
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

STRATHMORE HUNTLEY GROUP, LLC

TRANSCRIPT OF PROCEEDINGS

CLOSING DATE: MAY 21, 2015

HUNTLEY BUILDING RENOVATION PROJECT

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

STRATHMORE HUNTLEY GROUP, LLC

(HUNTLEY BUILDING RENOVATION PROJECT)

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- Exhibit “A” Chapter 641 of the Laws of 1979 of the State of New York, as amended
 - Exhibit “B” Certificate of Establishment of the Agency and Certificates of appointment of current members
 - Exhibit “C” By-laws
 - Exhibit “D” Public Hearing Resolution
 - Exhibit “E” Notice of Public Hearing with evidence of publication and copies of letters to affected tax jurisdictions
 - Exhibit “F: SEQRA Resolution
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- 21 Mortgage Recording Tax Affidavit
- 22 General Certificate of the Company relating to capacity and signatures of officers, execution and delivery of the Documents to which it is a party, no litigation and approval, with the following items included as exhibits:
- Exhibit “A” Articles of Organization
 - Exhibit “B” Operating Agreement
 - Exhibit “C” Certificate of Good Standing
 - Exhibit “D” Company Resolution

Exhibit "E" Local Access Agreement

- 23 Opinion of Hiscock & Barclay, LLP, counsel to the Agency, addressed to the Agency and the Company
- 24 Opinion of Centolella Lynn D'Elia & Temes LLC, counsel to the Company, addressed to the Agency and the Company.
- 25 Closing Memorandum

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STRATHMORE HUNTLEY GROUP, LLC

AND

**CITY OF SYRACUSE
INDUSTRIAL DEVELOPMENT AGENCY**

COMPANY LEASE AGREEMENT

DATED AS OF MAY 1, 2015

COMPANY LEASE AGREEMENT

THIS COMPANY LEASE AGREEMENT (the “*Company Lease*”), made and entered into as of May 1, 2015, by and between **STRATHMORE HUNTLEY GROUP, LLC** (the “*Company*”), a limited liability company organized under the laws of the State of New York with an office at 127 Stolp Avenue, Syracuse, New York 13207 and **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY** (the “*Agency*”), a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York, with an office at 333 West Washington Street, Suite 130, Syracuse, New York 13202.

WITNESSETH:

WHEREAS, Title 1 of Article 18-A of the New York General Municipal Law (the “*Enabling Act*”) was duly enacted into law as Chapter 1030 of the New York Laws of 1969; and

WHEREAS, the Enabling Act authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages, and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip, and dispose of land and any buildings or other improvements, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, or industrial purposes, in order to advance the job opportunities, health, general prosperity, and economic welfare of the people of the State of New York and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease or sell any or all of its properties, to mortgage and pledge any or all of its properties, whether then owned or thereafter acquired, and to pledge the revenues and receipts from the lease or sale thereof; and

WHEREAS, the Agency was created pursuant to and in accordance with the provisions of the Enabling Act by Chapter 641 of the Laws of 1979 of the State of New York (collectively with the Enabling Act, the “*Act*”) and is empowered under the Act to undertake the Project (as hereinafter defined); and

WHEREAS, the Agency, by resolution adopted on January 24, 2013, agreed, at the request of the Company to undertake a project (the “*Project*”) consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the “*Land*”); (ii) the rehabilitation and renovation of approximately 42 affordable market-rate apartments units with approximately 80-85% subject to income restrictions at 115% of the area median income with the balance approximately 15-20% of the units subject to income restrictions at 80% of the area median income (the “*Facility*”); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the “*Equipment*”, and together with the Land and the Facility, the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemptions

from real property tax, mortgage recording tax and sales and use taxation (collectively, the “*Financial Assistance*”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Company is the current owner of the Project Facility; and

WHEREAS, the Agency proposes to assist the Company’s acquisition, reconstruction, renovation and equipping of the Project Facility, and grant the Financial Assistance to the Project by, among other things: (1) appointing the Company, or its designee, as its agent with respect to the Project Facility; (2) accepting a leasehold interest in the Land and Facility from the Company pursuant to this Company Lease and acquiring a fee interest in the Equipment pursuant to a bill of sale from the Company; and (3) subleasing the Project Facility to the Company pursuant to the Agency Lease; and

WHEREAS, the Agency now proposes to lease the Land and Facility from the Company pursuant to the terms and conditions set forth herein; and

WHEREAS, all things necessary to constitute this Company Lease a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this Company Lease have, in all respects, been duly authorized.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows, to wit:

ARTICLE I

DEFINITIONS

1.1 DEFINITIONS.

For all purposes of this Company Lease and any agreement supplemental thereto, all defined terms indicated by the capitalization of the first letter of such term shall have the meanings specified in the Table of Definitions which is attached to the Agency Lease as Exhibit “C” thereto except as otherwise expressly defined herein or the context hereof otherwise requires.

1.2 INTERPRETATION.

In this Company Lease, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms as used in this Company Lease refer to this Company Lease; the term “heretofore” shall mean before and the term “hereafter” shall mean after the date of this Company Lease;

(b) Words of masculine gender shall mean and include correlative words of feminine and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa; and

(c) Any certificates, letters, or opinions required to be given pursuant to this Company Lease shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law, or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Company Lease.

ARTICLE II

DEMISE; PREMISES; TERM

2.1 DEMISE.

The Company hereby leases and/or subleases to the Agency, and the Agency hereby leases and/or subleases from the Company, the Land and the Facility for the stated term for the rents, covenants and conditions set forth herein subject only to the Permitted Encumbrances.

2.2 DESCRIPTION OF PREMISES LEASED.

The leased premises is the Land and the Facility described in the recitals of this Company Lease and as more fully described on **Exhibit “A”** attached hereto.

2.3 TERM.

The Project is leased for a term which shall commence as of May 1, 2015, and shall end on the expiration or earlier termination of the Agency Lease.

2.4 MANDATORY CONVEYANCE.

At the expiration of the term hereof or any extension thereof by mutual agreement, or as otherwise provided in the Agency Lease, this Company Lease shall automatically expire without any further action by the parties hereto, and the Agency shall confirm in writing the termination of its interest in the Project under this Company Lease and the Agency Lease. The Company hereby irrevocably designates the Agency as its attorney-in-fact, coupled with an interest, for the purpose of executing, delivering and recording terminations of leases and bill of sale together with any other documents therewith and to take such other and further actions reasonably necessary to confirm the termination of the Agency’s interest in the Project.

2.5 CONSIDERATION.

The Agency is paying to the Company concurrently with the execution hereof consideration of \$1.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Company.

2.6 REPRESENTATIONS AND COVENANTS OF THE COMPANY.

The Company makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Company is a limited liability company duly organized, validly existing and in good standing under the laws of New York, has the power to enter into this Company Lease and the other Company Documents and to carry out its obligations hereunder and thereunder, and has duly authorized the execution, delivery, and performance of this Company Lease and the other Company Documents.

(b) This Company Lease and the other Company Documents constitute, or upon their execution and delivery in accordance with the terms thereof will constitute, valid and legally binding obligations of the Company, enforceable in accordance with their respective terms.

(c) The Company has a valid and enforceable fee interest in the Land and the Facility and shall remain and retain such interests for the term of this Company Lease unless otherwise consented to in writing by the Agency.

(d) Neither the execution and delivery of this Company Lease and the other Company Documents, the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the provisions thereof will:

(1) Result in a breach of, or conflict with any term or provision in, the Company's Articles of Organization and Operating Agreement;

(2) Require consent under (which has not been heretofore received) or result in a breach of or default under any credit agreement, indenture, purchase agreement, mortgage, deed of trust, commitment, guaranty or other agreement or instrument to which the Company is a party or by which the Company or any of its property may be bound or affected; or

(3) Conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction, or decree of any Governmental Authority or court (domestic or foreign) having jurisdiction over the Company or any of the property of the Company.

(e) So long as the Agency holds an interest in the Project Facility, the Project Facility is and will continue to be a "project" (as such quoted term is defined in the Act), and the Company will not take any action (or omit to take any action required by the Company Documents or which the Agency, together with Agency's counsel, advise the Company in writing should be taken), or allow any action to be taken, which action (or omission) would in any way cause the Project Facility not to constitute a "project" (as such quoted term is defined in the Act).

(f) The Company shall cause all notices as required by law to be given and shall comply or cause compliance with all laws, ordinances, municipal rules, and regulations and requirements of all Governmental Authorities applying to or affecting the construction, equipping and operation of the Project Facility (the applicability of such laws, ordinances, rules, and regulations to be determined both as if the Agency were the owner of the Project Facility and as if the Company, were the owner of the Project Facility), and the Company will defend and save the Agency and its officers, members, agents (other than the Company), and employees harmless from all fines and penalties due to failure to comply therewith.

(g) The Company shall perform, or cause to be performed, for and on behalf of the Agency, each and every obligation of the Agency (which is within the control of the Company) under and pursuant to the Agency Lease, this Company Lease and the other Company Documents and shall defend, indemnify, and hold harmless the Agency and its members, officers, agents (other than the Company), servants and employees from and against every expense, liability, or claim arising out of the failure of the Company to fulfill its obligations under the provisions of this Section 2.6.

(h) The Company acknowledges, restates and affirms the obligations, representations, warranties and covenants set forth in Sections 2.2 and 11.12 of the Agency Lease as if fully set forth herein.

ARTICLE III

DISPUTE RESOLUTION

3.1 GOVERNING LAW.

This Company Lease shall be governed in all respects by the laws of the State of New York.

3.2 WAIVER OF TRIAL BY JURY.

THE COMPANY AND THE AGENCY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY DISPUTE ARISING UNDER THIS COMPANY LEASE, AND THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS COMPANY LEASE.

ARTICLE IV

MISCELLANEOUS CLAUSES

4.1 NOTICES.

All notices, certificates, and other communications hereunder shall be in writing, shall be sufficiently given, and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, and actually received by the

intended recipient or by overnight courier or such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates, and other communications hereunder shall be delivered are as follows:

(a) To the Agency:

City of Syracuse Industrial Development Agency
333 West Washington Street, Suite 130
Syracuse, New York 13202
Attn: Chairman

With copies to:

Corporation Counsel
City of Syracuse
233 East Washington Street
Syracuse, New York 13202

(b) To the Company:

Strathmore Huntley Group, LLC
127 Stolp Avenue
Syracuse, New York 13207
Attn: Brenda Colella, Esq.

With a copy to:

Centolella Lynn D'Elia & Temes LLC
100 Madison Street
Tower I, Suite 1905
Syracuse, New York 13202
Attn: Anthony J. D'Elia, Esq.

4.2 NO RECOURSE UNDER THIS COMPANY LEASE.

No provision, covenant or agreement contained herein, in any other agreement entered into in connection herewith, or any obligations herein imposed, upon the Agency, or any breach thereof, shall constitute or give rise to or impose upon the Agency, a debt or other pecuniary liability or a charge upon its general credit, and all covenants, stipulations, promises, agreements and obligations of the Agency contained in this Company Lease shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency, and not of any member, director, officer, employee or agent of the Agency in his individual capacity.

4.3 ENTIRE AGREEMENT.

This Company Lease contains the entire agreement between the parties and all prior negotiations and agreements are merged in this Company Lease. This Company Lease may not be changed, modified or discharged, in whole or in part, except by a written instrument executed by the party against whom enforcement of the change, modification or discharge is sought.

4.4 AGENCY REPRESENTATIONS.

The Company expressly acknowledges that neither the Agency nor the Agency's directors, members, employees or agents has made or is making, and the Company, in executing and delivering this Company Lease, is not relying upon warranties, representations, promises or statements, except to the extent that the same are expressly set forth in this Company Lease, and no rights, easements or licenses are or shall be acquired by the Company by implication or otherwise unless expressly set forth in this Company Lease.

4.5 BINDING EFFECT.

This Company Lease shall be binding upon and inure to the benefit of the parties, their respective successors and assigns.

4.6 PARAGRAPH HEADINGS.

Paragraph headings are for convenience only and shall not affect the construction or interpretation of this Company Lease.

4.7 CONSENT TO AGENCY LEASE; SUBORDINATION.

The Company hereby consents to the sublease by the Agency of the Project Facility to the Company pursuant to the Agency Lease. The Company acknowledges and agrees that this Company Lease and the Agency Lease shall be subordinate in all respects to the Mortgages.

4.8 HOLD HARMLESS PROVISIONS.

(a) The Company hereby releases the Agency and its members, officers, agents, and employees from, agree that the Agency and its members, officers, agents, and employees shall not be liable for, and agree to indemnify, defend, and hold the Agency and its members, officers, agents, and employees harmless from and against any and all claims arising as a result of the Agency's undertaking of the Project, including, but not limited to:

(1) Liability for loss or damage to Property or bodily injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Project Facility, or arising by reason of or in connection with the occupation or the use thereof, or the presence on, in, or about the Project Facility;

(2) Liability arising from or expense incurred by the Agency's acquisition of a leasehold interest in the Project Facility and the subleasing of the Project Facility, including, without limiting the generality of the foregoing, all liabilities or claims arising as a result of the Agency's obligations under the Agency Lease, the Company Lease or the Mortgage;

(3) All claims arising from the exercise by the Company of the authority conferred upon it and performance of the obligations assumed under Article II hereof;

(4) All causes of action and attorneys' fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities, or expenses of the Agency are not incurred or do not result from the intentional wrongdoing of the Agency or any of its members, officers, agents, or employees.

The foregoing indemnities shall apply notwithstanding the fault or negligence (other than gross negligence or willful misconduct) on the part of the Agency or any of its officers, members, agents, servants, or employees and irrespective of any breach of statutory obligation or any rule of comparative or apportioned liability.

(b) In the event of any claim against the Agency or its members, officers, agents, or employees by any employee of the Company, or any contractor of the Company, or anyone directly or indirectly employed by any of them, or any one for whose acts any of them may be liable, the obligations of the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Company such contractor under workers' compensation laws, disability benefit laws, or other employee benefit laws.

(c) Notwithstanding any other provisions of this Company Lease, the obligations of the Company pursuant to this Section 4.8 shall remain in full force and effect after the termination of the Agency Lease and this Company Lease until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action, or prosecution relating to the matters herein described may be brought, and the payment in full or the satisfaction of such claim, cause of action, or prosecution, and the payment of all expenses and charges incurred by the Agency, or its officers, members, agents (other than the Company), or employees, relating thereto.

(d) For purposes of this Section 4.8, the Company shall not be deemed to constitute an employee, agent or servant of the Agency or a person under the Agency's control or supervision.

4.9 NO RECOURSE; SPECIAL OBLIGATION.

The obligations and agreements of the Agency contained herein and in the other Agency Documents and in any other instrument or document executed in connection herewith or therewith, and any instrument or document supplemental hereto or thereto, shall be deemed the obligations and agreements of the Agency and not of any member, officer, agent, or employee of

the Agency in his individual capacity; and the members, officers, agents, and employees of the Agency shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby. The obligations and agreements of the Agency contained herein or therein shall not constitute or give rise to an obligation of the State New York or of the City of Syracuse, and neither the State of New York nor the City of Syracuse shall be liable hereon or thereon. Further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency, payable solely from the revenues of the Agency derived, and to be derived from, the lease, sale, or other disposition of the Project Facility, other than revenues derived from or constituting Unassigned Rights. No order or decree of specific performance with respect to any of the obligations of the Agency hereunder or thereunder shall be sought or enforced against the Agency unless:

(a) The party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and thirty (30) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or if compliance therewith would reasonably be expected to take longer than thirty (30) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period; and

(b) If the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses; and

(c) If the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents, or employees shall be subject to potential liability, the party seeking such order or decree shall (1) agree to indemnify and hold harmless the Agency and its members, officers, agents, and employees against any liability incurred as a result of its compliance with such demand; and (2) if requested by the Agency, furnish to the Agency satisfactory security to protect the Agency and its members, officers, agents, and employees against all liability expected to be incurred as a result of compliance with such request.

Any failure to provide notice, indemnity, or security to the Agency pursuant to this Section 4.9 shall not alter the full force and effect of any Event of Default under the Agency Lease.

