levels ranging from work force to market rate); (iii) the acquisition and installation in and around the Facility and/or for use in connection with the Project of various machinery, equipment and furnishings (collectively the

**“Equipment”**) (the Land, Facility and Equipment are hereinafter collectively referred to as the **“Project Facility”**); (B) the granting of certain financial assistance in the form of exemptions from real property taxes, mortgage recording tax (except as limited by Section 874 of the General Municipal Law) and State and local sales and use tax (collectively, the **“Financial Assistance”**); and (C) the lease of the Land and Facility by the Agency pursuant to a lease agreement; the acquisition by the Agency of an interest in the Equipment pursuant to a bill of sale from the Company; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

1.03(a). All documents necessary to effectuate the Agency’s undertaking of the Project and the granting of the Financial Assistance between the Agency and the Company, including but not limited to, a company lease, an agency lease, a bill of sale, a project agreement and an environmental compliance and indemnification agreement, shall be collectively referred to herein as the **“Lease Documents”**.

1.04. The Company hereby represents to the Agency that undertaking the Project, the designation of the Company as the Agency’s agent for the construction, equipping and completion of the Project Facility, and the appointment by the Company of a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, **“Additional Agents”**): (i) will be an inducement to it to construct, equip and complete the Project Facility in the County of Oswego (the **“County”**); (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or of any other proposed occupant of the Project Facility from one area of the State to another or in the abandonment of one or more plants or facilities of the Company or of any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) undertaking the Project will promote, create and/or preserve private sector jobs in the State and the County.

1.05. The Agency has determined that the acquisition or continuation of a controlling interest in, and the construction and equipping of the Project Facility and the subleasing of the same to the Company will promote and further the purposes of the Act.

1.06 On December 14, 2016, the Agency adopted a resolution (the **“Inducement Resolution”**) agreeing, subject to the satisfaction of all conditions precedent set forth in such Resolution, to designate the Company as the Agency’s agent for the acquisition, construction, equipping and completion of the Project Facility and determining that the leasing of the same to the Company will promote further purposes of the Act. For purposes of that designation, the Agency authorized as part of the approved Financial Assistance, State and local sales and use tax exemption benefits in an amount not exceed **\$712,323**.

1.07 In the Resolution, subject to the execution of, and compliance with, this Agreement by the Company, and other conditions set forth in the Resolution and herein, the Agency appointed the Company as its agent for the purposes of construction, equipping and completion of the Project Facility, entering into contracts and doing all things requisite and proper for construction and equipping the Project Facility.

**Article 2. Undertakings on the Part of the Agency.** Based upon the statements, representations and undertakings of the Company and subject to the conditions set forth herein, the Agency agrees as follows:

2.01. The Agency confirms that it has authorized and designated the Company as the Agency's agent for acquiring, constructing, equipping and completing the Project Facility.

2.02. The Agency will adopt such proceedings and authorize the execution of such Agency documents as may be necessary or advisable for: (i) acquisition of a controlling interest in the Project Facility; (ii) appointment by the Company of Additional Agents, all for construction, equipping and completion of the Project Facility subject to the terms of the Resolution and hereof; and (iii) the leasing or subleasing of the Project Facility to the Company, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company.

2.03 Nothing contained in this Agreement shall require the Agency to apply its funds to Project costs.

2.04. After satisfying the conditions precedent set forth in the Sections 2.02, 3.06 and 4.02 hereof and in the Inducement Resolution, the Company may proceed with the construction, equipping and completion of the Project Facility and the utilization of and, as necessary, the appointment of Additional Agents.

2.05 Subject to Section 4.02 hereof, the Company is appointed the true and lawful agent of the Agency for the construction, equipping and completion of the Project Facility, and to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency, and in general to do all things which may be requisite or proper for the construction, equipping and completion of the Project Facility, all with the same powers and the same validity as if the Agency were acting in its own behalf.

2.06. The Agency will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof. The Agency may in accordance with Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "***SEQRA***"), undertake supplemental review of the Project. Such review to be limited to specific significant adverse environmental impacts not addressed or inadequately addressed in the Agency's review under SEQRA that arise from changes in the proposed Project, newly discovered information or a change in the circumstances related to the Project.

**Article 3. Undertakings on the Part of the Company.** Based upon the statements, representations and undertakings of the Agency and subject to the conditions set forth

herein, the Company agrees as follows:

3.01. (a) The Company shall indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition of a controlling interest in, construction, equipping and completion of the Project Facility (including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of any of the foregoing) whether such claims or liabilities arise as a result of the Company or Additional Agents acting as agent for the Agency pursuant to this Agreement or otherwise.

(b) The Company shall not permit to stand, and will, at its own expense, take all steps reasonably necessary to remove, any mechanics' or other liens against the Project Facility for labor or material furnished in connection with the acquisition, construction, equipping and completion of the Project Facility.

(c) The Company shall indemnify and hold the Agency, its members, officers, employees and agents and anyone for whose acts or omissions the Agency or any one of them may be liable, harmless from all claims and liabilities for loss or damage to property or any injury to or death of any person that may be occasioned subsequent to the date hereof by any cause whatsoever in relation to the Project, including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

(d) The Company shall defend, indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on the non-disclosure of information, if any, requested by the Company in accordance with Section 4.05 hereof.

(e) The defense and indemnities provided for in this Article 3 shall survive expiration or termination of this Agreement and shall apply whether or not the claim, liability, cause of action or expense is caused or alleged to be caused, in whole or in part, by the activities, acts, fault or negligence of the Agency, its members, officers, employees and agents, anyone under the direction and control of any of them, or anyone for whose acts or omissions the Agency or any of them may be liable, and whether or not based upon the breach of a statutory duty or obligation or any theory or rule of comparative or apportioned liability, subject only to any specific prohibition relating to the scope of indemnities imposed by statutory law.

(f) The Company shall provide and carry: (i) worker's compensation and disability insurance as required by law; and (ii) comprehensive liability and property insurance with such coverages (including without limitation, owner's protective coverage for the benefit of the Agency, naming the Agency as an additional insured on all policies of coverage regarding the Project; providing the coverage with respect to the Agency be primary and non-contributory; and contractual coverage covering the indemnities herein provided for), with such limits and which such companies as may be approved by the Agency. Upon the request of the Agency, the Company shall provide certificates and/or policies of insurance in form satisfactory

to the Agency evidencing such insurance.