(d) For purposes of this Section 4.9, the Company shall not be deemed to constitute an employee, agent or servant of the Agency or a person under the Agency's control or supervision.

4.10 MERGER OF AGENCY.

(a) Nothing contained in this Company Lease shall prevent the consolidation of the Agency with, or merger of the Agency into, or assignment by the Agency of its rights and interests hereunder to any other body corporate and politic and public instrumentality of the State of New York, or political subdivision thereof, which has the legal authority to perform the

obligations of the Agency hereunder, provided that upon any such consolidation, merger, or assignment, the due and punctual performance and observance of all the agreements and conditions of this Company Lease to be kept and performed by the Agency shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Agency's rights and interests hereunder shall be assigned.

(b) As of the date of any such consolidation, merger, or assignment, the Agency shall give notice thereof in reasonable detail to the Company. The Agency shall promptly furnish to the Company such additional information with respect to any such consolidation, merger, or assignment as the Company reasonably may request.

4.11 EXECUTION OF COUNTERPARTS.

This Company Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

4.12 EVENT OF DEFAULT.

A default in the performance or the observance of any covenants, conditions, or agreements on the part of the Company in this Company Lease.

4.13 REMEDIES.


Whenever any Event of Default shall have occurred and be continuing, the Agency may, to the extent permitted by law, take any one or more of the following remedial steps:

- 1) Terminate the Company Lease; or
- 2) Take any other action at law or in equity, which may appear necessary or desirable to collect any amounts then due, or thereafter to become due, hereunder.

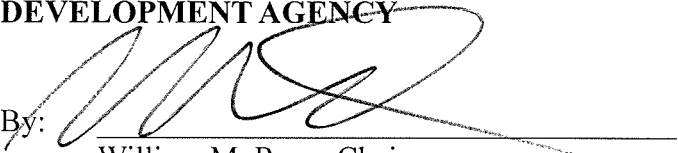
[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Company and the Agency have duly executed this Company Lease, as of the day and year first above written.

STRATHMORE HUNTLEY GROUP, LLC

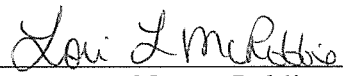
By: 
Brenda Colella, Authorized Member

**CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
William M. Ryan, Chairman

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

On the 21st day of May, 2015, before me, the undersigned, personally appeared **BRENDA COLELLA**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.




Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 18

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

On the 20th day of May, 2015, before me, the undersigned, personally appeared **WILLIAM M. RYAN**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 18

EXHIBIT "A"

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, known and distinguished as Lots Nos. 113, 114 and 115 of the Stolp Addition, according to a map thereof made by Rhesa Griffin, C.E., and filed in the Onondaga County Clerk's Office October 2, 1890.

Being City of Syracuse addresses and Tax Parcel Id numbers:

1. 409 Stolp Avenue; 087.-12-04.0 (*Lots 113-114*) and
2. 419-21 Stolp Avenue; 087.-12-03.0 (*Lot 115*).

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McRobbie, Lori L.

From: Anthony D'Elia [anthony@centolellalaw.com]
Sent: Tuesday, May 26, 2015 3:01 PM
To: Katzoff, Susan R.; McRobbie, Lori L.
Cc: Christopher A. Andreucci; Babilon, Thomas R.; Kevin Overton
Subject: SIDA/SEDCO/OCDC to Strathmore Huntley - RECORDING INFO

Here is the recording information as received from Chicago a moment ago:

The following documents were recorded today (5/26/15) at the indicated times and locations in regards to the above referenced matter. Please let me know if I can be of further assistance.

Memo of Company Lease	5325/442 at 2:29pm
Memo of Agency Lease	5325/447 at 2:30pm
Collateral Mortgage	17750/1 at 2:32pm
Assignment of Rents and Leases	17750/21 at 2:33pm
UCC	2015-00371 at 2:34pm
SEDCO Mortgage	17750/34 at 2:36pm
Building Loan Agreement	2015LB50 at 2:37pm
Notice of Lending	2015LN35 at 2:37pm
Intercreditor Agreement	17750/40 at 2:40pm

Thanks,
Casey

Casey J. Woods
Abstractor
100 Madison Street, Suite 1910
Syracuse, NY 13202
casey.woods@ctt.com
Mobile: 315.593.5274
Office: 315.422.1869
Fax: 315.474.0109



CHICAGO TITLE

Simply the best choice in the market for real estate transactions.

Anthony J. D'Elia
CENTOLELLA LYNN D'ELIA & TEMES LLC



100 Madison Street | Tower I, Suite 1905 | Syracuse, New York 13202
Tel: 315.476.1010 | Fax: 315.476.1134 | Email: ANTHONY@CENTOLELLALAW.COM
DIRECT DIAL: (315) 766-2122

CONFIDENTIALITY STATEMENT

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, YOU ARE HEREBY NOTIFIED that any dissemination, distribution or copying of this communication is strictly prohibited. If you are not the intended recipient of this message, please destroy any printed version and delete this email. In addition, this firm does not accept service of papers by email or facsimile transmission.

**MEMORANDUM OF
COMPANY LEASE AGREEMENT**

NAME AND ADDRESS OF LESSOR: Strathmore Huntley Group, LLC
127 Stolp Avenue
Syracuse, New York 13207

NAME AND ADDRESS OF LESSEE: City of Syracuse Industrial Development Agency
333 West Washington Street, Suite 130
Syracuse, New York 13202

DESCRIPTION OF LEASED PREMISES:

All that tract or parcel of land situate in the City of Syracuse, County of Onondaga and State of New York, being more particularly described in **Exhibit "A"** annexed hereto, together with the improvements thereon.

DATE OF EXECUTION OF COMPANY LEASE AGREEMENT:

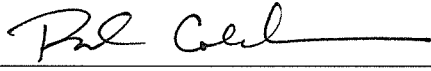
As of May 1, 2015.

TERM OF COMPANY LEASE AGREEMENT:

The Project is leased for a term which shall commence as of May 1, 2015, and shall end on the expiration or earlier termination of the Agency Lease.

IN WITNESS WHEREOF, the parties hereto have respectively executed this memorandum as of the 1st day of May, 2015.

STRATHMORE HUNTLEY GROUP, LLC

By: 
Brenda Colella, Authorized Member

**CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
William M. Ryan, Chairman

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

On the 21st day of May, 2015, before me, the undersigned, personally appeared **BRENDA COLELLA**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Lori L McRobbie

Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 18

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

On this 20th day of May, 2015, before me, the undersigned, personally appeared **WILLIAM M. RYAN**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Lori L McRobbie

Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 18

EXHIBIT "A"

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, known and distinguished as Lots Nos. 113, 114 and 115 of the Stolp Addition, according to a map thereof made by Rhesa Griffin, C.E., and filed in the Onondaga County Clerk's Office October 2, 1890.

Being City of Syracuse addresses and Tax Parcel Id numbers:

1. 409 Stolp Avenue; 087.-12-04.0 (*Lots 113-114*) and
2. 419-21 Stolp Avenue; 087.-12-03.0 (*Lot 115*).



Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax

Recording office time stamp

See Form TP-584-I, Instructions for Form TP-584, before completing this form. Print or type.

Schedule A – Information relating to conveyance

Grantor/Transferor <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Estate/Trust <input type="checkbox"/> Single member LLC <input type="checkbox"/> Other	Name (if individual, last, first, middle initial) (<input type="checkbox"/> check if more than one grantor) Strathmore Huntley Group, LLC <hr/> Mailing address 127 Stolp Avenue <hr/> City State ZIP code Syracuse NY 13207 <hr/> Single member's name if grantor is a single member LLC (see instructions)	Social security number Social security number Federal EIN 27-3285524 Single member EIN or SSN
Grantee/Transferee <input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Estate/Trust <input type="checkbox"/> Single member LLC <input checked="" type="checkbox"/> Other	Name (if individual, last, first, middle initial) (<input type="checkbox"/> check if more than one grantee) City of Syracuse Industrial Development Agency <hr/> Mailing address 333 West Washington Street, Suite 130 <hr/> City State ZIP code Syracuse NY 13202 <hr/> Single member's name if grantee is a single member LLC (see instructions)	Social security number Social security number Federal EIN 52-1380308 Single member EIN or SSN

Location and description of property conveyed

Tax map designation – Section, block & lot (include dots and dashes)	SWIS code (six digits)	Street address	City, town, or village	County
087.-12-04.0 087.-12-03.0		409 Stolp Ave. and 419-21 Stolp Ave.	Syracuse	Onondaga

Type of property conveyed (check applicable box)

1 <input type="checkbox"/> One- to three-family house 2 <input type="checkbox"/> Residential cooperative 3 <input type="checkbox"/> Residential condominium 4 <input type="checkbox"/> Vacant land	5 <input checked="" type="checkbox"/> Commercial/Industrial 6 <input type="checkbox"/> Apartment building 7 <input type="checkbox"/> Office building 8 <input type="checkbox"/> Other _____	Date of conveyance <table border="1" style="display: inline-table; text-align: center;"> <tr> <td style="width: 30px;">05</td> <td style="width: 30px;">21</td> <td style="width: 30px;">2015</td> </tr> <tr> <td>month</td> <td>day</td> <td>year</td> </tr> </table>	05	21	2015	month	day	year	Percentage of real property conveyed which is residential real property _____ % (see instructions)
05	21	2015							
month	day	year							

Condition of conveyance (check all that apply)

- | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. <input type="checkbox"/> Conveyance of fee interest

b. <input type="checkbox"/> Acquisition of a controlling interest (state percentage acquired _____ %)

c. <input type="checkbox"/> Transfer of a controlling interest (state percentage transferred _____ %)

d. <input type="checkbox"/> Conveyance to cooperative housing corporation

e. <input type="checkbox"/> Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest (attach Form TP-584.1, Schedule E) | f. <input type="checkbox"/> Conveyance which consists of a mere change of identity or form of ownership or organization (attach Form TP-584.1, Schedule F)

g. <input type="checkbox"/> Conveyance for which credit for tax previously paid will be claimed (attach Form TP-584.1, Schedule G)

h. <input type="checkbox"/> Conveyance of cooperative apartment(s)

i. <input type="checkbox"/> Syndication

j. <input type="checkbox"/> Conveyance of air rights or development rights

k. <input type="checkbox"/> Contract assignment | l. <input type="checkbox"/> Option assignment or surrender

m. <input type="checkbox"/> Leasehold assignment or surrender

n. <input checked="" type="checkbox"/> Leasehold grant

o. <input type="checkbox"/> Conveyance of an easement

p. <input type="checkbox"/> Conveyance for which exemption from transfer tax claimed (complete Schedule B, Part III)

q. <input type="checkbox"/> Conveyance of property partly within and partly outside the state

r. <input type="checkbox"/> Conveyance pursuant to divorce or separation
s. <input type="checkbox"/> Other (describe) _____ |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

For recording officer's use	Amount received Schedule B., Part I \$ _____ Schedule B., Part II \$ _____	Date received	Transaction number
-----------------------------	----------------------------------------------------------------------------------	---------------	--------------------

Schedule B – Real estate transfer tax return (Tax Law, Article 31)

Part I – Computation of tax due

1	Enter amount of consideration for the conveyance (if you are claiming a total exemption from tax, check the exemption claimed box, enter consideration and proceed to Part III) <input checked="" type="checkbox"/> Exemption claimed	1.		0	00
2	Continuing lien deduction (see instructions if property is taken subject to mortgage or lien)	2.		0	00
3	Taxable consideration (subtract line 2 from line 1)	3.		0	00
4	Tax: \$2 for each \$500, or fractional part thereof, of consideration on line 3	4.		0	00
5	Amount of credit claimed for tax previously paid (see instructions and attach Form TP-584.1, Schedule G)	5.		0	00
6	Total tax due* (subtract line 5 from line 4)	6.		0	00

Part II – Computation of additional tax due on the conveyance of residential real property for \$1 million or more

1	Enter amount of consideration for conveyance (from Part I, line 1)	1.		
2	Taxable consideration (multiply line 1 by the percentage of the premises which is residential real property, as shown in Schedule A) ...	2.		
3	Total additional transfer tax due* (multiply line 2 by 1% (.01))	3.		

Part III – Explanation of exemption claimed on Part I, line 1 (check any boxes that apply)

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

- a. Conveyance is to the United Nations, the United States of America, the state of New York, or any of their instrumentalities, agencies, or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) a
- b. Conveyance is to secure a debt or other obligation..... b
- c. Conveyance is without additional consideration to confirm, correct, modify, or supplement a prior conveyance..... c
- d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts d
- e. Conveyance is given in connection with a tax sale..... e
- f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) Attach Form TP-584.1, Schedule F..... f
- g. Conveyance consists of deed of partition..... g
- h. Conveyance is given pursuant to the federal Bankruptcy Act h
- i. Conveyance consists of the execution of a contract to sell real property, without the use or occupancy of such property, or the granting of an option to purchase real property, without the use or occupancy of such property i
- j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than \$200,000 and such property was used solely by the grantor as the grantor's personal residence and consists of a one-, two-, or three-family house, an individual residential condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative apartment..... j
- k. Conveyance is not a conveyance within the meaning of Tax Law, Article 31, section 1401(e) (attach documents supporting such claim) k

*The total tax (from Part I, line 6 and Part II, line 3 above) is due within 15 days from the date conveyance. Please make check(s) payable to the county clerk where the recording is to take place. If the recording is to take place in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, make check(s) payable to the **NYC Department of Finance**. If a recording is not required, send this return and your check(s) made payable to the **NYS Department of Taxation and Finance**, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.

Schedule C – Credit Line Mortgage Certificate (Tax Law, Article 11)

Complete the following only if the interest being transferred is a fee simple interest.

I (we) certify that: *(check the appropriate box)*

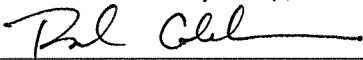
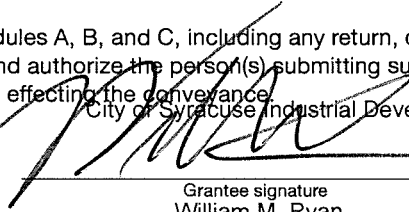
1. The real property being sold or transferred is not subject to an outstanding credit line mortgage.
2. The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:
 - The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately before the transfer.
 - The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where 50% or more of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons (as in the case of a transfer to a trustee for the benefit of a minor or the transfer to a trust for the benefit of the transferor).
 - The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee, or other officer of a court.
 - The maximum principal amount secured by the credit line mortgage is \$3,000,000 or more, and the real property being sold or transferred is **not** principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

Please note: for purposes of determining whether the maximum principal amount secured is \$3,000,000 or more as described above, the amounts secured by two or more credit line mortgages may be aggregated under certain circumstances. See TSB-M-96(6)-R for more information regarding these aggregation requirements.

- Other *(attach detailed explanation)*.
3. The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:
 - A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
 - A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.
 4. The real property being transferred is subject to an outstanding credit line mortgage recorded in _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount of debt or obligation secured by the mortgage is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. *(Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City but not in Richmond County, make check payable to the NYC Department of Finance.)*

Signature (both the grantor(s) and grantee(s) must sign)

The undersigned certify that the above information contained in schedules A, B, and C, including any return, certification, schedule, or attachment, is to the best of his/her knowledge, true and complete, and authorize the person(s) submitting such form on their behalf to receive a copy for purposes of recording the deed or other instrument effecting the conveyance.

 _____ Grantor signature Brenda Colella	Member _____ Title	 _____ Grantee signature William M. Ryan	Chairman _____ Title
Grantor signature	Title	Grantee signature	Title

Reminder: Did you complete all of the required information in Schedules A, B, and C? Are you required to complete Schedule D? If you checked e, f, or g in Schedule A, did you complete Form TP-584.1? Have you attached your check(s) made payable to the county clerk where recording will take place or, if the recording is in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, to the **NYC Department of Finance**? If no recording is required, send your check(s), made payable to the **Department of Taxation and Finance**, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.

Schedule D - Certification of exemption from the payment of estimated personal income tax (Tax Law, Article 22, section 663)

Complete the following only if a fee simple interest or a cooperative unit is being transferred by an individual or estate or trust.

If the property is being conveyed by a referee pursuant to a foreclosure proceeding, proceed to Part II, and check the second box under Exemptions for nonresident transferor(s)/seller(s) and sign at bottom.

Part I - New York State residents

If you are a New York State resident transferor(s)/seller(s) listed in Schedule A of Form TP-584 (or an attachment to Form TP-584), you must sign the certification below. If one or more transferors/sellers of the real property or cooperative unit is a resident of New York State, each resident transferor/seller must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all resident transferors/sellers.

Certification of resident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) as signed below was a resident of New York State, and therefore is not required to pay estimated personal income tax under Tax Law, section 663(a) upon the sale or transfer of this real property or cooperative unit.

Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date

Note: A resident of New York State may still be required to pay estimated tax under Tax Law, section 685(c), but not as a condition of recording a deed.

Part II - Nonresidents of New York State

If you are a nonresident of New York State listed as a transferor/seller in Schedule A of Form TP-584 (or an attachment to Form TP-584) but are not required to pay estimated personal income tax because one of the exemptions below applies under Tax Law, section 663(c), check the box of the appropriate exemption below. If any one of the exemptions below applies to the transferor(s)/seller(s), that transferor(s)/seller(s) is not required to pay estimated personal income tax to New York State under Tax Law, section 663. Each nonresident transferor/seller who qualifies under one of the exemptions below must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all nonresident transferors/sellers.

If none of these exemption statements apply, you must complete Form IT-2663, *Nonresident Real Property Estimated Income Tax Payment Form*, or Form IT-2664, *Nonresident Cooperative Unit Estimated Income Tax Payment Form*. For more information, see *Payment of estimated personal income tax*, on page 1 of Form TP-584-I.

Exemption for nonresident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) (grantor) of this real property or cooperative unit was a nonresident of New York State, but is not required to pay estimated personal income tax under Tax Law, section 663 due to one of the following exemptions:

- The real property or cooperative unit being sold or transferred qualifies in total as the transferor's/seller's principal residence (within the meaning of Internal Revenue Code, section 121) from _____ Date to _____ Date (see instructions).
- The transferor/seller is a mortgagor conveying the mortgaged property to a mortgagee in foreclosure, or in lieu of foreclosure with no additional consideration.
- The transferor or transferee is an agency or authority of the United States of America, an agency or authority of the state of New York, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.

Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date

3

BILL OF SALE TO AGENCY

STRATHMORE HUNTLEY GROUP, LLC, a limited liability company organized under the laws of the State of New York with an office to conduct business at 127 Stolp Avenue, Syracuse, New York 13207 (the "**Company**"), for the consideration of One Dollar (\$1.00), cash in hand paid, and other good and valuable consideration received by the Company from the City of Syracuse Industrial Development Agency, a public benefit corporation organized and existing pursuant to the laws of the State of New York (the "**Agency**"), having its office at 333 West Washington Street, Suite 130, Syracuse, New York 13202, the receipt of which is hereby acknowledged by the Company, hereby sells, transfers, and delivers unto the Agency, its successors and assigns, all those materials, machinery, equipment, fixtures and furnishings now owned or hereafter acquired by the Company in connection with the Project Facility, as described in the Agency Lease entered between the Agency and the Company dated as of May 1, 2015 (the "**Agency Lease**"), and as listed on "**Exhibit A**" attached hereto.

TO HAVE AND HOLD the same unto the Agency, its successors and assigns, forever.

The Company hereby represents and warrants that it is the true and lawful owner of the personal property being conveyed hereby, that all of the foregoing are free and clear of all liens, security interests, and encumbrances, except for Permitted Encumbrances, as defined in the Agency Lease, and that the Company has the right to sell the same as aforesaid; and the Company covenants that it will warrant and defend title to the same for the benefit of the Agency and its successors and assigns against the claims and demands of all persons.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized representative on the date indicated beneath the signature of such representative and dated as of the 1st day of May, 2015.

STRATHMORE HUNTLEY GROUP, LLC

By: 
Brenda Colella, Authorized Member

EXHIBIT "A"

DESCRIPTION OF THE EQUIPMENT

All articles of personal property, all machinery, apparatus, equipment, appliances, floor coverings, furniture, furnishings, supplies, materials, fittings and fixtures of every kind and nature whatsoever and all appurtenances acquired **STRATHMORE HUNTLEY GROUP, LLC** (the "*Company*") now or hereafter attached to, contained in or used or acquired in connection with the Project Facility (as defined in the Agency Lease) or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, racks, flagpoles, signs, waste containers, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

4

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

AND

STRATHMORE HUNTLEY GROUP, LLC

AGENCY LEASE AGREEMENT

DATED AS OF MAY 1, 2015

(HUNTLEY BUILDING RENOVATION PROJECT)

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EXHIBIT “E”	FORM OF ANNUAL REPORTING REQUIREMENTS
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AGENCY LEASE AGREEMENT

THIS AGENCY LEASE AGREEMENT, dated as of May 1, 2015 (the "*Agency Lease*"), by and between the **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a body corporate and politic and a public instrumentality of the State of New York, having its office at 333 West Washington Street, Suite 130, Syracuse, New York 13202 (the "*Agency*"), and **STRATHMORE HUNTLEY GROUP, LLC**, a New York limited liability company having its office at 127 Stolp Avenue, Syracuse, New York 13207 (the "*Company*").

WITNESSETH:

WHEREAS, the Agency is authorized and empowered by Title I of Article 18-A of the General Municipal Law of the State of New York (the "*State*"), as amended, together with Chapter 641 of the Laws of 1979 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, among other things, to: (i) make contracts and leases, and to execute such documents as necessary or convenient, with a public or private person, firm, partnership, or corporation; (ii) to acquire, construct, reconstruct, lease, improve, maintain, equip or furnish one or more projects (as defined in the Act); and (iii) to sell, lease and otherwise dispose of any such property; and

WHEREAS, the Agency, by resolution adopted on January 24, 2013, agreed, at the request of the Company to undertake a project (the "*Project*") consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the "*Land*"); (ii) the rehabilitation and renovation of approximately 42 affordable market-rate apartments units with approximately 80-85% subject to income restrictions at 115% of the area median income with the balance approximately 15-20% of the units subject to income restrictions at 80% of the area median income (the "*Facility*"); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the "*Equipment*", and together with the Land and the Facility, the "*Project Facility*"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the "*Financial Assistance*"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation,

improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Agency proposes to assist the Company's acquisition, reconstruction, renovation and equipping of the Project Facility and grant the Financial Assistance to the Project by, among other things: (1) appointing the Company and/or its designee as its agent with respect to completing the Project; (2) accepting a leasehold interest in the Land and Facility from the Company and a fee interest in the Equipment pursuant to a bill of sale from the Company; and (3) subleasing the Project Facility to the Company pursuant to this Agency Lease; and

WHEREAS, the Company is the current owner of the Land and the Facility and has leased the Land and the Facility to the Agency pursuant to the Company Lease Agreement dated as of May 1, 2015 (the "**Company Lease**"); and

WHEREAS, the Company has conveyed title to the Equipment to the Agency pursuant to the Bill of Sale dated as of May 1, 2015 (the "**Bill of Sale**"); and

WHEREAS, the Agency now proposes to sublease the Project Facility to the Company pursuant to the terms and conditions herein set forth; and

WHEREAS, all things necessary to constitute this Agency Lease a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution, and delivery of this Agency Lease have, in all respects, been duly authorized;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto hereby formally covenant, agree, and bind themselves as follows, to wit:

ARTICLE I

DEFINITIONS

1.1 DEFINITIONS.

For all purposes of this Agency Lease and any agreement supplemental thereto, all defined terms indicated by the capitalization of the first letter of such term shall have the meanings specified in the Table of Definitions attached hereto as **Exhibit "C"** except as otherwise expressly defined herein or the context hereof otherwise requires.

1.2 INTERPRETATION.

In this Agency Lease, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms as used in this Agency Lease refer to this Agency Lease; the term “heretofore” shall mean before and the term “hereafter” shall mean after the date of this Agency Lease;

(b) Words of masculine gender shall mean and include correlative words of feminine and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa; and

(c) Any certificates, letters, or opinions required to be given pursuant to this Agency Lease shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law, or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Agency Lease.

ARTICLE II

REPRESENTATIONS AND COVENANTS

2.1 REPRESENTATIONS OF THE AGENCY.

The Agency makes the following representations to the Company as the basis for the undertakings on its part herein contained:

(a) The Agency is duly established under the provisions of the Act and has the power to enter into this Agency Lease and to carry out its obligations hereunder. Based upon the representations of the Company as to the utilization of the Project Facility, the Project Facility will constitute a “project,” as such quoted term is defined in the Act. By proper official action, the Agency has been duly authorized to execute, deliver, and perform this Agency Lease and the other Agency Documents.

(b) Neither the execution and delivery of this Agency Lease, the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the provisions of this Agency Lease and the other Agency Documents by the Agency will conflict with or result in a breach by the Agency of any of the terms, conditions, or provisions of the Act, the By-Laws of the Agency, or any order, judgment, restriction, agreement, or instrument to which the Agency is a party or by which it is bound or will constitute a default by the Agency under any of the foregoing.

(c) This Agency Lease and the other Agency Documents constitute, or upon their execution and delivery in accordance with the terms thereof will constitute, valid and legally binding obligations of the Agency, enforceable in accordance with their respective terms.

2.2 REPRESENTATIONS AND COVENANTS OF THE COMPANY.

The Company acknowledges, represents, warrants and covenants to the Agency as follows:

(a) The Company is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of New York, has the power to enter into this Agency Lease and the other Company Documents and to carry out its obligations hereunder and thereunder, and has duly authorized the execution, delivery, and performance of this Agency Lease and the other Company Documents.

(b) This Agency Lease and the other Company Documents constitute, or upon their execution and delivery in accordance with the terms thereof will constitute, valid and legally binding obligations of the Company, enforceable in accordance with their respective terms.

(c) The Company is the present fee owner of the Land and Facility and shall remain the fee owner of the Project Facility for the term of this Company Lease unless otherwise consented to in writing by the Agency.

(d) Neither the execution and delivery of this Agency Lease and the other Company Documents, the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the provisions thereof will:

(1) Result in a breach of, or conflict with any term or provision in, the Company's Articles of Organization and Operating Agreement;

(2) Require consent under (which has not been heretofore received) or result in a breach of or default under any credit agreement, indenture, purchase agreement, mortgage, deed of trust, commitment, guaranty or other agreement or instrument to which the Company is a party or by which the Company or any of its property may be bound or affected; or

(3) Conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction, or decree of any Governmental Authority or court (domestic or foreign) having jurisdiction over the Company or any of the property of the Company.

(e) The providing of Financial Assistance to the Project by the Agency:

(1) Has been an important consideration in the Company's decision to acquire, renovate, construct, reconstruct and equip the Project Facility in the City of Syracuse;

(2) Will not result in the removal of an industrial or manufacturing plant or commercial activity of any Project Facility occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of any user, occupant, or proposed user or occupant of the Project Facility located within the State, except as permitted by the Act; and

(3) Will help eliminate blight and advance job opportunities, prosperity and standard of living and help prevent economic deterioration.

(f) So long as the Agency holds a leasehold interest in the Project Facility, the Project Facility is and will continue to be a “project” (as such quoted term is defined in the Act), and the Company will not take any action (or omit to take any action required by the Company Documents or which the Agency, together with Agency’s counsel, advise the Company in writing should be taken), or allow any action to be taken, which action (or omission) would in any way cause the Project Facility not to constitute a “project” (as such quoted term is defined in the Act).

(g) The Company shall cause all notices as required by law to be given and shall comply or cause compliance with all laws, ordinances, municipal rules, and regulations and requirements of all Governmental Authorities applying to or affecting the construction, reconstruction, equipping and operation of the Project Facility (the applicability of such laws, ordinances, rules, and regulations to be determined both as if the Agency were the owner of the Project Facility and as if the Company, were the owner of the Project Facility), and the Company will defend and save the Agency and its officers, members, agents (other than the Company), and employees harmless from all fines and penalties due to failure to comply therewith.

(h) The Project will not have a “significant effect on the environment” (within the meaning of such term as used in SEQRA) and the Company hereby covenants to comply with all mitigating measures, requirements and conditions, if any, enumerated in the SEQR Resolution under SEQRA applicable to the acquisition, construction and installation of the Project Facility and in any other approvals issued by any other Governmental Authority with respect to the Project. No material changes with respect to any aspect of the Project Facility have arisen from the date of the issuance of such negative declaration which would cause the determination contained therein to be untrue.

(i) The Company understands and agrees that it is the preference of the Agency that the Company provide opportunities for the purchase of goods and services from: (i) business enterprises located in the City; (ii) certified minority and or women-owned business enterprises; and (iii) business enterprises that employ residents of the City. The Company further understands and acknowledges that consideration will be given by the Agency to the Company’s efforts to comply, and compliance, with this objective at any time an extension of benefits is sought or involvement by the Agency with the Project is requested by the Company.

(j) The Agency’s undertaking of the Project and the provision of Financial Assistance for the Project will not have a significant impact on the environment within the meaning of SEQRA.

(k) The acquisition, reconstruction, renovation and equipping of the Project Facility will promote employment opportunities and help prevent economic deterioration in the City by the creation and/or preservation of both full and part-time jobs.

(l) The Company has, or will have as of the first date of construction and equipping, all then necessary permits, licenses, and governmental approvals and consents (collectively, “**Approvals**”) for the construction and equipping of the Project Facility and has or will have such Approvals for each phase of construction and equipping of the Project Facility.

(m) The Company will not sublease the whole or any portion of the Project Facility for an unlawful purpose.

(n) No part of the Project Facility will be located outside of the City.

(o) The Company shall perform, or cause to be performed, for and on behalf of the Agency, each and every obligation of the Agency (which is within the control of the Company) under and pursuant to this Agency Lease, the Company Lease and the other Company Documents and shall defend, indemnify, and hold harmless the Agency and its members, officers, agents (other than the Company), servants and employees from and against every expense, liability, or claim arising out of the failure of the Company to fulfill its obligations under the provisions of this Section 2.2.

(p) The Company agrees that except as is otherwise provided by collective bargaining contracts or agreements applicable to the Project, new employment opportunities created as a result of the Project shall be listed with the New York State Department of Labor Community Services Division, and with the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. No. 97-300) in which the Project is located. The Company further agrees that except as is otherwise provided by collective bargaining contracts or agreements applicable to the Project, it will first consider persons eligible to participate in the Federal Job Training Partnership (P.L. No. 97-300) programs who shall be referred by administrative entities of service delivery areas created pursuant to such act or by the Community Services Division of the Department of Labor for such new employment opportunities.

(p) The Company shall provide to the Agency any and all documentation or information requested by the Agency so that the Agency can comply with all of its reporting requirements under the Act.

(q) As a condition precedent to receiving or benefiting from any State sales and use tax exemption benefits, the Company acknowledges and agrees to all terms and conditions of Section 875(3) of the Act. Section 875(3) of the Act is herein incorporated by reference. As part of such conditions precedent:

(1) The Company shall not take any State or local Sales and Use Tax exemptions to which it is not entitled, which are in excess of the amount authorized by the Agency in reliance on the Company’s Application or which are for property or services not authorized.

(2) The Company shall comply with all material terms and conditions to use property or services in the manner required by the Agency Documents.

(3) The Company shall cooperate with the Agency in the Agency's efforts to recover, recapture, receive or otherwise obtain from the Company any Recapture Amount (as defined in Section 8.12(g) hereof), and shall, upon the Agency's request, promptly pay to the Agency any Recapture Amount, together with any interest or penalties thereon imposed by the Agency or by operation of law or by judicial order or otherwise, as provided in Section 8.12(g) hereof. The Company acknowledges and agrees that the failure of the Company to promptly pay such Recapture Amount to the Agency will be grounds for the State Commissioner of Taxation and Finance to collect sales and use taxes from the Company under Article 28 of the State Tax Law, together with interest and penalties.