(g) The Company shall include the Agency as a named insured under all public liability insurance policies obtained by the Company with respect to the Project Facility.

(h) The Company shall apply and diligently pursue all approvals, permits and consents from the State of New York, the City of Oswego, County of Oswego and any other governmental authority which approvals, permits and consents are required under applicable law for the development, construction of the Project and any related site improvements. The Company acknowledges and agrees that the Agency's findings and determinations under SEQRA do not and shall not in and of themselves (except as specifically set forth in SEQRA) satisfy or be deemed to satisfy applicable laws, regulations, rules and procedural requirements applicable to such approvals, permits and consents.

3.02. The Company agrees that, as agent for the Agency or otherwise, it will comply at the Company's sole cost and expense with all the requirements of all federal, state and local laws, rules and regulations of whatever kind and howsoever denominated applicable to the Agency and/or Company with respect to the Project Facility, the acquisition of a controlling interest therein, construction and equipping thereof, the operation and maintenance of the Project Facility, supplemental review of adverse environmental impacts in accordance with SEQRA and the financing of the Project. Every provision required by law to be inserted herein shall be deemed to be set forth herein as if set forth in full, including, but not limited to, Section 875 of the Act; and upon the request of either party, this Agreement shall be amended to specifically set forth any such provision or provisions.

3.03. The Company agrees that, as agent for the Agency, to the extent that such provisions of law are in fact applicable (without creating an obligation by contract beyond that which is created by statute), it will comply with all the requirements Section 220 of the Labor Law of the State of New York, as amended.

3.03(a) The Company agrees that, whenever practicable, the Company shall hire employees and Additional Agents from the Agency's Labor Market Area which is defined to include the following counties: Oswego, Jefferson, Onondaga, Madison, Oneida and Cayuga.

3.04. The Company will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3.05. If it should be determined that any State or local sales or compensatory use taxes are payable with respect to the acquisition, purchase or rental of machinery or equipment, materials or supplies in connection with the Project Facility, or are in any manner otherwise payable directly or indirectly in connection with the Project Facility, the Company shall pay the same and defend and indemnify the Agency from and against any liability, expenses and penalties arising out of, directly or indirectly, the imposition of any such



taxes.

3.06 The Company shall proceed with the acquisition, construction, equipping and completion of the Project Facility and advance such funds as may be necessary to accomplish such purposes. The Company may utilize, and was authorized to appoint, Additional Agents as agents of the Agency, in furtherance thereof. Any appointment of an Additional Agent is conditioned upon the Company first obtaining and providing the Agency the following:

(1) A written, executed agreement, in form and substance acceptable to the Agency, from each appointed Additional Agent which provides for: (i) the assumption by the Additional Agent, for itself, certain of the obligations under this Agreement relative to the appointment, work and purchases done and made by each appointed Additional Agent; (ii) an acknowledgement by the Additional Agent to hire from the Labor Market Area during the construction period of the Project Facility whenever practicable; (iii) an acknowledgement that the Additional Agent is obligated, to timely provide the Company with the necessary information to permit the Company, pursuant to General Municipal Law §874(8), to timely file an Annual Statement with the New York State Department of Taxation and Finance on “Annual Report of Sales and Use Tax Exemptions” (Form ST-340) regarding the value of sales and use tax exemptions the Additional Agent claimed pursuant to the agency conferred on it by the Company with respect to this Project; (iv) an acknowledgment by the Additional Agent that in order to be entitled to the exemption, the Additional Agent shall present to the supplier or other vendor of materials or equipment for the Project Facility a completed “IDA Agent or Project Operator Exempt Purchase Certificate” (Form ST-123); (v) an acknowledgment by the Additional Agent that that the failure to comply with the foregoing will result in the loss and recapture of the exemption; and (vi) such other terms and conditions as the Agency deems necessary; and

(2) A completed “IDA Appointment of Project Operator or Agent for Sales Tax Purposes” (Form ST-60) for each Additional Agent appointed within fifteen (15) days of the appointment of each Additional Agent such that the Agency can execute and deliver said form to the State Department of Taxation and Finance within thirty (30) days of appointment of each such Additional Agent.

Failure of the Company to comply with the foregoing shall nullify the appointment of any Additional Agent and may result in the loss and recapture of the Company’s exemption with respect to the Project at the sole discretion of the Agency.

The Company acknowledges that the assumption by the Additional Agent in accordance with Section 3.06(1) above, does not relieve the Company of its obligations under those provisions or any other provisions of this Agreement with respect to the Project.

3.07 The Company hereby ratifies and confirms its obligations to pay an administrative fee to the Agency in the amount of .75% of the Project costs. Such amount is due and payable in full at closing.

3.08 The Company hereby ratifies and confirms its obligations to pay an

annual administrative reporting fee of \$500.00 to cover administrative and reporting requirements to comply with New York State reporting regulations on Agency assisted projects.

#### **Article 4. General Provisions.**

4.01. This Agreement shall take effect on the date of the execution hereof by the Agency and the Company and, subject to Section 4.04 hereof, shall remain in effect until the Lease Documents become effective. It is the intent of the Agency and the Company that, except as to those provisions that survive, this Agreement be superseded in its entirety by the Lease Documents.