(r) The amount of State and local sales and use tax benefits comprising the Financial Assistance approved by the Agency shall not exceed \$93,917.95. The Company shall not request, obtain nor claim State and local sales and use tax exemptions in excess of this amount.

ARTICLE III

CONVEYANCE OF LEASEHOLD INTEREST IN PROJECT FACILITY

3.1 AGREEMENT TO CONVEY LEASEHOLD INTEREST TO COMPANY.

The Company has conveyed to the Agency, pursuant to the Company Lease, a leasehold interest in the Land and Facility, as more fully described in **Exhibit "A"** attached hereto, any improvements now or hereafter constructed and installed thereon, subject to Permitted Encumbrances and pursuant to the Bill of Sale, all its right, title and an interest in the Equipment via a Bill of Sale, as more fully described in **Exhibit "B"** attached hereto. Under this Agency Lease, the Agency will convey, or will cause to be conveyed, to the Company, a subleasehold interest in the Project Facility subject to Permitted Encumbrances and exclusive of the Agency's Unassigned Rights.

3.2 USE OF PROJECT FACILITY.

Subsequent to the Closing Date, the Company shall be entitled to use the Project Facility in any manner not otherwise prohibited by this Agency Lease, the Company Lease and other Company Documents, provided that such use causes the Project Facility to qualify or continue to qualify as a "project" under the Act.

ARTICLE IV

RECONSTRUCTION, RENOVATION AND EQUIPPING OF THE PROJECT

4.1 RECONSTRUCTION, RENOVATION AND EQUIPPING OF THE PROJECT FACILITY.

(a) The Company shall promptly construct and equip the Project Facility, all in accordance with the Plans and Specifications. Unless a written waiver is first obtained from the Agency, the Company and its Additional Agents (as defined herein), shall utilize local labor,

contractors and suppliers for the reconstruction, renovation and equipping of the Project Facility. For purposes of this Agency Lease, and in particular this Section 4.1, the term “*local*” shall mean Onondaga, Oswego, Madison, Cayuga, Cortland and Oneida Counties. Failure to comply with the local labor requirements of this Section 4.1 (collectively, “*Local Labor Requirements*”) may result in the revocation or recapture of benefits provided/approved to the Project by the Agency. The Company further agrees to complete and supply the Agency, quarterly, starting the first quarter following the date hereof, the “Contract Status Report” the form of which is attached hereto at **Exhibit “D”**.

(b) The Agency hereby confirms the appointment of the Company as its true and lawful agent to perform the following in compliance with the terms, purposes, and intent of this Agency Lease, the Act and the other Company Documents, and the Company hereby accepts such appointment:

(1) To reconstruct, renovate and equip the Project Facility and to acquire the Equipment in accordance with the terms hereof;

(2) To make, execute, acknowledge, and deliver any contracts, orders, receipts, writings, and instructions with any other Persons and, in general, to do all things which may be requisite or proper, all for the reconstruction, renovation and equipping of the Project Facility with the same powers and with the same validity as the Agency could do if acting in its own behalf, provided that the Agency shall have no liability for the payment of any sums due thereunder;

(3) To pay all fees, costs and expenses incurred in the reconstruction, renovation and equipping of the Project Facility from funds made available therefor from the funds of the Company; and

(4) To ask, demand, sue for, levy, recover, and receive all such sums of money, debts, dues, and other demands whatsoever which may be due, owing, and payable to the Agency under the terms of any contract, order, receipt, or writing in connection with the reconstruction, renovation and equipping of the Project Facility and to enforce the provisions of any contract, agreement, obligation, bond, or other performance security.

(c) The Agency shall enter into, and accept the assignment of, such contracts as the Company may request in order to effectuate the purposes of this Section 4.1, provided, however, that the Agency shall have no liability for the payment of any sums due thereunder.

(d) The Company has given, or will give or cause to be given, all notices and have complied, or will comply or cause compliance with, all laws, ordinances, rules, regulations, and requirements of all Governmental Authorities applying to or affecting the conduct of work on the Project Facility (the applicability of such laws, ordinances, rules, and regulations to be determined both as if the Agency were the owner of the Project Facility and as if the Company were the owner of the Project Facility), and the Company will defend, indemnify, and save the Agency and its officers, members, agents, servants, and employees harmless from all fines and

penalties due to failure to comply therewith. All permits and licenses necessary for the prosecution of work on the Project Facility shall be procured promptly by the Company.

(e) The Company understands and agrees that it is the preference of the Agency that the Company provide opportunities for the purchase of goods and services relative to the Project from: (i) business enterprises located in the City; (ii) certified minority and/or women-owned business enterprises; and (iii) business enterprises that employ residents of the City. Consideration will be given by the Agency to the Company's efforts to comply, and compliance with, this objective at any time an extension of benefits is requested, or further involvement by the Agency with the Project, is requested by the Company.

4.2 COMPLETION OF PROJECT FACILITY.

(a) The Company will proceed with due diligence to acquire, reconstruct, renovate and equip the Project Facility. Completion of the acquisition, reconstruction, renovation and equipping of the Project Facility shall be evidenced by a certificate signed by an Authorized Representative of the Company and approved by the Agency, stating:

- (1) The date of such completion;
- (2) That all labor, services, materials, and supplies used therefor and all costs and expenses in connection therewith have been paid;
- (3) That the Company has good and valid title to all Property constituting the Project Facility subject to the interest of the Agency therein and to this Agency Lease, the Company Lease and the Bill of Sale; and
- (4) That the Project Facility is ready for occupancy, use and operation for its intended purposes.

(b) Notwithstanding the foregoing, such certificate may state that (1) it is given without prejudice to any rights of the Company against third parties which exist at the date of such certificate or which may subsequently come into being; (2) it is given only for the purposes of this Section 4.2; and (3) no Person other than the Agency may benefit therefrom.

(c) Such certificate shall be accompanied by (1) copy of a certificate of occupancy, if required, and any and all permissions, licenses, or consents required of Governmental Authorities for the occupancy, operation, and use of the Project Facility for its intended purposes; and (2) Lien releases from the Company's contractor and any subcontractors under a contract with a price in excess of \$100,000.

4.3 COSTS OF COMPLETION PAID BY COMPANY.

(a) The Company agrees to complete the Project and to pay in full all costs of the reconstruction, renovation and equipping of the Project Facility.

(b) No payment by the Company pursuant to this Section 4.3 shall entitle the Company to any diminution or abatement of any amounts payable by the Company under this Agency Lease.

4.4 REMEDIES TO BE PURSUED AGAINST CONTRACTORS, SUBCONTRACTORS, MATERIALMEN AND THEIR SURETIES.

In the event of a default by any materialman or Additional Agent (as defined herein) under any contract made by them in connection with reconstruction, renovation and equipping of the Project Facility or in the event of a breach of warranty or other liability with respect to any materials, workmanship, or performance guaranty, the Company shall proceed, either separately or in conjunction with others, to exhaust the remedies of the Company against the materialman or Additional Agent so in default and against each surety for the performance of such contract. The Company may prosecute or defend any action or proceeding or take any other action involving any such materialman or Additional Agent or surety which the Company deems reasonably necessary. The Company shall advise the Agency of any actions or proceedings taken hereunder. No such suit shall relieve the Company of any of its obligations under this Agency Lease and the other Company Documents.

4.5 COOPERATION IN EXECUTION OF ADDITIONAL MORTGAGES AND MODIFICATIONS OF MORTGAGES.

The Agency agrees, upon written request of an Authorized Representative of the Company and subject to the provisions of the Act, to use its commercially reasonable efforts to execute and deliver one or more Mortgages and such additional instruments and documents may be requested by the Company and approved by counsel to the Agency and as may be required in connection with the Company's financing or refinancing for the costs of reconstruction, renovation and equipping of the Project Facility, provided that:

(a) No Event of Default under this Agency Lease, the Company Lease, the PILOT Agreement or the Mortgages shall have occurred and be continuing; and

(b) The execution and delivery of such documents by the Agency (i) is permitted by law in effect at the time; and (ii) will serve the public purposes of the Act; and

(c) The Company will be responsible for and shall pay, from the proceeds thereof or otherwise, the Agency's fee and the costs and expenses of the Agency incidental to such additional financing, refinancing or modification thereof, including without limitation the reasonable attorneys' fees of the Agency; and

(d) The documents to be signed by the Agency shall contain the provisions set forth in Sections 8.2 and 11.11 hereof, and shall not impose any duties or obligations upon the Agency except as may be acceptable to the Agency.

ARTICLE V

AGREEMENT TO LEASE PROJECT FACILITY; RENTAL PAYMENTS

5.1 AGREEMENT TO LEASE PROJECT FACILITY.

In consideration of the Company's covenant herein to make rental payments, and the other covenants of the Company contained herein, including the covenant to make additional rent and other payments required hereby, the Agency hereby agrees to lease to the Company, and the Company hereby agrees to lease from the Agency, the Project Facility for and during the term provided herein and upon and subject to the terms and conditions herein set forth and subject to Permitted Encumbrances.

The Agency's acceptance of the leasehold interest in and to the Land and Facility pursuant to the Company Lease, and its acquisition of an interest in the Equipment pursuant to the Bill of Sale, and the holding of said interests were effected and performed solely at the request of the Company pursuant to the requirements of the Act. The Agency hereby transfers and conveys all of its beneficial and equitable interests, if any, in the Project Facility to the Company, except for its Unassigned Rights. As a result, the parties hereby acknowledge and agree that subject to the terms and conditions of this Agency Lease, the Company has all of the equitable and beneficial ownership and other interest in the Project Facility (except for the Unassigned Rights), and will have all the equitable and beneficial ownership and other interest in the Project Facility (except for the Unassigned Rights), such that the Company, and not the Agency, shall have an:

- (i) unconditional obligation to bear the economic risk of depreciation and diminution in value of the Project Facility due to obsolescence or exhaustion, and shall bear the risk of loss if the Project Facility is destroyed or damaged;
- (ii) unconditional obligation to keep the Project Facility in good condition and repair;
- (iii) unconditional and exclusive right to the possession of the Project Facility, and shall have sole control of and responsibility for the Project Facility;
- (iv) unconditional obligation to maintain insurance coverage on, and such reserves with respect to, the Project Facility as may be required by the Company, the Agency and the Mortgagee with respect to the Project;
- (v) unconditional obligation to pay all taxes levied on, or payments in lieu thereof, and assessments made with respect to, the Project Facility;
- (vi) subject to the Unassigned Rights, unconditional and exclusive right to receive rental and any other income and other benefits of the Project Facility and from the operation of the Project;

(vii) unconditional obligation to pay for all of the capital investment in the Project Facility;

(viii) unconditional obligation to bear all expenses and burdens of the Project Facility and to pay for all maintenance and operating costs in connection with the Project Facility; and

(ix) unconditional and exclusive right to include all income earned from the operation of the Project Facility and claim all deductions and credits generated with respect to the Project Facility on its annual federal, state and local tax returns.

5.2 TERM OF LEASE; EARLY TERMINATION; SURVIVAL.

(a) The term of this Agency Lease shall commence on the date hereof and continue in full force and effect until the earlier of June 30, 2026, or the issuance of a certificate of occupancy by the City of Syracuse, New York, unless earlier terminated as provided herein.

(b) The Company hereby irrevocably designates the Agency as its attorney-in-fact, coupled with an interest, for the purpose of executing, delivering and recording terminations of the Agency Lease, the Company Lease, preparing a bill of sale together with any other documents therewith and to take such other and further actions reasonably necessary to confirm the termination of the Agency's interest in the Project.

(c) The Company shall have the option, at any time during the term of this Agency Lease, to terminate this Agency Lease. In the event that the Company shall exercise its option to terminate this Agency Lease pursuant to this Section 5.2(b), the Company shall file with the Agency a certificate stating the Company's intention to do so pursuant to this Section 5.2(b) and to comply with the requirements set forth in Section 5.2(c) hereof.

(d) As a condition to the effectiveness of the Company's exercise of its right to early termination, the following payments shall be made:

(1) **To the Agency:** an amount certified by the Agency as sufficient to pay all unpaid fees and expenses of the Agency incurred under this Agency Lease, the Company Lease and the PILOT Agreement (including, but not limited to those in connection with the early termination of this Agency Lease); and

(2) **To the Appropriate Person:** an amount sufficient to pay all other fees, expenses or charges, if any, then due and payable under this Agency Lease and the other Agency Documents.

(e) The certificate required to be filed pursuant to Section 5.2(c), setting forth the provision thereof permitting early termination of this Agency Lease shall also specify the date upon which the payments pursuant to subdivision (d) of this Section 5.2 shall be made, which date shall not be less than thirty (30) nor more than sixty (60) days from the date such certificate is filed with the Agency.

(f) Contemporaneously with the termination of this Agency Lease in accordance with Sections 5.1 or 5.2 hereof, the Agency shall transfer, and the Company shall accept, all of the Agency's right, title and interest in the Project Facility, including the Equipment, for a purchase price of One Dollar (\$1.00) plus the payment of all other sums due hereunder and all legal fees and costs associated therewith. Contemporaneously with the termination of this Agency Lease, the Company Lease and the PILOT Agreement shall terminate.

(g) The Agency shall, upon payment by the Company of the amounts pursuant hereto and to Sections 5.2(d) above and Section 5.3, deliver to the Company all documents furnished to the Agency by the Company, or prepared by the Agency at the sole expense of the Company, and reasonably necessary to evidence termination of the Company Lease, the Agency Lease, including, but not limited to, lease terminations and a bill of sale from the Agency with respect to its interest in the Equipment, without representation or warranty, subject to the following: (1) any Liens to which such Project Facility was subject when conveyed to the Agency, (2) any Liens created at the request of the Company or to the creation of which the Company consented or in the creation of which the Company acquiesced, (3) any Permitted Encumbrances, and (4) any Liens resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Agency Lease.

(h) The obligation of the Agency under this Section 5.2 to convey the Project Facility to the Company will be subject to: (i) there being no Event of Default existing hereunder or under any payment in lieu of tax agreement now or hereafter entered into with respect to all or any portion of the Project Facility or under any other Company Documents, or any other event which would, but for the passage of time or the giving of notice, or both, be such an Event of Default; and (ii) the Company's payment of all expenses, fees and taxes, if any, applicable to or arising from such transfer.

5.3 RENTAL PAYMENTS AND OTHER AMOUNTS PAYABLE.

(a) The Company shall pay basic rental payments for the Project Facility consisting of: (i) to the Agency in an amount sufficient to pay the sums due under the PILOT Agreement at the times and in the manner provided for therein, and an amount sufficient to pay any and all other amounts due hereunder; and (ii) to the Mortgagee, an amount equal to the debt service and other amounts becoming due and payable under the Mortgages and the indebtedness secured thereby on the due date thereof.

(b) The Company shall pay to the Agency, as additional rent, within ten (10) days after the receipt of a demand therefor from the Agency, any annual administrative fees of the Agency, the sum of the reasonable fees, costs and expenses of the Agency and the officers, members, agents, and employees thereof incurred by the reason of the Agency's lease or sublease of the Project Facility or in connection with the carrying out of the Agency's duties and obligations under this Agency Lease, the Company Lease or any of the other Agency Documents and any other fee or expense of the Agency with respect to the Project Facility, or any of the other Agency Documents, the payment of which is not otherwise provided for under this Agency Lease, including, without limitation, reasonable fees and disbursements of Agency counsel, including fees and expenses incurred in connection with the Agency's enforcement of any rights

hereunder or incurred after the occurrence and during the continuance of an Event of Default, in connection with any waiver, consent, modification or amendment to this Agency Lease or any other Agency Document that may be requested by the Company, or, in connection with any action by the Agency at the request of or on behalf of the Company hereunder or under any other Agency Document. Any additional rent not received within ten (10) business days after demand shall accrue interest after the expiration of such ten days at a rate of ten percent (10%) per annum or the highest rate permitted by law, whichever is less.

(c) The administrative fee payable by the Company to the Agency in conjunction with this Project and the Agency's granting of Financial Assistance and all outstanding counsel fees and costs shall be paid at closing.