4.02. (a) It is understood and agreed by the Agency and the Company that the grant of Financial Assistance and the execution of the Lease Documents and related documents are subject to: (i) payment by the Company of the Agency's fee and Agency's counsel fees; (ii) obtaining all necessary governmental approvals, permits and consents of any kind required in connection with the Project Facility; (iii) approval by the members of the Agency; (iv) approval by the Company; and (v) the condition that there are no changes in New York State Law, including regulations, which prohibit or limit the Agency from fulfilling its obligations hereunder; (b) the Company, by executing this agreement, acknowledges and agrees to make, or cause its Additional Agents, whether appointed as an agent of the Agency in accordance with Section 3.06 hereof or not, to make, all records and information regarding State and local sales and use tax exemption benefits given to the Project as part of the Financial Assistance available to the Agency upon request, including but not limited to the Form ST-340 for itself and each Additional Agent; (c) the Company, by executing this Agreement, acknowledges and agrees to the terms and conditions of Section 875(3) of the Act as if such section were fully set forth herein and further agrees to cause all of its Additional Agents to acknowledge, agree and consent to same. Without limiting the scope of the foregoing the Company acknowledges that pursuant to Section 875(3) of the Act and in accordance with the Agency's Recapture Policy (which is published on the Agency's website or available at the Agency's office), the Agency shall recover, recapture, receive or otherwise obtain from the Company the portion of the Financial Assistance (the "**Recapture Amount**") consisting of: (1) (a) that portion of the State sales tax exemption to which the Company/Project was not entitled, which is in excess of the amount of the State sales tax exemption authorized by the Agency or which is for property or services not authorized by the Agency; or (b) the full amount of such State sales tax exemption, if the Company fails to comply with a material term or condition regarding the use of the property or services as represented to the Agency in its Application or otherwise; and (2) any interest or penalties thereon imposed by the Agency or by operation of law or by judicial order or otherwise; and (d) The failure of the Company to promptly pay such Recapture Amount to the Agency will be grounds for the Commissioner to collect sales and use taxes from the Company under Article 28 of the State Tax Law, together with interest and penalties. In accordance with the Agency's Recapture Policy, the Agency may recapture all other Financial Assistance in the event of any of the foregoing occur or there is a Job Deficit, an Investment Deficit or a Reporting Failure (each as defined in the Agency's Recapture Policy). In addition to the foregoing, the Company acknowledges and agrees that for purposes of exemption from New York State (the "**State**") sales and use taxation as part of the Financial Assistance requested, "sales and use taxation" shall

mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the New York State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

4.03. The Company agrees that it will, within thirty (30) days of a written request for same, regardless of whether or not this matter closes or the Project Facility is completed: (i) reimburse the Agency for all reasonable and necessary expenses, including without limitation the fees and expenses of counsel to the Agency arising from, out of or in connection with the Project, and/or any documents executed in connection therewith, including, but not limited to any claims or actions taken by the Agency against the Company, Additional Agents or third parties; and (ii) indemnify the Agency from all losses, claims, damages and liabilities, in each case which the Agency may incur as a consequence of executing this Agreement or performing its obligations hereunder, including but not limited to, any obligations related to Additional Agents.

4.04. If for any reason the Lease Documents are not executed and delivered by the Company and the Agency on or before eighteen (18) months from the execution hereof, the provisions of this Agreement (other than the provisions of Articles 1.04, 2.02, 2.04, 3.01, 3.02, 3.03, 3.05, 3.06, 4.02, 4.03, 4.04, 4.05 and 4.06, which shall survive) shall unless extended by agreement of the Agency and the Company, terminate and be of no further force or effect, and following such termination neither party shall have any rights against the other party except:

(a) The Company shall pay the Agency for all expenses incurred by the Agency in connection with the acquisition, construction and equipping of the Project Facility;

(b) The Company shall assume and be responsible for any contracts for construction or purchase of equipment entered into by the Agency at the request of or as agent for the Company in connection with the Project Facility; and

(c) The Company will pay the out-of-pocket expenses of members of the Agency, counsel for the Agency and special Agency counsel incurred in connection with the Project and will pay the fees of counsel for the Agency and special Agency counsel for legal services relating to the Project Facility, Additional Agents or the proposed financing thereof.

**4.05. The Company acknowledges that Section 875(7) of the New York General Municipal Law (“GML”) requires the Agency to post on its website all resolutions and agreements relating to the Company’s appointment as an agent of the Agency or otherwise related to the Project, including this Agreement; and Article 6 of the New York Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the Company feels that there are elements of the Project or information about the Company in the Agency’s possession which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the Company’s competitive position, the Company must identify such elements in writing,**

**supply same to the Agency: (i) with respect to this Agreement, prior to or contemporaneously with the execution hereof; and (ii) with respect to all other agreements executed in connection with the Project, on or before the Closing Date, and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law. Failure to do so will result in the posting by the Agency of all information in accordance with Section 875 of the GML.**

4.06 That every controversy, dispute or claim arising out of or relating to this Agreement shall be governed by the laws of the State of New York, without regard to its conflict-of-laws provisions that if applied might require the application of the laws of another jurisdiction; and that the Company irrevocably and expressly submits to the exclusive personal jurisdiction of the Supreme Court of the State of New York and the United States District Court for the Northern District of New York, to the exclusion of all other courts, for the purposes of litigating every controversy, dispute or claim arising out of or relating to this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have entered in this Agreement as of December 14, 2016.

**COUNTY OF OSWEGO INDUSTRIAL  
DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
L. Michael Treadwell  
Chief Executive Officer

**HOUSING VISIONS CONSULTANTS, INC., on  
behalf of Harbor View Square, LLC**

By: \_\_\_\_\_  
Name:  
Title:

## **PILOT RESOLUTION**

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on December 14, 2016 at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

**PRESENT:** Nick Canale, Jr., Carolyn A. Rush, H. Leonard Schick, Morris Sorbello and Gary T. Toth

**ABSENT:** Donald H. Kunzwiler

**ALSO PRESENT:** Kevin C. Caraccioli, David S. Dano and L. Michael Treadwell

The following resolution was duly offered and seconded:

### **RESOLUTION APPROVING A PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A CERTAIN PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY**

**WHEREAS**, the County of Oswego Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the “*Act*”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, lease, and sell real property and grant financial assistance in connection with one or more “projects” (as defined in the Act); and

**WHEREAS**, Housing Visions Consultants, Inc., on behalf of Harbor View Square, LLC, or an entity to be formed (the “**Company**”), submitted an application to the Agency on or about October 20, 2016 (the “**Application**”), a copy of which is on file at the office of the Agency, requesting the Agency undertake a project (the “**Project**”) consisting of: (A) (i) the acquisition of a leasehold interest in approximately 2.4 acres of land located at 58, 60, 68 West First Street and 22 Van Buren Street, City of Oswego, County of Oswego, State of New York (the “**Land**”); (ii) demolition of an existing building and construction of an approximately 86,000 square foot mixed-use building with approximately 46 one-bedroom rental units, approximately 11 two-bedroom rental units and approximately 10,000 square feet of retail/commercial space and three additional buildings containing approximately eighteen (18) three (3) bedroom rental town-house units (the “**Facility**”) (the Facility will consist of income levels ranging from work force to market rate); (iii) the acquisition and installation in and around the Facility and/or for use in connection with the Project of various machinery, equipment and furnishings (collectively the “**Equipment**”) (the Land, Facility and Equipment are hereinafter collectively referred to as the “**Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from real property taxes, mortgage recording tax (except as limited by Section 874 of the General Municipal Law) and State and local sales and use tax (collectively, the “**Financial Assistance**”); and (C) the lease of the Land and Facility by the Agency pursuant to a lease agreement; the acquisition by the Agency of an interest in the Equipment pursuant to a bill of sale from the Company; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “**SEQRA**”), the Agency is required to make a determination whether the “action” (as said quoted term is defined in SEQRA) to be taken by the Agency may have a “significant impact on the environment” (as said quoted term is utilized in SEQRA), and the preliminary agreement of the Agency to undertake of the Project constitutes such an action; and