(d) The Company agrees to make the above-mentioned payments, without any further notice, in lawful money of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts. In the event that the Company shall fail to make or cause to be made any of the payments required under this Agency Lease, the item or installment not so paid shall continue as an obligation of the Company until such item or installment is paid in full.

5.4 NATURE OF OBLIGATIONS OF COMPANY HEREUNDER.

(a) The obligations of the Company to make the payments required by this Agency Lease and to perform and observe any and all of the other covenants and agreements on its part contained herein are general obligations of the Company and are absolute and unconditional irrespective of any defense or any rights of set-off, recoupment, or counterclaim it may otherwise have against the Agency. The Company agrees that it will not suspend, discontinue, or abate any payment required by, or fail to observe any of its other covenants or agreements contained in this Agency Lease for any cause whatsoever, including, without limiting the generality of the foregoing, failure to complete the reconstruction, renovation and equipping of the Project Facility, any defect in the title, design, operation, merchantability, fitness, or condition of the Project Facility, or any part thereof, or in the suitability of the Project Facility, or any part thereof, for the Company's purposes or needs, or failure of consideration for, destruction of or damage to, or Condemnation of title to, or the use of all or any part of the Project Facility, any change in the tax or other laws of the United States of America or of the State of New York, or any political subdivision thereof, or any failure of the Agency to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with this Agency Lease or the Company Lease.

(b) Nothing contained in this Section 5.4 shall be construed to release the Agency from the performance of any of the agreements on its part contained in this Agency Lease or the Company Lease, and in the event the Agency should fail to perform any such agreement, the Company may institute such action against the Agency as the Company may deem necessary to compel performance (subject to the provisions of Section 11.11).

ARTICLE VI

MAINTENANCE, MODIFICATIONS, TAXES, AND INSURANCE

6.1 MAINTENANCE AND MODIFICATIONS OF PROJECT FACILITY.

The Company shall:

(a) Keep the Project Facility in good condition and repair and preserve the same against waste, loss and damage, ordinary wear and tear excepted;

(b) Make all necessary repairs and replacements to the Project Facility or any part thereof (whether ordinary or extraordinary, structural, or non-structural, foreseen or unforeseen) which is damaged, destroyed, or condemned; and

(c) Operate the Project Facility in a sound and economic manner in general accordance with the Project pro-forma statements Company previously provided to the Agency.

6.2 TAXES, ASSESSMENTS, AND UTILITY CHARGES.

(a) The Company shall pay as the same respectively become due:

(1) Any and all taxes and governmental charges of any kind, whatsoever which may at any time be lawfully assessed or levied against or with respect to the Project Facility;

(2) All utility and other charges, including "service charges," incurred or imposed for the operation, maintenance, use, occupancy, upkeep, and improvement of the Project Facility, the non-payment of which would create, or entitle the obligee to impose, a Lien on the Project Facility;

(3) All assessments and charges of any kind whatsoever lawfully made by any Governmental Authority for public improvements; and

(4) Any and all payments of taxes, if applicable, or payments in lieu of taxes required to be made to the Agency under the terms of the PILOT Agreement or any other agreement with respect thereto.

(b) Subject to the terms of the PILOT Agreement, the Company may in good faith actively contest any such taxes, assessments, and other charges, provided that (1) the Company shall have first notified the Agency of such contest; (2) no Event of Default under this Agency Lease or any of the other Company Documents shall have occurred and be continuing; and (3) the Company shall have set aside adequate reserves for any such taxes, assessments and other charges. If the Company demonstrates to the reasonable satisfaction of the Agency and certifies to the Agency by delivery of a written certificate, that the non-payment of any such items will not endanger any part of the Project Facility or subject the Project Facility, or any part thereof, to loss or forfeiture, the Company may permit the taxes, assessments, and other charges

so contested to remain unpaid during the period of such contest and any appeal therefrom. Otherwise, such taxes, assessments, or charges shall be paid promptly by the Company or secured by the Company's posting a bond in form and substance satisfactory to the Agency.

6.3 INSURANCE REQUIRED.

During the term of this Agency Lease, the Company shall maintain or cause to be maintained insurance with respect to the Project Facility against such risks and for such amounts as are customarily insured against by businesses of like size and type and as required of the Agency, paying (as the same becomes due and payable) all premiums with respect thereto, including:

(a) Insurance against loss or damage by fire, lightning, and other casualties customarily insured against (with a uniform standard extended coverage endorsement), such insurance to be in an amount not less than the full replacement value of the completed Project Facility, exclusive of footings and foundations, as determined by a recognized appraiser or insurer selected by the Company.

(b) Workers' compensation insurance, disability benefits' insurance, and each other form of insurance which the Company is required by law to provide covering loss resulting from injury, sickness, disability, or death of employees of the Company who are located at or assigned to the Project Facility;

(c) A policy of commercial general liability insurance with a \$1,000,000 combined single limit for bodily injury including death and property damage, including but not limited to, contractual liability under this Agency Lease and personal injury, with blanket excess liability coverage in an amount not less than \$2,000,000, covering the Project Facility and the Company's and the Agency's use or occupancy thereof against all claims on account of bodily injury or death and property damage occurring upon, in or about the Project Facility or in connection with the ownership, maintenance, use and/or occupancy of the Project Facility and all appurtenant areas.

6.4 ADDITIONAL PROVISIONS RESPECTING INSURANCE.

All insurance required by Section 6.3 shall be with insurance companies of recognized financial standing selected by the Company and licensed to write such insurance in the State of New York. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other Persons engaged in businesses similar in size, character, and other respects to those in which the Company are engaged. All policies evidencing such insurance except the Workers' Compensation policy shall name the Company as insured and the Agency as an additional insured, as its interests may appear, and shall provide for coverage with respect to the Agency be primary and non-contributory and require at least thirty (30) days' prior written notice to the Agency of cancellation, reduction in policy limits, or material change in coverage thereof. Certificates satisfactory in form and substance evidencing all insurance required hereby shall be delivered to the Agency before the Closing Date. The Company shall deliver or cause to be delivered to the Agency on or before the first business day of each January thereafter a certificate dated not earlier than the immediately preceding January

1 reciting that there is in full force and effect, with a term covering at least the next succeeding calendar year, insurance in the amounts and of the types required by Sections 6.3 and 6.4. The Company shall furnish to the Agency evidence that the policy has been renewed or replaced or is no longer required by this Agency Lease each year throughout the term of this Agency Lease.

All premiums with respect to the insurance required by Section 6.3 shall be paid by the Company, provided, however, that, if the premiums are not timely paid, the Agency may pay such premiums and the Company shall pay immediately upon demand all sums so expended by the Agency, together with interest at a rate of ten percent (10%) per annum or the highest rate permitted by law, whichever is less.

6.5 APPLICATION OF NET PROCEEDS OF INSURANCE.

The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.3 shall be applied as follows:

(a) The Net Proceeds of the insurance required by subsection 6.3(a) shall be paid and applied as provided in Section 7.1 hereof; and

(b) The Net Proceeds of the insurance required by subsections 6.3(b) and 6.3(c) shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

6.6 PAYMENTS IN LIEU OF REAL ESTATE TAXES.

The Company, the City and the Agency have entered into a PILOT Agreement with respect to payments in lieu of real estate taxes.

ARTICLE VII

DAMAGE, DESTRUCTION, AND CONDEMNATION

7.1 DAMAGE OR DESTRUCTION.

(a) If the Mortgages shall be in effect or the Mortgagee shall have any interest in the Project Facility arising under or related to the Mortgages, whether by foreclosure or otherwise and the Project Facility shall be damaged or destroyed, in whole or in part, then insurance proceeds shall be paid in accordance with the relevant provisions of the Mortgages regarding the distribution of such insurance proceeds, provided that there shall be no abatement or reduction in amounts payable to the Agency hereunder. If the Mortgages shall not be in effect and the Mortgagee shall have no interest in the Project Facility and the Project Facility shall be damaged or destroyed, in whole or in part:

(1) There shall be no abatement or reduction in the amounts payable by the Company under this Agency Lease or otherwise (whether or not the Project Facility is replaced, repaired, rebuilt, or restored); and

(2) The Company shall promptly give notice thereof to the Agency;
and

(3) Except as otherwise provided in subsections 7.1(b) and 7.1(c) hereof, upon receipt of the insurance proceeds, the Company shall promptly replace, repair, rebuild, or restore the Project Facility to substantially the same condition as existed prior to such damage or destruction, with such changes, alterations, and modifications as may be desired by the Company and consented to in writing by the Agency, provided that such changes, alterations, or modifications do not change the nature of the Project Facility, such that it does not constitute a “project” (as such quoted term is defined in the Act); and in the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, or restoration, the Company shall nonetheless complete such work and shall pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds.

(b) If the Mortgages shall not be in effect and the Mortgagee shall have no interest in the Project Facility, then notwithstanding anything to the contrary contained in subsection 7.1(a), the Company shall not be obligated to replace, repair, rebuild, or restore the Project Facility, and the Net Proceeds of any insurance settlement shall not be applied as provided in subsection 7.1(a) if the Company shall notify the Agency that, in the Company’s sole judgment, the Company does not deem it practical or desirable to replace, repair, rebuild, or restore the Project Facility. In such event, the lesser of: (1) the total amount of the Net Proceeds collected under any and all policies of insurance covering the damage to or destruction of the Project Facility, or (2) any other sums payable to the Agency pursuant to this Agency Lease and the other Agency and Company Documents, shall be applied to the repayment of all amounts due to the Agency under this Agency Lease, the Company Lease, the PILOT Agreement and other Agency Documents. If the Net Proceeds collected under any and all policies of insurance are less than the amount necessary to repay any and all amounts payable to the Agency, the Company shall pay the difference between such amounts and the Net Proceeds of all such insurance settlements so that any and all amounts payable under this Agency Lease, the Company Lease, the PILOT Agreement and the other Agency Documents to the Agency shall be paid in full. If all amounts due under this Agency Lease, the Mortgages, the Company Lease, the PILOT Agreement and the other Agency Documents are paid in full, all such Net Proceeds or the balance thereof shall be paid to the Company for its purposes.

(c) The Company and the Mortgagee may adjust all claims under any policies of insurance required by subsections 6.3(a) and 6.3(c) hereof with the prior written consent of the Agency, which consent shall not be unreasonably withheld.

7.2 CONDEMNATION.

(a) If the Mortgages shall be in effect or the Mortgagee shall have any interest in the Project Facility arising under or related to the Mortgages, whether by foreclosure or otherwise and title to, or the use of, all, substantially all or less than substantially all of the Project Facility shall be taken by Condemnation, then Condemnation proceeds shall be paid in accordance with the relevant provisions of the Mortgages regarding the distribution of such Condemnation proceeds, provided that there shall be no abatement or reduction in amounts

payable to the Agency hereunder. If the Mortgages shall not be in effect and the Mortgagee shall have no interest in the Project Facility and if title to, or the use of, less than substantially all of the Project Facility shall be taken by Condemnation:

(1) There shall be no abatement or reduction in the amounts payable by the Company under this Agency Lease or otherwise (whether or not the Project Facility is restored); and

(2) The Company shall promptly give notice thereof to the Agency;
and

(3) Except as otherwise provided in subsections 7.2(b) and 7.2(c) hereof, upon receipt of the Condemnation proceeds, the Company shall promptly restore the Project Facility (excluding any part of the Project Facility taken by Condemnation) to substantially the condition and value as an operating entity as existed prior to such Condemnation; and the Company shall nonetheless complete such restoration and shall pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds.

(b) If the Mortgages shall not be in effect and the Mortgagee shall have no interest in the Project Facility and if title to, or the use of, less than substantially all of the Project Facility shall be taken by Condemnation, then notwithstanding anything to the contrary contained in subsection 7.2(a), the Company shall not be obligated to restore the Project Facility, and the Net Proceeds of any Condemnation award shall not be applied as provided in subsection 7.2(a) if the Company shall notify the Agency that, in the Company's sole judgment, the Company does not deem it practical or desirable to restore the Project Facility. In such event, the lesser of (1) the Net Proceeds of any Condemnation award, or (2) the amount necessary to pay the Agency pursuant to this Agency Lease, the Company Lease, the PILOT Agreement and the other Agency Documents, shall be applied to payment of all amounts due to the Agency under this Agency Lease, the Company Lease, the PILOT Agreement and other Agency Documents. If the Net Proceeds of any Condemnation award are less than the amount necessary to pay any and all amounts payable to the Agency, the Company shall pay the difference between such amounts and the Net Proceeds of such Condemnation award so that any and all amounts payable under this Agency Lease, the Company Lease, the PILOT Agreement and other Agency Documents to the Agency shall be paid in full. If all amounts due under this Agency Lease, the Company Lease, the PILOT Agreement, the Mortgages and the other Agency Documents have been paid in full, all such Net Proceeds or the balance thereof shall be paid to the Company for its purposes.

(c) The Company and the Mortgagee with the prior written consent of the Agency (which consent shall not be unreasonably withheld), shall have sole control of any Condemnation proceeding with respect to the Project Facility, or any part thereof, and may negotiate the settlement of any such proceeding.

7.3 ADDITIONS TO PROJECT FACILITY.

All replacements, repairs, rebuilding, or restoration made pursuant to Sections 7.1 or 7.2 hereof, whether or not requiring the expenditure of the Company's own moneys, shall

automatically become part of the Project Facility as if the same were specifically described herein.

ARTICLE VIII

SPECIAL COVENANTS

8.1 NO WARRANTY OF CONDITION OR SUITABILITY BY THE AGENCY; ACCEPTANCE "AS IS."

THE AGENCY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY, OR FITNESS OF THE PROJECT FACILITY, OR ANY PART THEREOF, OR AS TO THE SUITABILITY OF THE PROJECT FACILITY OR ANY PART THEREOF FOR THE COMPANY'S PURPOSES OR NEEDS. NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY IS MADE. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE, WHETHER PATENT OR LATENT, THE AGENCY SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO.

8.2 HOLD HARMLESS PROVISIONS.

(a) The Company hereby releases the Agency and its members, officers, agents and employees from, agrees that the Agency and its members, officers, agents and employees shall not be liable for, and agrees to indemnify, defend, and hold the Agency and its members, officers, agents and employees harmless from and against any and all claims arising as a result of the Agency's undertaking the Project, including, but not limited to:

(1) Liability for loss or damage to Project Facility or bodily injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Project Facility, or arising by reason of or in connection with the occupation or the use thereof, or the presence on, in, or about the Project Facility;

(2) Liability arising from or expense incurred by the Agency's acquisition of a leasehold interest in the Project Facility and the subleasing of the Project Facility, including, without limiting the generality of the foregoing, all liabilities or claims arising as a result of the Agency's obligations under this Agency Lease, the Company Lease, the Mortgages or any other documents executed by the Agency at the direction of the Company in conjunction with the Project Facility;

(3) All claims arising from the exercise by the Company, and or its Additional Agents (as defined herein) of the authority conferred upon it and performance of the obligations assumed under Section 4.1 hereof;

(4) Any and all claims arising from the non-disclosure of information, if any, requested by the Company in accordance with Section 11.14 hereof;

(5) All causes of action and attorneys' fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities, or expenses of the Agency are not incurred or do not result from the intentional wrongdoing of the Agency or any of its members, officers, agents or employees.

To the fullest extent permitted by law, the foregoing indemnities shall apply notwithstanding the fault or negligence (other than gross negligence or willful misconduct) on the part of the Agency or any of its officers, members, agents, servants or employees and irrespective of any breach of statutory obligation or any rule of comparative or apportioned liability.

(b) In the event of any claim against the Agency or its members, officers, agents, or employees by any employee of the Company, or any materialman or Additional Agent of the Company, or anyone directly or indirectly employed by any of them, or any one for whose acts any of them may be liable, the obligations of the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Company or such contractor under workers' compensation laws, disability benefit laws, or other employee benefit laws.

(c) To effectuate the provisions of this Section 8.2, the Company agrees to provide for and insure, in the liability policies required by Section 6.3, its liabilities assumed pursuant to this Section 8.2.