**WHEREAS**, the City of Oswego Planning Board acted as lead agency for the purpose of conducting a coordinated environmental review of the Project under SEQRA, 6 NYCRR Part 617, determined that the Project will not result in any significant adverse environmental impacts, and issued a negative declaration for the Project dated September 7, 2016; and

**WHEREAS**, on December 14, 2016 the Agency adopted a Resolution (the “**Inducement Resolution**”) undertaking the Project and appointing the Company as its agent for purposes of completing the Project Facility; and

**WHEREAS**, in the Application, the Company also requested that the Agency consider a payment in lieu of tax (“**PILOT**”) schedule, more fully described on **Exhibit “A”** attached hereto, and such schedule constitutes a deviation from the Agency’s Uniform Tax Exemption Policy (“**UTEP**”) established pursuant to Section 874(4) of the Act; and

**WHEREAS**, by letters dated December 2, 2016, the Agency gave to the chief executive

officers of the affected taxing jurisdictions notice pursuant to Section 874 of the Act of this meeting (the “**Notice**”), at which the Agency would consider the Company’s request for a PILOT schedule which deviates from the UTEP; and

**WHEREAS**, the Agency has given due consideration to the Application and to the representations by the Company that the provision of Financial Assistance: (i) will induce the Company to develop the Project Facility in the City of Oswego; (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State of New York (the “**State**”) to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; (iii) undertaking the Project will create and/or preserve permanent private sector jobs in the State; and (iv) advance the health, general prosperity and economic welfare of the people of the State.

**NOW, THEREFORE**, be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

**Section 1.** It is the policy of the State to promote the health, economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

**Section 2.** The Agency ratifies all prior Resolutions passed in connection with this proposed Project.

**Section 3.** Based upon the representations made by the Company to the Agency, and the reasons presented by the Company in support of its request for the PILOT schedule, as set forth in the **Exhibit “A”** attached hereto, the PILOT schedule is hereby approved subject to the terms and conditions of the Resolutions. The Chief Executive Officer of the Agency is hereby authorized to execute and deliver a PILOT agreement and any related documents reflecting the PILOT schedule in a form substantially similar to PILOT agreements used in similar transactions with the Agency which is acceptable to the Chief Executive Officer upon advice of counsel.

**Section 4.** No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to herein on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.



**Section 5.** A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

**Section 6.** The Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution as well as all previously approved Resolutions.

**Section 7.** Counsel to the Agency and special Agency counsel are hereby authorized to work with the Company, and others to prepare, for submission to the Agency, all documents necessary to effect the grant of Financial Assistance, including, but not limited to, a PILOT agreement.

**Section 8.** This Resolution shall take effect immediately.

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

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Donald H. Kunzwiler				X	
Carolyn A. Rush	X				
H. Leonard Schick		X			
Morris Sorbello	X				
Gary T. Toth	X				

The resolution was thereupon declared duly adopted.

**STATE OF NEW YORK )**

) **SS.:**

**COUNTY OF OSWEGO )**

I, the undersigned Secretary of the County of Oswego Industrial Development Agency, Do Hereby Certify that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “**Agency**”) held on December 14, 2016, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I Further Certify that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Agency on December 14, 2016.

L. Michael Treadwell  
Chief Executive Officer

(SEAL)

## **EXHIBIT “A”**

### **PILOT SCHEDULE**

- A 15 year term.
- Total PILOT payment would be equal to 7% of the Net Effective Income or \$50,000 whichever is greater.
- Distribution of annual PILOT payments would be based on the pro-rata share of each of the taxing authorities for each respective year.

## **FINAL APPROVING RESOLUTION**

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on December 14, 2016, at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

**PRESENT:** Nick Canale, Jr., Carolyn A. Rush, H. Leonard Schick, Morris Sorbello and Gary T. Toth

**ABSENT:** Donald H. Kunzwiler

**ALSO PRESENT:** Kevin C. Caraccioli, David S. Dano and L. Michael Treadwell

The following resolution was duly offered and seconded:

### **RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY**

**WHEREAS**, the County of Oswego Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the “*Act*”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to grant “financial assistance” (as defined in the Act) in connection with the

acquisition, construction and equipping of one or more “projects” (as defined in the Act); and

**WHEREAS**, Housing Visions Consultants, Inc., on behalf of Harbor View Square, LLC (the “**Company**”), submitted an application to the Agency on or about October 20, 2016 (the “**Application**”), a copy of which is on file at the office of the Agency, requesting the Agency undertake a project (the “**Project**”) consisting of: (A) (i) the acquisition of a leasehold interest in approximately 2.4 acres of land located at 58, 60, 68 West First Street and 22 Van Buren Street, City of Oswego, County of Oswego, State of New York (the “**Land**”); (ii) demolition of an existing building and construction of an approximately 86,000 square foot mixed-use building with approximately 46 one-bedroom rental units, approximately 11 two-bedroom rental units and approximately 10,000 square feet of retail/commercial space and three additional buildings containing approximately eighteen (18) three (3) bedroom rental town-house units (the “**Facility**”) (the Facility will consist of income levels ranging from work force to market rate); (iii) the acquisition and installation in and around the Facility and/or for use in connection with the Project of various machinery, equipment and furnishings (collectively the “**Equipment**”) (the Land, Facility and Equipment are hereinafter collectively referred to as the “**Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from real property taxes, mortgage recording tax (except as limited by Section 874 of the General Municipal Law) and State and local sales and use tax (collectively, the “**Financial Assistance**”); and (C) the lease of the Land and Facility by the Agency pursuant to a lease agreement; the acquisition by the Agency of an interest in the Equipment pursuant to a bill of sale from the Company; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “**SEQRA**”), the Agency is required to make a determination whether the “action” (as said quoted term is defined in SEQRA) to be taken by the Agency may have a “significant impact on the environment” (as said quoted term is utilized in SEQRA) and the preliminary agreement of the Agency to undertake of the Project constitutes such an action; and