(d) Notwithstanding any other provisions of this Agency Lease, the obligations of the Company pursuant to this Section 8.2 shall remain in full force and effect after the termination of this Agency Lease and the Company Lease until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action, or prosecution relating to the matters herein described may be brought, and the payment in full or the satisfaction of such claim, cause of action, or prosecution, and the payment of all expenses and charges incurred by the Agency, or its officers, members, agents or employees relating thereto.

(e) For purposes of this Section 8.2 and Section 11.11 hereof, the Company shall not be deemed to constitute an employee, agent or servant of the Agency or a person under the Agency's control or supervision.

8.3 RIGHT OF ACCESS TO PROJECT FACILITY.

During the term of this Agency Lease, the Company agrees that the Agency and its duly authorized agents shall have the right to enter upon and to examine and inspect the Project Facility upon reasonable notice to the Company and with the least disturbance of Project Facility tenants as reasonably possible.

8.4 MAINTENANCE OF EXISTENCE.

During the term of this Agency Lease, the Company will maintain its existence and will not dissolve or otherwise dispose of all or substantially all of its assets.

8.5 AGREEMENT TO PROVIDE INFORMATION.

During the term of this Agency Lease, and no less frequently than annually, the Company agrees, whenever reasonably requested by the Agency or the Agency's auditor, to provide and certify, or cause to be certified, such information concerning the Project and/or the Company, its finances, and for itself and each of its Additional Agents, information regarding job creation¹, Local Labor Requirements, exemptions from State and local sales and use tax, real property and mortgage recording taxes and other topics as the Agency from time to time reasonably considers necessary or appropriate including, but not limited to those reports, in substantially the form as set forth in **Exhibit "E"** attached hereto, and such other information necessary as to enable the Agency to monitor and/or make any reports required by law or governmental regulation, including but not limited to §875 of the Act. Notwithstanding anything in this Section 8.5 to the contrary, the Company shall provide the Contract Status Report in accordance with Section 4.1 hereof.

8.6 BOOKS OF RECORD AND ACCOUNT; FINANCIAL STATEMENTS.

During the term of this Agency Lease, the Company agrees to maintain proper accounts, records, and books, in which full and correct entries shall be made in accordance with generally accepted accounting principles, of all business and affairs of the Company.

8.7 COMPLIANCE WITH ORDERS, ORDINANCES, ETC.

(a) The Company agrees that it will, during any period in which the amounts due under this Agency Lease remain unpaid, promptly comply with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions, and requirements of all Governmental Authorities, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter affect the Company's obligations hereunder or be applicable to the Project Facility, or any part thereof, or to any use, manner of use, or condition of the Project Facility, or any part thereof, the applicability of the same to be determined both as if the Agency were the owner of the Project Facility and as if the Company were the owner of the Project Facility.

(b) Notwithstanding the provisions of subsection 8.7(a), the Company may, in good faith, actively contest the validity or the applicability of any requirement of the nature referred to in said subsection 8.7(a), provided that the Company shall have first notified the Agency of such contest, no Event of Default shall be continuing under this Agency Lease, or any

¹ To the extent the Project includes commercial space and/or tenants for which the Company calculated job creation as part of its projections in its Application, the Company is obligated, through its lease or other rental agreement with those commercial tenants, to require that such tenants report to the Company, in accordance with the terms of Section 8.5 hereof, the number of full and part-time jobs created and maintained by each such tenant for inclusion in the Company's reporting to or at the request of the Agency.

of the other Company Documents; and such contest and failure to comply as such requirement shall not subject the Project Facility to loss or forfeiture. In such event, the Company may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom unless the Agency or its members, officers, agents, or employees may be liable for prosecution for failure to comply therewith, in which event the Company shall promptly take such action with respect thereto as shall be satisfactory to the Agency.

8.8 DISCHARGE OF LIENS AND ENCUMBRANCES.

During the term of this Agency Lease, the Company hereby covenants that, except for Permitted Encumbrances, the Company agrees not to create, or suffer to be created, any Lien on the Project Facility, or any part thereof without the prior written consent of the Agency. The Company shall promptly notify the Agency of any Permitted Encumbrances created, or suffered to be created, on the Project Facility.

8.9 PERFORMANCE BY AGENCY OF COMPANY'S OBLIGATIONS.

Should the Company fail to make any payment or to do any act as herein provided, the Agency may, but need not, upon ten (10) days' prior written notice to or demand on the Company and without releasing the Company from any obligation herein, make or do the same, including, without limitation, appearing in and defending any action purporting to affect the rights or powers of the Company, or the Agency and paying all expenses, including, without limitation, reasonable attorneys' fees; and the Company shall pay immediately upon demand all sums so expended by the Agency under the authority hereof, together with the interest thereon at a rate of ten percent (10%) per annum or the highest rate permitted by law, whichever is greater.

8.10 DEPRECIATION DEDUCTIONS AND TAX CREDITS.

The parties agree that as between them, the Company shall be entitled to all depreciation deductions and accelerated cost recovery system deductions with respect to any portion of the Project Facility pursuant to Sections 167 and 168 of the Code and to any investment credit pursuant to Section 38 of the Code with respect to any portion of the Project Facility which constitutes "Section 38 Property" and to all other State and/or federal income tax deductions and credits which may be available with respect to the Project Facility.

8.11 EMPLOYMENT OPPORTUNITIES.

The Company shall insure that all employees and applicants for employment with regard to the Project are afforded equal employment opportunities without discrimination.

8.12 SALES AND USE TAX EXEMPTION.

(a) Pursuant to Section 874 of the Act, the parties understand that the Agency is exempt from certain State and local sales use taxes imposed by the State and local governments in the State, and that the Project may be exempted from those taxes due to the involvement of the Agency in the Project. The Agency makes no representations or warranties that any property is exempt from the payment of State or local sales or use taxes. Any

exemption from the payment of State or local sales or use taxes resulting from the involvement of the Agency with the Project shall be subject to Section 875 of the Act and shall be limited to purchases of services and tangible personal property conveyed to the Agency or utilized by the Agency or by the Company as agent of the Agency as a part of the Project prior to the Completion Date, or incorporated within the Project Facility prior to the Completion Date. No operating expenses of the Project Facility, and no other purchases of services or property shall be subject to an exemption from the payment of State sales or use tax. It is the intention of the parties hereto that the Company will receive a State and local sales and use tax exemption with respect to the Project, said sales tax exemption to be evidenced by a letter to be issued by the Agency on the date of the execution of this Agency Lease. The Company acknowledges that as an agent of the Agency, it must complete and provide to each vendor Form ST-123 for purchases. The failure to furnish a completed Form ST-123 (IDA Agent or Project Operator Exempt Purchase Certificate) with each purchase will result in loss of the exemption for that purchase.

(b) The Company may use, and where applicable, appoint, a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, "***Additional Agents***") in furtherance of the completion of the Project². However, for any Additional Agent that is so appointed, the Company must first: (i) cause the each such appointed Additional Agent to execute and deliver a sub-agent agreement, in the form attached hereto at **Exhibit "F"** and provide a fully executed copy to the Agency; and (ii) submit a completed Form ST-60 to the Agency for execution and filing with the New York State Department of Taxation and Finance.

(c) The Company acknowledges that Additional Agents who have not been appointed as set forth in (b) above, should use Form ST 120.1 for construction material purchases relative to the Project Facility. However, the Company acknowledges and agrees that an Additional Agent must be appointed as an agent of the Agency in order to avail itself of the Agency sales and use tax exemption for purchases or rentals of construction equipment, tools and supplies that do not become part of the Project Facility and failure to so appoint will result in the loss of the exemption from State and local sales and use tax.

(d) Pursuant to Section 874(8) of the Act, the Company agrees to annually file and cause each Additional Agent or other operator of the Project Facility to file annually, with the New York State Department of Taxation and Finance, and provide the Agency with a copy of same, on a form and in such manner as is prescribed by the New York State Commissioner of Taxation and Finance (the "***Annual Sales Tax Report***"), a statement of the value of all sales and use tax exemptions claimed by the Company and all other Additional Agents under the authority granted to the Company pursuant to Section 4.1(b) of this Agency Lease. Pursuant to Section

² Additional Agents must be specifically appointed as an agent of the Agency in order to avail themselves of the Agency's sales and use tax exemption for any and all purchases or rentals of construction materials, equipment, tools and supplies that do not become part of the Project Facility. Additional Agents who purchase construction materials, equipment and/or supplies that become part of the Project Facility need not be specifically appointed as an agent of the Agency. Additional Agents who are specifically appointed as the Agency's agent must utilize Form ST-123 for all purchases as provided in §8.12(a). All other Additional Agents shall use Form ST-120.1 as provided in §8.12(c).

874(8) of the Act, the penalty for failure to file the Annual Sales Tax Report shall be removal of authority to act as agent of the Agency. Therefore, if the Company shall fail to comply with the requirements of this subsection (d), irrespective of any notice and cure period afforded, the Company and each Additional Agent shall immediately cease to be the agent of the Agency in connection with the Project. The Company is responsible for obtaining from the New York State Department of Taxation and Finance the current version of such Annual Sales Tax Report.

(e) The Company agrees to furnish to the Agency a copy of each such Annual Sales Tax Report submitted to the New York State Department of Taxation and Finance by the Company pursuant to Section 874(8) of the Act for itself and any Additional Agent.

(f) Pursuant to Section 874(9) of the Act, the Agency agrees to file within thirty (30) days of the Closing Date with the New York State Department of Taxation and Finance, on a form and in such manner as is prescribed by the New York State Commissioner of Taxation and Finance (the “**Thirty-Day Sales Tax Report**”), a statement identifying the Company, or 30 days from the appointment of any Additional Agent appointed in accordance with the terms herein, as agent of the Agency, setting forth the taxpayer identification number of the Company, giving a brief description of the goods and/or services intended to be exempted from sales taxes as a result of such appointment as agent, indicating the estimated value of the goods and/or services to which such appointment as agent relates, indicating the date when such designation as agent became effective and indicating the date upon which such designation as agent shall cease.

(g) Pursuant to Section 875(3) of the Act, and in conjunction with Agency policy, 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 and local sales and use tax exemption to which the Company or the Project Facility was not entitled, which is in excess of the amount of the State and local Sales and Use tax exemption authorized by the Agency or which is for property or services not authorized by the Agency and/or unrelated to the Project Facility; or (b) the full amount of such State and local sales and use tax exemption, if the Company fails to comply with a material term or condition regarding the use of the property or services as provided in the Agency Documents; (2) together with any interest or penalties thereon imposed by the Agency or by operation of law or by judicial order or otherwise. The failure of the Company to promptly pay such Recapture Amount to the Agency will be grounds for the State Commissioner of Taxation and Finance (the “**Commissioner**”) to collect the State sales and use taxes from the Company under Article 28 of the State Tax Law, together with interest and penalties and for the Agency to take, or cause to be taken, any and all action necessary to collect the local portion of the sales tax comprising the Recapture Amount.

8.13. IDENTIFICATION OF THE EQUIPMENT.

All Equipment which is or may become part of the Project Facility pursuant to the provisions of this Lease Agreement shall be property identified by the Company by such appropriate records, including computerized records, as may be approved by the Agency.

ARTICLE IX

ASSIGNMENTS; TRANSFERS; MERGER OF AGENCY

9.1 ASSIGNMENT OF AGENCY LEASE.

This Agency Lease may not be assigned by the Company, in whole or in part, nor all or any part of the Project Facility subleased, nor any part of the Project Facility sold, leased, transferred, conveyed or otherwise disposed of without the prior written consent of the Agency, which consent shall be in the Agency's sole and absolute discretion; provided however, that the Company may enter into leases for individual rental units that are part of the Project Facility without the consent of the Agency. Any assignment or sublease of this Agency Lease shall not effect a release of the Company from its obligations hereunder or under the PILOT Agreement.

9.2 TRANSFERS OF INTERESTS.

Company shall not assign or otherwise transfer or allow an assignment or transfer, of a controlling interest in the Company, whether by operation of law or otherwise (including, without limitation, by way of a merger, consolidation or a change of control whereby the current existing equity holders of the Company, as of the date of the application to the Agency, would own, in the aggregate, less than a majority of the total combined voting power of all classes of equity interest of the Company or any surviving entity), without the prior written consent of Agency, which consent shall be in the Agency's sole and absolute discretion.

9.3 MERGER OF AGENCY.

(a) Nothing contained in this Agency Lease shall prevent the consolidation of the Agency with, or merger of the Agency into, or assignment by the Agency of its rights and interests hereunder to any other body corporate and politic and public instrumentality of the State of New York, or political subdivision thereof, which has the legal authority to perform the obligations of the Agency hereunder, provided that upon any such consolidation, merger, or assignment, the due and punctual performance and observance of all the agreements and conditions of this Agency Lease to be kept and performed by the Agency shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Agency's rights and interests hereunder shall be assigned.

(b) Promptly following the effective date of any such consolidation, merger, or assignment, the Agency shall give notice thereof in reasonable detail to the Company. The Agency shall promptly furnish to the Company such additional information with respect to any such consolidation, merger, or assignment as the Company reasonably may request.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

10.1 EVENTS OF DEFAULT DEFINED.

The following shall be “Events of Default” under this Agency Lease, and the terms “Event of Default” or “Default” shall mean, whenever they are used in this Agency Lease, any one or more of the following events:

(a) A default by the Company in the due and punctual payment of the amounts specified to be paid pursuant to subsection 5.3 or 8.12(e); or

(b) Failure by the Company to maintain the insurance required by Section 6.3;
or

(c) A default in the performance or the observance of any other of the covenants, conditions, or agreements on the part of the Company in this Agency Lease and the continuance thereof for a period of thirty (30) days after written notice is given by the Agency or, if such covenant, condition, or agreement is capable of cure but cannot reasonably be cured within such thirty-day period, the failure of the Company to commence to cure within such thirty-day period and to prosecute the same with due diligence and cure the same within an additional thirty (30) days; or

(d) A transfer in contravention of Article 9 hereof;

(e) The occurrence of an “Event of Default” under the Mortgages, the PILOT Agreement, the Company Lease or any of the other Company Documents which is not timely cured as provided therein; or

(f) The Company shall generally not pay its debts as such debts become due or is unable to pay its debts as they become due.

(g) The Company shall conceal, remove, or permit to be concealed or removed any part of its Property with intent to hinder, delay, or defraud its creditors, or any one of them, or shall make or suffer a transfer of any of its Property which is fraudulent under any bankruptcy, fraudulent conveyance, or similar law, or shall make any transfer of its Property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or shall suffer or permit, while insolvent, any creditor to obtain a Lien upon any of its Property through legal proceedings or distraint which is not vacated within thirty (30) days from the date thereof; or

(h) By order of a court of competent jurisdiction, a trustee, receiver, or liquidator of the Project Facility, or any part thereof, or of the Company shall be appointed and such order shall not be discharged or dismissed within sixty (60) days after such appointment; or

(i) The filing by the Company of a voluntary petition under Title 11 of the United States Code or any other federal or state bankruptcy statute; the failure by the Company

within sixty (60) days to lift any execution, garnishment, or attachment of such consequence as will impair the Company's ability to carry out its obligations hereunder; the commencement of a case under Title 11 of the United States Code against the Company as the debtor, or commencement under any other federal or state bankruptcy statute of a case, action, or proceeding against the Company, and continuation of such case, action, or proceeding without dismissal for a period of sixty (60) days; the entry of an order for relief by a court of competent jurisdiction under Title 11 of the United States Code or any other federal or state bankruptcy statute with respect to the debts of the Company; or in connection with any insolvency or bankruptcy case, action, or proceeding, appointment by final order, judgment, or decree of a court of competent jurisdiction of a receiver or trustee of the whole or a substantial portion of the Property of the Company unless such order, judgment, or decree is vacated, dismissed, or dissolved within sixty (60) days of its issuance.

(j) The imposition of a Lien on the Project Facility other than a Permitted Encumbrance.