**WHEREAS**, the City of Oswego Planning Board acted as lead agency for the purpose of conducting a coordinated environmental review of the Project under SEQRA, 6 NYCRR Part 617, determined that the Project will not result in any significant adverse environmental impacts, and issued a negative declaration for the Project dated September 7, 2016; and

**WHEREAS**, the Agency adopted a resolution on November 7, 2016 (the “**Initial Resolution**”) entitled:

**RESOLUTION DETERMINING THAT THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A COMMERCIAL FACILITY AT THE REQUEST OF THE COMPANY CONSTITUTES A PROJECT AND DESCRIBING THE FINANCIAL ASSISTANCE REQUESTED IN CONNECTION THEREWITH AND AUTHORIZING A PUBLIC HEARING**

which resolution is in full force and effect and has not been amended or modified; and

**WHEREAS**, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on December 13, 2016 pursuant to Section 859-a of the Act, notice of which was published on December 4, 2016 in The Post-Standard, a newspaper of general circulation in the County of Oswego, New York and given to the chief executive officers of the affected tax jurisdictions by letter dated December 2, 2016; and

**WHEREAS**, the Agency adopted a resolution on December 14, 2016 (the “*Inducement Resolution*”) entitled:

**RESOLUTION UNDERTAKING THE ACQUISITION, CONSTRUCTION, EQUIPPING AND COMPLETION OF A CERTAIN PROJECT, APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION, EQUIPPING AND COMPLETION OF THE PROJECT; APPROVING CERTAIN FINANCIAL ASSISTANCE; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY**

which resolution is in full force and effect and has not been amended or modified;

**WHEREAS**, the Agency adopted a resolution on December 14, 2016 (the “*PILOT Resolution*”) entitled:

**RESOLUTION APPROVING A PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A CERTAIN PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY**

which resolution is in full force and effect and has not been amended or modified; and

**NOW, THEREFORE**, be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

**Section 1.** It is the policy of the State to promote the health, economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and

thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

**Section 2.** Based upon the representations and projections made by the Company to the Agency and after considering those representations, the Agency hereby makes the following determinations:

- a) Ratifies the findings in its Initial, Inducement and PILOT Resolutions.
- b) The granting of the Financial Assistance will be an inducement to the Company to develop the Project in the City of Oswego and County of Oswego; and will assist the Company in its expansion.
- c) The commitment of the Agency to provide the Financial Assistance to the Company will assist the Company to acquire, construct, equip and complete the Project Facility.
- d) The acquisition, construction, equipping and completion of the Project Facility will promote employment opportunities and help prevent economic deterioration in the City of Oswego and County of Oswego by the preservation and/or creation of both full and part-time jobs.
- e) The construction, equipping and operation of the Project Facility and the attendant promotion of the local economy will advance the job opportunities, health, prosperity and economic welfare of the people of the County of Oswego and the granting of the Financial Assistance is a necessary component to the financing of the Project.
- f) The Project will not result in the removal of any commercial, industrial or manufacturing plant or facility of the Company or of any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act.

**Section 3.** Subject to the conditions set forth in Section 4.02 of the Agreement and the Project Agreement (as those terms are defined in the Inducement Resolution), this Resolution, the Inducement Resolution and the PILOT Resolution (collectively the “***Resolutions***”), the Agency will: (A) acquire a controlling interest in the Project Facility; (B) lease the Land and Facility from the Company pursuant to a lease agreement between the Agency and the Company (the “***Company Lease***”) and acquire an interest in the Equipment pursuant to a bill of sale from the Company (the “***Bill of Sale***”); and sublease the Project Facility to the Company, pursuant to a sublease agreement which shall be consistent with this Resolution and approved by the Chief Executive Officer or (Vice) Chairperson of the Agency upon the advice of counsel to the Agency (the “***Agency Lease***” and together with the Bill of Sale and the Company Lease, the “***Lease Documents***”); (C) secure the Company’s borrowings with respect to the Project Facility, by joining

in one or more construction or permanent mortgages on the Project Facility in favor of the Company's lender(s), in such form and substance as shall be consistent with this resolution and approved by the Chief Executive Officer or (Vice) Chairperson of the Agency upon the advice of counsel to the Agency and pledging and assigning to such lender(s), if any, certain rights and remedies of the Agency under the sublease agreement by the execution and delivery of a pledge and assignment which shall be consistent with this resolution and approved by the Chief Executive Officer or (Vice) Chairperson of the Agency upon the advice of counsel to the Agency; and (D) execute and deliver any other documents necessary to effectuate the intent of the Resolutions and the granting of the Financial Assistance as contemplated by and consistent with this Resolution upon the advice of counsel to the Agency.

**Section 4.** The Chief Executive Officer and/or (Vice) Chairperson are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to herein and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by the Resolutions. The execution thereof by the Chief Executive Officer or (Vice) Chairperson shall constitute conclusive evidence of such approval.

**Section 5.** No covenant, stipulation, obligation or agreement contained in this Resolution or any document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

**Section 6.** A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

**Section 7.** The Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

**Section 8.** Counsel to the Agency and special Agency counsel are hereby authorized to work with the Company, and others to prepare, for submission to the Agency, all documents necessary to effect the grant of Financial Assistance and to consummate the transactions contemplated by this Resolution.

**Section 9.** This Resolution shall take effect immediately.



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

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Donald H. Kunzwiler				X	
Carolyn A. Rush	X				
H. Leonard Schick	X				
Morris Sorbello	X				
Gary T. Toth	X				

The resolution was thereupon declared duly adopted.

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

I, the undersigned Chief Executive Officer of the County of Oswego Industrial Development Agency, Do Hereby Certify that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “**Agency**”) held on December 14, 2016, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I Further Certify that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Agency on December 14, 2016.