10.2 REMEDIES ON DEFAULT.

(a) Whenever any Event of Default shall have occurred and be continuing, the Agency may, to the extent permitted by law, take any one or more of the following remedial steps:

- 1) Terminate this Agency Lease;
- 2) Terminate the Company Lease;
- 3) Terminate the PILOT Agreement; or
- 4) Take any other action at law or in equity, which may appear necessary or desirable to collect any amounts then due, or thereafter to become due, hereunder or under the Company Lease, or the PILOT Agreement and to enforce the Agency's right to terminate this Agency Lease and the Company Lease and the PILOT Agreement.

(b) No action taken pursuant to this Section 10.2 shall relieve the Company from its obligations to make all payments required by Sections 5.3(b) and 8.2 hereof.

10.3 REMEDIES CUMULATIVE.

No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Agency Lease, the Company Lease, the other Company Documents or the PILOT Agreement or now or hereafter existing at law or in equity to collect any amounts then due, or thereafter to become due, hereunder and thereunder and to enforce the Agency's right to terminate this Agency Lease, the PILOT Agreement and the Company Lease. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such

right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Agency to exercise any remedy reserved to it in this Article 10, it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Agency Lease.

10.4 AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES.

In the event the Company should Default under any of the provisions of this Agency Lease, or a dispute arises hereunder, and the Agency should employ attorneys or incur other expenses to preserve or enforce its rights hereunder or for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Agency the reasonable fees and costs of such attorneys and such other expenses so incurred.

10.5 NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER.

In the event any agreement contained herein should be breached by either party and thereafter such breach be waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**ARTICLE XI
MISCELLANEOUS**

11.1 NOTICES.

All notices, certificates, and other communications hereunder shall be in writing, shall be sufficiently given, and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, and actually received by the intended recipient or by overnight courier or such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates, and other communications hereunder shall be delivered are as follows:

(a) If to the Agency, to:

City of Syracuse Industrial Development Agency
333 West Washington Street, Suite 130
Syracuse, New York 13202
Attn: Chairman

With a copy to:

Corporation Counsel
City of Syracuse
233 East Washington Street
Syracuse, New York 13202

(b) If to the Company, to:

Strathmore Huntley Group, LLC
127 Stolp Avenue
Syracuse, New York 13207
Attn: Brenda Colella, Esq.

With a copy to:

Centolella Lynn D'Elia & Temes LLC
100 Madison Street
Tower I, Suite 1905
Syracuse, New York 13202
Attn: Anthony J. D'Elia, Esq.

The Agency and the Company, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, and other communications shall be sent.

11.2 BINDING EFFECT.

This Agency Lease shall inure to the benefit of and shall be binding upon the Agency and the Company and, as permitted by this Agency Lease, upon their respective heirs, successors and assigns.

11.3 SEVERABILITY.

If any one or more of the covenants or agreements provided herein on the part of the Agency or the Company to be performed shall for any reason be held, or shall in fact be, inoperative, unenforceable, or contrary to law in any particular circumstance; such circumstance shall not render the provision in question inoperative or unenforceable in any other circumstance. Further, if any one or more of the sentences, clauses, paragraphs, or sections herein is contrary to law, then such covenant(s) or agreement(s) shall be deemed severable of remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Agency Lease.

11.4 AMENDMENTS, CHANGES AND MODIFICATIONS.

This Agency Lease may not be amended, changed, modified, altered, or terminated except by an instrument in writing signed by the parties hereto.

11.5 EXECUTION OF COUNTERPARTS.

This Agency Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

11.6 APPLICABLE LAW.

This Agency Lease shall be governed exclusively by the applicable laws of the State of New York.

11.7 WAIVER OF TRIAL BY JURY.

THE COMPANY AND THE AGENCY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY DISPUTE ARISING UNDER THIS AGENCY LEASE, AND THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGENCY LEASE.

11.8 SUBORDINATION.

This Agency Lease shall be subject and subordinate to the Company Lease and the Mortgages and all Permitted Encumbrances in all respects.

11.9 SURVIVAL OF OBLIGATIONS.

(a) The obligations of the Company to repay, defend and/or provide the indemnity required by Section 8.2 and 8.12 hereof shall survive the termination of this Agency Lease and all such payments and obligations after such termination shall be made upon demand of the party to whom such payment and/or obligation is due.

(b) The obligations of the Company to repay, defend and/or provide the indemnity required by Sections 8.2 and 8.12 shall survive the termination of this Agency Lease until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action, or prosecution may be brought, and the payment in full or the satisfaction of such claim, cause of action, or prosecution, and the payment of all expenses and charges incurred by the Agency or its officers, members, agents (other than the Company) or employees relating thereto.

(c) The obligations of the Company required by Sections 2.2 and 11.14 hereof shall similarly survive the termination of this Agency Lease.

11.10 TABLE OF CONTENTS AND SECTION HEADINGS NOT CONTROLLING.

The Table of Contents and the Section headings in this Agency Lease have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Agency Lease.

11.11 NO RECOURSE; SPECIAL OBLIGATION.

The obligations and agreements of the Agency contained herein and in the other Agency Documents and in any other instrument or document executed in connection herewith or therewith, and any instrument or document supplemental hereto or thereto, shall be deemed the obligations and agreements of the Agency and not of any member, officer, agent or employee of the Agency in his individual capacity; and the members, officers, agents and employees of the Agency shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby. The obligations and agreements of the Agency contained herein or therein shall not constitute or give rise to an obligation of the State New York or of the City of Syracuse, and neither the State of New York nor the City of Syracuse shall be liable hereon or thereon. Further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency, payable solely from the revenues of the Agency derived, and to be derived from, the lease, sale, or other disposition of the Project Facility, other than revenues derived from or constituting Unassigned Rights. No order or decree of specific performance with respect to any of the obligations of the Agency hereunder or thereunder shall be sought or enforced against the Agency unless:

(a) The party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and thirty (30) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or if compliance therewith would reasonably be expected to take longer than thirty (30) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period; and

(b) If the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses; and

(c) If the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents or employees shall be subject to potential liability, the party seeking such order or decree shall (1) agree to indemnify and hold harmless the Agency and its members, officers, agents and employees against any liability incurred as a result of its compliance with such demand; and (2) if requested by the Agency, furnish to the Agency satisfactory security to protect the Agency and its members, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request.

(d) For purposes of this Section 11.11, neither the Company nor any Additional Agent shall be deemed to constitute an employee, agent or servant of the Agency or a person under the Agency's control or supervision.

Any failure to provide notice, indemnity, or security to the Agency pursuant to this Section 11.11 shall not alter the full force and effect of any Event of Default under this Agency Lease.

11.12 OBLIGATION TO SELL AND PURCHASE THE EQUIPMENT.

(a) Contemporaneously with the termination of this Agency Lease in accordance with Section 5.2 hereof, the Agency shall sell and the Company shall purchase all the Agency's right, title and interest in and to all of the Equipment for a purchase price equal to the sum of One Dollar (\$1.00), plus payment of all sums due and payable to the Agency or any other Person pursuant to this Agency Lease and the other Company Documents. The Company hereby irrevocably designates the Agency as its attorney-in-fact, coupled with an interest, for the purpose of executing and delivering the bill of sale together with any other documents therewith and to take such other and further actions reasonably necessary to confirm the termination of the Agency's interest in the Equipment.

(b) The sale and conveyance of the Agency's right, title and interest in and to the Equipment shall be effected by the execution and delivery by the Agency to the Company of a bill of sale to Company. The Company hereby agrees to pay all expenses and taxes, if any, applicable to or arising from such transfer of title.

(c) The Company agrees to prepare the bill of sale to Company and all schedules thereto, together with all necessary documentation, and to forward same to the Agency at least thirty (30) days prior to the date that title to the Equipment is to be conveyed to the Company.

11.13 ENTIRE AGREEMENT.

This Agency Lease and the Company Lease contain the entire agreement between the parties and all prior negotiations and agreements are merged therein.

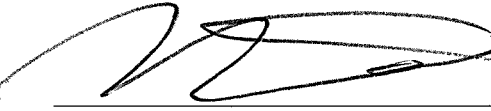
11.14 DISCLOSURE.

Section 875(7) of the New York General Municipal Law ("GML") requires that the Agency 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; 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 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.

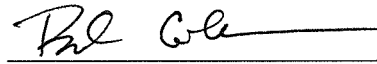
IN WITNESS WHEREOF, the Agency and the Company have caused this Agency Lease to be executed in their respective names by their duly authorized representatives as of the day and year first written above.

**CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY**

By: 

William M. Ryan, Chairman

STRATHMORE HUNTLEY GROUP, LLC

By: 

Brenda Colella, Authorized Member

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

On the 20th day of May in the year 2015 before me, the undersigned, personally appeared **WILLIAM M. RYAN**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Lori L. McRobbie

Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 2018

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

On the 21st day of May in the year 2015 before me, the undersigned, personally appeared **BRENDA COLELLA**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Lori L. McRobbie

Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 2018

EXHIBIT "A"

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, known and distinguished as Lots Nos. 113, 114 and 115 of the Stolp Addition, according to a map thereof made by Rhesa Griffin, C.E., and filed in the Onondaga County Clerk's Office October 2, 1890.

Being City of Syracuse addresses and Tax Parcel Id numbers:

1. 409 Stolp Avenue; 087.-12-04.0 (*Lots 113-114*) and
2. 419-21 Stolp Avenue; 087.-12-03.0 (*Lot 115*).

EXHIBIT "B"

DESCRIPTION OF EQUIPMENT

All articles of personal property, all machinery, apparatus, equipment, appliances, floor coverings, furniture, furnishings, supplies, materials, fittings and fixtures of every kind and nature whatsoever and all appurtenances acquired by **STRATHMORE HUNTLEY GROUP, LLC** (the "**Company**") now or hereafter attached to, contained in or used or acquired in connection with the Project Facility (as defined in the Agency Lease or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, freezers, rugs, movable partitions, cleaning equipment, maintenance equipment, restaurant supplies and equipment, shelving, racks, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.

EXHIBIT "C"

TABLE OF DEFINITIONS

The following terms shall have the meanings set forth below, unless the context or use clearly indicate another or different meaning and the singular form of such defined words and terms shall include the plural and vice versa:

Act: means the New York State Industrial Development Agency Act (N.Y. Gen. Municipal Law §§ 850 et seq.) as amended, together with Section 926 of the N.Y. General Municipal Law, as amended from time to time.

Additional Agents: means a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents appointed by the Company in furtherance of the completion of the Project in accordance with the terms of the Agency Lease.

Agency: means the City of Syracuse Industrial Development Agency and its successors and assigns.

Agency Documents: means the Agency Lease, the Company Lease, the Mortgages, the PILOT Agreement and any other documents executed by the Agency in connection with the Project or the Financial Assistance granted in connection therewith.

Agency Lease: means the Agency Lease Agreement dated as of May 1, 2015, by and between the Agency and the Company, as the same may be amended or supplemented from time to time.

Application: means the application submitted by the Company to the Agency dated October 9, 2012, requesting the Agency undertake the Project, as same may be amended or supplemented from time to time.

Authorized Representative: means for the Agency, the Chairman or Vice Chairman of the Agency; for the Company, its Member or Managing Member or any officer designated in a certificate signed by an Authorized Representative of such Company and, for either the Agency or the Company, any additional persons designated to act on behalf of the Agency or the Company by written certificate furnished by the designating party containing the specimen signature of each designated person.

Bill of Sale: means that certain Bill of Sale from the Company to the Agency dated as of May 1, 2015 in connection with the Equipment.

City: means the City of Syracuse.

Closing Date: means May 21, 2015.

Closing Memorandum: means the closing memorandum of the Agency relating to the Project.

Company: means Strathmore Huntley Group, LLC, a limited liability company, organized and existing under the laws of the State of New York having an address at 2127 Stolp Avenue, Syracuse, New York 13207, and its permitted successors and assigns.

Company Certification: means the certification by the Company dated May 21, 2015 regarding compliance with the Agency's Local Labor Policy.

Company Documents: means the Company Lease, the Agency Lease, the PILOT Agreement, the Mortgages, the Environmental Compliance and Indemnification Agreement, the Bill of Sale, the Company Certification and any other documents executed by the Company in connection with the Project or the Financial Assistance granted in connection therewith.

Company Lease: means the Company Lease Agreement dated as of May 1, 2015 from the Company to the Agency, pursuant to which the Company leased the Project Facility to the Agency, as the same may be amended or supplemented from time to time.

Condemnation: means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any governmental entity or other Person acting under governmental authority.

County: means the County of Onondaga in the State of New York.

Environmental Compliance and Indemnification Agreement: means the Environmental Compliance and Indemnification Agreement dated as of May 1, 2015 by the Company to the Agency.

Equipment: means all materials, machinery, furnishings, fixtures and equipment installed or used at the Project Facility, as of the Closing Date and thereafter acquired for or installed in, or upon, the Project Facility, as more fully described in **Exhibit "B"** to the Agency Lease.

Facility: means the buildings and other improvements located or to be constructed on the Land.

Financial Assistance: has the meaning given to such term in Section 854(14) of the Act.

Governmental Authority: means any federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign.

Land: means the improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, County of Onondaga, New York, more particularly described on **Exhibit “A”** attached to the Agency Lease.

Lien: means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including, but not limited to, a security interest arising from a mortgage, encumbrance, pledge, conditional sale, or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” includes reservations, exceptions, encroachments, projections, easements, rights of way, covenants, conditions, restrictions, leases, and other similar title exceptions and encumbrances, including, but not limited to mechanics, materialmen, warehousemen, and carriers liens and other similar encumbrances effecting real property. For purposes hereof, a Person shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the property has been retained by or vested in some other person for security purposes.

Mortgages: means one or more mortgages from the Agency and the Company to the Mortgagee and recorded in the Onondaga County Clerk’s office subsequent to the filing and recording of the Memorandum of Agency Lease, securing construction and/or permanent financing for the Project Facility, executed in accordance with Section 4.5 of the Agency Lease, and securing the Note (including but not limited to: a Community Preservation Corporation construction loan in the amount of \$1,500,000; a Syracuse Economic Development Corporation bridge loan in the amount of \$225,000; an Onondaga Civic Development Corporation bridge loan in the amount of \$225,000; and a Syracuse City HOME loan in the amount of \$288,000).

Mortgagee: means one or more lenders, its successors and assigns, providing financing pursuant to the Note and Mortgages, relative to the costs of construction and/or equipping of the Project Facility.

Net Proceeds: means so much of the gross proceeds with respect to which that term is used as remain after payment of all expenses, costs and taxes (including attorneys’ fees) incurred in obtaining such gross proceeds.

Note: means one or more notes given by the Company to the Mortgagee in connection with the Mortgages for construction or permanent financing relative to the Project Facility.

Permitted Encumbrances: means (A) utility, access and other easements and rights of way, and restrictions, encroachments and exceptions, that benefit or do not materially impair the utility or the value of the Property affected thereby for the purposes for which it is intended, (B) artisans’, mechanics’, materialmen’s, warehousemen’s, carriers’, landlords’, bankers’, workmen’s compensation, unemployment compensation and social security, and other similar Liens to the extent permitted by the Agency Lease, including the lien of the Mortgages, (C) Liens for taxes (1) to the extent permitted by the Agency Lease or (2) at the time not delinquent, (D) any Lien on the Project Facility obtained through any Agency Document or Company Document or the Mortgages, (E) Liens of judgments or awards in respect of which an appeal or proceeding for review shall be pending (or is pending within ten days after entry) and a stay of

execution shall have been obtained (or is obtained within ten days after entry), or in connection with any claim or proceeding, (F) Liens on any Property hereafter acquired by the Company or any subsidiary which liens are created contemporaneously with such acquisition to secure or provide for the payment or financing of any part of the purchase price thereof, (G) Liens consisting solely of restrictions under any applicable laws or any negative covenants in any applicable agreements (but only to the extent that such restrictions and covenants do not prohibit the execution, delivery and performance by the Company of the Agency Lease and the Mortgages, and (H) existing mortgages or encumbrances on the Project Facility as of the Closing Date or thereafter incurred with the consent of the Mortgagee and the Agency.

Person: means an individual, partnership, corporation, limited liability company, trust, or unincorporated organization, and any government or agency or political subdivision or branch thereof.