---

L. Michael Treadwell  
Chief Executive Officer

(SEAL)

## **PILOT RESOLUTION**

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on December 14, 2016 at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

**PRESENT:** Nick Canale, Jr., Carolyn A. Rush, H. Leonard Schick, Morris Sorbello and Gary T. Toth

**ABSENT:** Donald H. Kunzwiler

**ALSO PRESENT:** Kevin C. Caraccioli, David S. Dano and L. Michael Treadwell

The following resolution was duly offered and seconded:

### **RESOLUTION APPROVING A PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A CERTAIN PROJECT UNDERTAKEN AT THE REQUEST OF NINE MILE POINT NUCLEAR STATION, LLC**

**WHEREAS**, the County of Oswego Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the “*Act*”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire and lease real property and grant financial assistance in connection with one or more “projects” (as defined in the Act); and

**WHEREAS**, Nine Mile Point Nuclear Station, LLC (the “**Company**”) submitted an application to the Agency on or about February 10, 2016 (the “**Initial Application**”) as amended by a supplemental application dated December 14, 2016 (the “**Supplemental Application**” and together with the Initial Application, the “**Application**”), a copy of which is on file at the office of the Agency, requesting the Agency undertake a project (the “**Project**”) consisting of: (A) (i) the acquisition of a leasehold interest in various parcels of land totaling approximately 900 acres all located at 348 Lake Road in the Town of Scriba, County of Oswego, New York, as more particularly described on **Exhibit “A”** attached hereto (collectively, the “**Land**”), improved with two existing operating reactor units and related buildings and structures (collectively the “**Existing Facilities**”); (ii) the construction of a new approximately 10,000 square foot storage building adjacent to one or more of the Existing Facilities located on the Land (the “**Facility**”) and the repair of the Existing Facilities including roof replacement; (iii) the acquisition and installation of certain machinery and equipment, as more particularly described on **Exhibit “B”** attached hereto (the “**Equipment**”) and material in and on the Land, the Existing Facilities and the Facility relating to and supporting the continued production of electricity from nuclear fuel, including, but not limited to, the replacement of a fire panel system, the replacement of an uninterruptible power source for the security system, roof replacements, plant lighting improvements, and installation of horizontal storage modules (collectively, the “**Improvements**” and together with the Land, the Existing Facilities, the Facility, and the Equipment, the “**Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and real property taxes (collectively, the “**Financial Assistance**”); and (C) the lease of the Project Facility by the Agency pursuant to a lease agreement and the sublease of the Project Facility back to the Company (“**LIPA**”) (in relation to its interest in Unit 2 (as defined below)) pursuant to a sublease agreement; and

**WHEREAS**, the Company owns and, through its indirect parent company, operates a nuclear power station which includes two operating reactors commonly referred to as Nine Mile Point Unit 1 (“**Unit 1**”) and Nine Mile Point Unit 2 (“**Unit 2**”). Unit 1 and Unit 2 form a part of the Project Facility; and

**WHEREAS**, Unit 1 is owned by the Company and Unit 2 is owned as a tenancy in common with LIPA with the Company owning eighty-two percent (82%) and LIPA owning eighteen percent (18%); and

**WHEREAS**, Section 485 of the Real Property Tax Law of the State (“**Section 485**”) permitted the exemption from taxation of nuclear powered electric generating facilities, such as the Existing Facilities, upon the adoption of a local law or resolution by the tax jurisdictions in which such facilities are located to confer the exemption and to authorize such tax jurisdictions to enter into tax agreements with owners of such facilities; and

**WHEREAS**, the Existing Facilities and Land are located in the tax jurisdictions of the Town, City of Oswego School District and County (collectively, the “**Tax Jurisdictions**”); and

**WHEREAS**, pursuant to Section 485, the Tax Jurisdictions and the Company entered into a Tax Agreement dated July 1, 2015 (the “**Tax Agreement**”), relating to the Land and Existing Facilities, which has a remaining term of three years; and

**WHEREAS**, in the Application, the Company requested that the Agency consider a payment in lieu of tax (“**PILOT**”) schedule equivalent to the remaining payment schedule of the Tax Agreement, more fully described on **Exhibit “A”** attached hereto (the “**PILOT Schedule**”), and the PILOT Schedule constitutes a deviation from the Agency’s Uniform Tax Exemption Policy (“**UTEP**”) established pursuant to Section 874(4) of the Act; and

**WHEREAS**, by letters dated April 12, 2016 and December 6, 2016, the Agency gave to the chief executive officers of the affected taxing jurisdictions notice (the “**Notice**”) pursuant to Section 874 of the Act of this meeting and that at this meeting the Agency would consider the Company’s request for a PILOT Schedule which deviates from the UTEP; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “**SEQRA**”), the Agency is required to make a determination whether the “action” (as said quoted term is defined in SEQRA) to be taken by the Agency may have a “significant impact on the environment” (as said quoted term is utilized in SEQRA); and

**WHEREAS**, on April 27, 2016, the Agency adopted a resolution (the “**SEQRA Resolution**”) determining that pursuant to SEQRA, the Project constitutes an Unlisted Action and will not have a significant impact on the environment; and

**WHEREAS**, on April 27, 2016, the Agency adopted a resolution (the “**Inducement Resolution**”) undertaking the Project and appointing the Company as its agent for purposes of completing the Project Facility; and

**WHEREAS**, the Agency has given due consideration to the Application and to representations by the Company that the provision of Financial Assistance: (i) will induce the Company to continue to operate the Project Facility in the Town and County and to construct and install some or all of the Project Facility; (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; (iii) undertaking the Project will preserve permanent private sector jobs in the State; and (iv) advance the health, general prosperity and economic welfare of the people of the State.

**NOW, THEREFORE**, be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

**Section 1.** It is the policy of the State to promote the health, economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving,

maintaining, equipping and furnishing of certain facilities, including commercial and industrial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

**Section 2.** All acts previously taken by the Agency with respect to the undertaking of the Project and the grant of Financial Assistance with respect thereto, are hereby ratified and confirmed.

**Section 3.** Based upon the representations made by the Company to the Agency, and the reasons presented by the Company in support of its request for the PILOT Schedule, the PILOT Schedule is hereby approved. It is further resolved that the PILOT Schedule provides benefits to all parties thereto but shall not be deemed to result in an abatement of real property taxes for the benefit of the Company.

**Section 4.** The Chief Executive Officer and/or (Vice) Chairperson are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the a PILOT agreement with the approved PILOT Schedule and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to herein and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by the Resolutions. The execution thereof by the Chief Executive Officer or (Vice) Chairperson shall constitute conclusive evidence of such approval.

**Section 5.** No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to herein on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

**Section 6.** A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

**Section 7.** The Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution as well as all previously approved Resolutions.

**Section 8.** Counsel to the Agency and special Agency counsel are hereby authorized to work with the Company, and others to prepare, for submission to the Agency, all documents necessary to effect the grant of Financial Assistance, including, but not limited to, a PILOT agreement.

**Section 9.** This Resolution shall take effect immediately.

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

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Donald H. Kunzwiler				X	
Carolyn A. Rush	X				
H. Leonard Schick	X				
Morris Sorbello	X				
Gary T. Toth	X				

The resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of the County of Oswego Industrial Development Agency, Do Hereby Certify that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “**Agency**”) held on December 14, 2016, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I Further Certify that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Agency on December 14, 2016.

---

**L. Michael Treadwell**  
**Chief Executive Officer**

**(SEAL)**



## **EXHIBIT “A”**

### **PILOT SCHEDULE**

Agreement Year	Town Payment Share (\$) (includes Fire District)	School District Payment Share (\$) (includes Library)	County Payment Share (\$) (includes all County taxes)	Total Payments (\$)
1	1,091,440	17,000,000	7,136,558	25,227,998
2	1,091,440	16,605,857	7,136,558	24,833,855
3	1,091,440	16,605,857	7,136,558	24,833,855

## **FINAL APPROVING RESOLUTION**

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on December 14, 2016, at 9:00 a.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

**PRESENT:** Nick Canale, Jr., Carolyn A. Rush, H. Leonard Schick, Morris Sorbello and Gary T. Toth

**ABSENT:** Donald H. Kunzwiler

**ALSO PRESENT:** Kevin C. Caraccioli, David S. Dano and L. Michael Treadwell

The following resolution was duly offered and seconded:

### **RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY**

**WHEREAS**, the County of Oswego Industrial Development Agency (the “**Agency**”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “**State**”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the “**Act**”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

**WHEREAS**, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to grant “financial assistance” (as defined in the Act) in connection with the acquisition, construction and equipping of one or more “projects” (as defined in the Act); and

**WHEREAS**, Nine Mile Point Nuclear Station, LLC (the “*Company*”) submitted an application to the Agency on or about February 10, 2016 (the “*Application*”), a copy of which is on file at the office of the Agency, requesting the Agency undertake a project (the “*Project*”) consisting of: (A) (i) the acquisition of a leasehold interest in various parcels of land totaling approximately 900 acres all located at 348 Lake Road in the Town of Scriba, County of Oswego, New York, as more particularly described on **Exhibit “A”** attached hereto (collectively, the “*Land*”), improved with two existing operating reactor units and related buildings and structures (collectively the “*Existing Facilities*”); (ii) the construction of a new approximately 10,000 square foot storage building adjacent to one or more of the Existing Facilities located on the Land (the “*Facility*”) and the repair of the Existing Facilities including roof replacement; (iii) the acquisition and installation of certain machinery and equipment, as more particularly described on **Exhibit “B”** attached hereto (the “*Equipment*”) and material in and on the Land, the Existing Facilities and the Facility relating to and supporting the continued production of electricity from nuclear fuel, including, but not limited to, the replacement of a fire panel system, the replacement of an uninterruptible power source for the security system, roof replacements, plant lighting improvements, and installation of horizontal storage modules (collectively, the “*Improvements*”) and together with the Land, the Existing Facilities, the Facility, and the Equipment, the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and real property taxes (collectively, the “*Financial Assistance*”); and (C) the lease of the Project Facility by the Agency pursuant to a lease agreement and the sublease of the Project Facility back to the Company (“*LIPA*”) (in relation to its interest in Unit 2 (as defined below)) pursuant to a sublease agreement; and

**WHEREAS**, the Company owns and, through its indirect parent company, operates a nuclear power station which includes two operating reactors commonly referred to as Nine Mile Point Unit 1 (“*Unit 1*”) and Nine Mile Point Unit 2 (“*Unit 2*”). Unit 1 and Unit 2 form a part of the Project Facility; and

**WHEREAS**, Unit 1 is owned by the Company; and

**WHEREAS**, Unit 2 is owned as a tenancy in common with LIPA with the Company owning eighty-two percent (82%) and LIPA owning eighteen percent (18%); and

**WHEREAS**, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on April 5, 2016 pursuant to Section 859-a of the Act, notice of which was published on March 24, 2016 in The Post-Standard, a newspaper of general circulation in the County of Oswego, New York and given to the chief executive officers of the affected tax jurisdictions by letter dated March 24, 2016; and

**WHEREAS**, the Agency adopted a resolution on February 29, 2016 (the “*Initial Resolution*”) entitled:

**RESOLUTION       DETERMINING       THAT       THE  
ACQUISITION, CONSTRUCTION AND EQUIPPING OF A  
COMMERCIAL FACILITY AT THE REQUEST OF THE**

**COMPANY CONSTITUTES A PROJECT AND  
DESCRIBING THE FINANCIAL ASSISTANCE  
REQUESTED IN CONNECTION THEREWITH AND  
AUTHORIZING A PUBLIC HEARING**

which resolution is in full force and effect and has not been amended or modified; and

**WHEREAS**, the Agency adopted a resolution on April 27, 2016 (the “*SEQRA Resolution*”) entitled:

**RESOLUTION CLASSIFYING A CERTAIN PROJECT AS  
AN UNLISTED ACTION PURSUANT TO THE STATE  
ENVIRONMENTAL QUALITY REVIEW ACT AND  
DETERMINING THAT THE PROJECT WILL NOT HAVE A  
SIGNIFICANT EFFECT ON THE ENVIRONMENT**

which resolution is in full force and effect and has not been amended or modified;

**WHEREAS**, the Agency adopted a resolution on April 27, 2016 (the “*Inducement Resolution*”) entitled:

**RESOLUTION UNDERTAKING THE ACQUISITION,  
RENOVATION, CONSTRUCTION AND EQUIPPING OF A  
CERTAIN PROJECT, APPOINTING THE COMPANY AS  
AGENT OF THE AGENCY FOR THE PURPOSE OF THE  
ACQUISITION, RENOVATION, CONSTRUCTION,  
EQUIPPING AND COMPLETION OF THE PROJECT;  
APPROVING FINANCIAL ASSISTANCE IN THE FORM  
OF EXEMPTIONS FROM REAL PROPERTY TAX AND  
STATE AND LOCAL SALES AND USE TAX; AND  
AUTHORIZING THE EXECUTION AND DELIVERY OF  
AN AGREEMENT BETWEEN THE AGENCY AND THE  
COMPANY**

which resolution is in full force and effect and has not been amended or modified;

**WHEREAS**, the Agency adopted a resolution on December 14, 2016 (the “*PILOT Resolution*”) entitled:

**RESOLUTION APPROVING A PAYMENT IN LIEU OF  
TAX SCHEDULE AND AUTHORIZING THE EXECUTION  
AND DELIVERY OF CERTAIN DOCUMENTS BY THE  
AGENCY IN CONNECTION WITH A CERTAIN PROJECT  
UNDERTAKEN AT THE REQUEST OF NINE MILE POINT  
NUCLEAR STATION, LLC**

which resolution is in full force and effect and has not been amended or modified; and

**NOW, THEREFORE,** be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

**Section 1.** It is the policy of the State to promote the health, economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

**Section 2.** Based upon the representations and projections made by the Company to the Agency and after considering those representations, the Agency hereby makes the following determinations:

- a) Ratifies the findings in its Initial, SEQRA, Inducement and PILOT Resolutions.
- b) The commitment of the Agency to provide the Financial Assistance to the Company will enable the Company to acquire, renovate, construct and equip the Project Facility.
- c) The acquisition, renovation, construction and equipping of the Project Facility will preserve employment opportunities and help prevent economic deterioration in the Town of Scriba and County of Oswego.
- d) The granting of the Financial Assistance will allow the renovation, construction, equipping and operation of the Project Facility and will promote the local economy and advance the health, prosperity and economic welfare of the people of the County of Oswego.
- e) The Project will not result in the removal of any commercial, industrial or manufacturing plant or facility of the Company or of any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act.

**Section 3.** Subject to the conditions set forth in Section 4.02 of the Agreement (as that term is defined in the Inducement Resolution), this Resolution, the Inducement Resolution and the PILOT Resolution (collectively the “**Resolutions**”), the Agency will: (A) acquire a controlling interest in the Project Facility; (B) lease the Land and Facility from the Company and LIPA pursuant to a lease agreement between the Agency and the Company and LIPA (the “**Company**”

*Lease*”); and sublease the Project Facility to the Company and LIPA, pursuant to a sublease agreement which shall be consistent with this Resolution and approved by the Chief Executive Officer or (Vice) Chairperson of the Agency upon the advice of counsel to the Agency (the “*Agency Lease*” and together with the Company Lease, the “*Lease Documents*”); and (C) execute and deliver any other documents necessary to effectuate the intent of the Resolutions and the granting of the Financial Assistance as contemplated by and consistent with this Resolution upon the advice of counsel to the Agency. The parties to the Lease Documents shall acknowledge and agree that the Agency has “supervision or jurisdiction” (within the meaning of the Act) over the Project Facility.

**Section 4.** Solely for purposes of this Project, the factors to be considered by the Agency under its Recapture Policy with respect to a non State-Mandated Recapture Event (as defined in the Agency’s Recapture Policy) for the suspension, discontinuance, recapture or termination of all or any portion of the other Financial Assistance provided to the Project (other than State Sales and Use Taxes)(the “*IDA Recapture Amount*”) shall be:

- Both Unit 1 and Unit 2 are shut down or sold in contravention of the Agency Lease, which shall constitute circumstances where no substantial future economic benefit is likely to accrue to the community;
- The Company fails to maintain its jobs commitment as set forth in the Agency Lease (“Jobs Commitment”);
- The Project Facility is no longer used as a nuclear-powered electric generating facility;
- Except as provided in the Agency Lease, the Company’s primary business activity is no longer operation of a nuclear-powered electric generating facility; or
- Material noncompliance with or breach of terms of the Company Documents (as defined in the Lease Documents) or of zoning or land use laws or regulations or federal, state or local environmental laws or regulations.

Notwithstanding anything to the contrary in the Agency’s Recapture Policy or herein, a Deficit (as defined in the Agency’s Recapture Policy), for purposes of calculating the IDA Recapture Amount, shall not be deemed to have occurred for the Company’s failure to maintain the Jobs Commitment in the event: (i) either of Unit 1 or Unit 2 is shut down but the other unit remains open and operating; or (ii) if FTE jobs are shifted from the Project Facility to the James A. FitzPatrick nuclear-powered electric generating facility.

In addition, notwithstanding anything herein to the contrary, while the PILOT Agreement provides other benefits to the parties, in the event of a Deficit, for purposes of the Agency’s calculation of the IDA Recapture Amount, the Agency shall not be deemed to have provided real property tax abatement with respect to the Project because the Tax Jurisdictions and the

Company settled upon to the payment terms of the Tax Agreement which form the basis of the PILOT Agreement.

**Section 5.** The Chief Executive Officer and/or (Vice) Chairperson are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to herein and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by the Resolutions. The execution thereof by the Chief Executive Officer or (Vice) Chairperson shall constitute conclusive evidence of such approval.

**Section 6.** No covenant, stipulation, obligation or agreement contained in this Resolution or any document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

**Section 7.** A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

**Section 8.** The Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

**Section 9.** Counsel to the Agency and special Agency counsel are hereby authorized to work with the Company, and others to prepare, for submission to the Agency, all documents necessary to effect the grant of Financial Assistance and to consummate the transactions contemplated by this Resolution.

**Section 10.** This Resolution shall take effect immediately.

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

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	<u>Recuse</u>
Nick Canale, Jr.	X				
Donald H. Kunzwiler				X	
Carolyn A. Rush	X				
H. Leonard Schick	X				
Morris Sorbello	X				
Gary T. Toth	X				

The resolution was thereupon declared duly adopted.



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

I, the undersigned Chief Executive Officer of the County of Oswego Industrial Development Agency, Do Hereby Certify that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “**Agency**”) held on December 14, 2016, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I Further Certify that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Agency on December 14, 2016.

---

**L. Michael Treadwell**  
**Chief Executive Officer**

(SEAL)