PILOT Agreement: means the Payment in Lieu of Taxes Agreement dated as of May 1, 2015 among the City, the Agency and the Company, as amended or supplemented from time to time.

Plans and Specifications: means the plans and specifications, if any, and presented by the Company to the Agency in its application and presentation relating to the reconstruction, renovation and equipping of the Project Facility; and any plans and specifications approved by the Mortgagee.

Project: shall have the meaning ascribed thereto in the third **WHEREAS** clause of this Agency Lease.

Project Facility: means the Land, the Facility and the Equipment.

Property: means any interest in any kind of property or asset, whether real, personal, or mixed, or tangible or intangible.

Resolution or Resolutions: means the Agency's resolutions adopted on January 24, 2013 authorizing the undertaking of the Project and the execution and delivery of certain documents by the Agency in connection therewith.

Sales and Use Tax or State Sales and Use Taxes: means, when used with respect to State sales and use taxes, sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the 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.

SEQRA: means the State Environmental Quality Review Act constituting Article 8 of the State Environmental Conservation Law and the regulations promulgated thereunder, as amended.

State: means the State of New York.

Unassigned Rights: means:

- (i) the right of the Agency in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications, if any, required to be delivered to the Agency under the Agency Lease;
- (ii) the right of the Agency to grant or withhold any consents or approvals required of the Agency under the Agency Lease;
- (iii) the right of the Agency to enforce or otherwise exercise in its own behalf all agreements of the Company with respect to ensuring that the Project Facility shall always constitute a qualified “project” as defined in and as contemplated by the Act;
- (iv) the right of the Agency to require and enforce any right of defense and any indemnity from any Person;
- (v) the right of the Agency in its own behalf (or on behalf of the appropriate taxing authorities) to enforce, receive amounts payable under or otherwise exercise its rights under Sections 2.2(f), 2.2(h), 2.2(m), 2.2(q), 4.1(d), 4.5, 5.3, 5.4, 6.2, 6.3, 6.4, 8.2, 8.3, 8.5, 8.7, 8.9, 8.12, 10.2, 10.4, 11.9, 11.11 and 11.12 of the Agency Lease and Sections 2.6(g), 4.8 and 4.9 of the Company Lease; and
- (vi) the right of the Agency in its own behalf to declare an Event of Default under Article X of the Agency Lease or with respect to any of the Agency’s Unassigned Rights.

EXHIBIT “D”

FORM OF CONTRACT STATUS REPORT

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Appendix II – Contract Status Report

To be submitted with a request for an extension of the Tax Exempt Certificate

It is a goal of SIDA to promote the use of local labor, contractors and suppliers for projects that receive agency support in the form of tax exemptions and/or bond financing. As part of its request to extend the valid date of the Agency’s tax-exempt certificate for the _____ project, _____ (the Company) certifies that the following information regarding the construction and purchase activities undertaken for the project as of _____ (date) is true and correct.

Item	Bid Awarded to: (Name and Address)	Date and Value of Contract	Number of Jobs	
			Total	Local*
1. Site work/Demolition				
2. Foundation and footings				
3. Building				
4. Masonry				
5. Metals				
6. Wood/casework				
7. Thermal and moisture proof				
8. Doors, windows, glazing				
9. Finishes				
10. Electrical				
11. HVAC				
12. Plumbing				
13. Specialties				
14. Machinery and Equipment				
15. Furniture and Fixtures				
16. Utilities				
17. Paving				
18. Landscaping				
19. Other (identify)				

*The number of local jobs means those jobs held by people who live in the five counties in Central New York. This number is subject to verification.

Signature: _____ Name (printed): _____

Title: _____ Date: _____

EXHIBIT "E"

FORM OF ANNUAL REPORTING REQUIREMENTS

SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
333 West Washington Street, Suite 130, Syracuse, New York 13202

Date

COMPANY
COMPANY ADDRESS

Dear _____:

Our auditors, _____, CPAs are conducting an audit of our financial statements for the year ended December 31, _____. In connection with that audit, we request that you furnish certain information directly to our auditor with regard to the following security issued by/through the City of Syracuse Industrial Development Agency:

Sale - Leaseback Financing

Project: _____

Date of Financing:

Principal Amount Financed:

Maturity Date:

Original Interest Rate:

Please provide the following information as of December 31, [year]:

Name of Lender

Debt Retired in [year] Yes/No

Debt Refinanced in [year] Yes/No

(If Yes, please update information in Paragraph 1 above)

Debt in Default as of [date] Yes/No

Current Interest Rate(s)

Rate range, if Variable

Principal balance outstanding as of [date]

Principal payments made during [year]

Payments in Lieu of Taxes (PILOT)

paid in [year]

Total cost of goods/services purchased: \$ _____

New York State Sales Tax Exemptions Claimed [year]

New York Local Sales Tax Exemptions Claimed: [year]

New York State Mortgage Recording

Tax Exemption: [year]

Form of Syracuse Industrial Development Agency — Project Jobs Data [year]

From:

To: _____, CPAs

Re:

The following jobs information is furnished to you with regard to the above cited project:

Full Time Equivalent (FTE) Jobs Created and Retained – [year]

of Current FTE Employees as of [closing date]

of FTE Jobs Created during [year]

of FTE Jobs Retained during [year]

of FTE Construction Jobs Created during [year]

Comments:

Signature

Print Name

Title

Date

EXHIBIT "F"

FORM OF SUB-AGENT AGREEMENT

THIS SUB-AGENT APPOINTMENT AGREEMENT (the "**Agreement**"), dated as of _____, 20__, is by and between **STRATHMORE HUNTLEY GROUP, LLC** (the "**Company**"), with a mailing address of 127 Stolp Avenue, Syracuse, New York 13207 (the "**Company**"), and [NAME OF SUB-AGENT], a _____ of the State of New York, having an office for the transaction of business at _____ (the "**Sub-Agent**").

WITNESSETH:

WHEREAS, the City of Syracuse Industrial Development Agency (the "**Agency**") was created by Chapter 641 of the Laws of 1979 of the State of New York pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York (collectively, the "**Act**") as a body corporate and politic and as a public benefit corporation of the State of New York (the "**State**"); and

WHEREAS, by resolution of its members adopted on January 24, 2013 (the "**Resolution**"), the Agency agreed to undertake a project for the benefit of the Company (the "**Project**") consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the "**Land**"); (ii) the rehabilitation and renovation of approximately 42 market-rate apartments units for use as affordable market-rate apartments (the "**Facility**"); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the "**Equipment**", and together with the Land and the Facility, the "**Project Facility**"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the "**Financial Assistance**"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, under the Resolution and in the Agency Lease Agreement by and between the Company and the Agency dated as of May 1, 2015 (the "**Agency Lease**") the Agency appointed the Company as its agent for purposes of completing the Project and delegated to the Company the authority to appoint as agents of the Agency a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (the "**Additional Agents**" or "**Sub-Agents**"), for the purpose of completing the Project and benefitting from the State and local sales and use tax exemption that forms a portion of the Financial Assistance all in accordance with the terms of the Resolution and the Agency Lease; and

WHEREAS, the Company and the Agency entered into a an Agency Agreement dated as of January 24, 2013 (the “*Agency Agreement*”),

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. The Company hereby appoints the Sub-Agent as an Additional Agent of the Agency for the purpose of assisting the Company and the Agency in the completion of the Project and benefitting from the State and local sales and use tax exemption relative to expenditures made in furtherance thereof. The Sub-Agent is only an agent of the Agency for the aforementioned purposes. The Sub-Agent hereby agrees to limit its activities as agent for the Agency under the authority of this Agreement to acts reasonably related to the completion of the Project Facility.

2. The Sub-Agent covenants, agrees and acknowledges:

a. To make all records and information regarding State and local sales and use tax exemption benefits claimed by it in connection with the Project available to the Company and the Agency upon request. The Sub-Agent agrees to comply with all procedures and policies established by the State Department of Taxation and Finance, or any similar entity, regarding the documenting or reporting of any State and local sales and use tax exemption benefits, including providing to the Company all information of the Sub-Agent necessary for the Company to complete the State Department of Taxation and Finance’s “Annual Report of Sales and Use Tax Exemptions” (Form ST-340).

b. To be bound by and comply with the terms and conditions of the Agency’s policies, the Resolution, the Agency Lease and Section 875(3) of the Act (as if such section were fully set forth herein) (collectively the “*Agency Documents*”). Without limiting the scope of the foregoing, the Sub-Agent acknowledges that pursuant to Section 875(3) of the Act and the Agency policies, the Agency shall recover, recapture, receive or otherwise obtain from the Sub-Agent the portion of the Financial Assistance (the “*Recapture Amount*”) consisting of: (1) (a) that portion of the State and local sales and use tax exemption claimed by the Sub-Agent to which the Sub-Agent was not entitled, which is in excess of the amount of the State and local sales and use tax exemption authorized by the Agency or which is for property or services not authorized by the Agency and/or unrelated to the Project Facility; or (b) the full amount of such State and local sales and use tax exemption claimed by the Sub-Agent, if the Sub-Agent fails to comply with a material term or condition regarding the use of the property or services as represented to the Agency in the Company’s application to the Agency in regard to the Project or otherwise; and (2) any interest or penalties thereon imposed by the Agency or by operation of law or by judicial order or otherwise.

c. That the failure of the Sub-Agent to promptly pay such Recapture Amount to the Agency will be grounds for the Agency, the State Commissioner of Taxation and Finance or such other entity, to collect sales and use taxes from the Sub-Agent under Article 28 of the Tax Law, or other applicable law, policy or contract, together with interest and penalties. In addition to the foregoing, the Sub-Agent acknowledges and agrees that for purposes of exemption from State sales and use taxation, “sales and use taxation” shall mean sales and

compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the Tax Law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

d. That all purchases made by the Sub-Agent in connection with the Project shall be made using Form ST-123 (IDA Agent or Project Operator Exempt Purchase Certificate), a copy of which is attached hereto as **Exhibit "A"**). It shall be the responsibility of the Sub-Agent (and not the Company or the Agency) to complete Form ST-123. The failure to furnish a completed Form ST-123 with each purchase will result in loss of the exemption for that purchase.

e. The Sub-Agent acknowledges and agrees that it shall identify the Project on each bill and invoice for such purchases and further indicate on such bills or invoices that the Sub-Agent is making purchases of tangible personal property or services for use in the Project as agent of the Agency. For purposes of indicating who the purchaser is, the Sub-Agent acknowledges and agrees that the bill of invoice should state, "I, [NAME OF SUB-AGENT], certify that I am a duly appointed agent of the City of Syracuse Industrial Development Agency and that I am purchasing the tangible personal property or services for use in the following Agency project and that such purchases qualify as exempt from sales and use taxes under my Sub-Agent Appointment Agreement." The Sub-Agent further acknowledges and agrees that the following information shall be used by the Sub-Agent to identify the Project on each bill and invoice: [FILL IN THE NAME OF THE PROJECT, THE STREET ADDRESS OF THE PROJECT SITE, AND IDA PROJECT NUMBER].

f. That for purposes of any exemption from the State sales and use taxation as part of any 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 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.

g. That the Sub-Agent 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 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), for such claims or liabilities that arise as a result of the Sub-Agent acting as agent for the Agency pursuant to this Agreement or otherwise.

The Sub-Agent 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 only to Sub-Agent's work on or for the Project Facility, including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

The foregoing defenses and indemnities 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.

g. That as agent for the Agency or otherwise, the Sub-Agent will comply at the Sub-Agent'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 Sub-Agent with respect to the Project Facility.

h. That Section 875(7) of the Act requires the Agency to post on its website all resolutions and agreements relating to the Sub-Agent's appointment as an agent of the Agency or otherwise related to the Project, including this Agreement, and that Public Officers Law Article 6 declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the Sub-Agent feels that there is information about the Sub-Agent 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 Sub-Agent's competitive position, the Sub-Agent must identify such elements in writing, supply same to the Agency prior to or contemporaneously with the execution hereof and request that such elements be kept confidential in accordance with Public Officers Law Article 6. Failure to do so will result in the posting by the Agency of all information in accordance with Section 875 of the Act.

i. That the Sub-Agent shall complete the Local Access Agreement, a copy of which is attached hereto at **Exhibit "B"** and agrees Local contractors and suppliers will be used for the reconstruction, renovation and equipping of the Project unless a waiver is first received from the Agency in writing. Such waiver shall be in the Agency's sole discretion. The Sub-Agent agrees that such Local contractors shall be provided the opportunity to bid on contracts related to the Project. Local shall mean, for the purposes of the Local Access Agreement required in this Section, Onondaga, Oswego, Madison, Cayuga, Cortland and Oneida Counties. Failure to comply with the local labor requirements of this Section i ("**Local Labor Requirements**") may result in the revocation or recapture of benefits provided/approved to the Project by the Agency.

j. That the Sub-Agent must 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 on an annual basis.

k. That the failure to comply with the foregoing will result in the loss of the exemption.

l. That if the Sub-Agent is the general contractor for the Project, then at all times following the execution of this Agreement, and during the term thereof, the Sub-Agent shall: (A) maintain or cause to be maintained the following insurance policies with an insurance company licensed in the State that has an A.M. Best rating of not less than A-: (i) "All Risk" (excluding terrorism coverage if unavailable at commercially reasonable rates as determined by the Company) builder's risk insurance, including collapse coverage and coverage for material in storage and while in transit, for one hundred percent (100%) of the insurable replacement value of the Project on a replacement cost basis on all materials, equipment and supplies which are to become a permanent part of the Project, while awaiting erection and until completion; (ii) worker's compensation insurance including employer's liability to provide statutory benefits as required by applicable Legal Requirements; (iii) commercial general liability insurance for hazard of operation, independent contractors, products and completed operations, such liability insurance to include broad form property damage and afford coverage for explosion, collapse and underground hazards and personal injury liability insurance, and contractual liability coverage for the Company's indemnification obligations hereunder, all with limits of not less than Five Million Dollars (\$5,000,000) per occurrence on an "occurrence" basis and Ten Million Dollars (\$10,000,000) in the aggregate; and (iv) comprehensive automobile liability covering owned, non-owned and hired vehicles used in connection with the construction of the Project with limits of not less than One Million Dollars (\$1,000,000) combined single limit for bodily injury and property damage. The Company shall deliver to the Agency any policies (or certificates thereof) with respect to insurance required hereunder prior to the commencement of construction or related work on the Project, and shall deliver renewal policies (or certificates thereof) at least thirty (30) days before the expiration date of any policy maintained in connection with the Project. All policies evidencing such insurance except the Workers' Compensation policy shall name the Company as insured and the Agency as an additional insured, as its interests may appear, and all policies shall provide that the coverage with respect to the Agency be primary and non-contributory and require at least thirty (30) days' prior written notice to the Agency of cancellation, reduction in policy limits, or material change in coverage thereof; and (B) 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 the requirements of Section 220 of the Labor Law of the State of New York, as amended.

m. 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 conflicts-of-laws provisions that if applied might require the application of the laws of another jurisdiction; and that the Sub-Agent 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.

3. Failure of the Sub-Agent to comply with any of the provisions of this Agreement shall result in the immediate nullification of the appointment of the Sub-Agent and the

immediate termination of this Agreement and may result in the loss of the Company's State and local sales and use tax exemption with respect to the Project at the sole discretion of the Agency. In addition, such failure may result in the recapture of the State and local sales and use taxes avoided.

4. The Company acknowledges that the assumption of certain obligations by the Sub-Agent in accordance with this Agreement does not relieve the Company of its obligations under any provisions of the Agency Lease or of any other agreement entered into by the Company in connection with the Project.

5. The Company and the Sub-Agent agree that the Agency is a third-party beneficiary of this Agreement.

6. This Agreement shall be in effect until the earlier of: (i) the completion of the work on the Project by the Sub-Agent; or (ii) the Sub-Agent's loss of status as an agent of the Agency as set forth herein. Notwithstanding the foregoing, the provisions of Sections 2(b), 2(c), 2(f), 2(g), 2(j), and 2(l) shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the Company and the Sub-Agent have caused this Agreement to be executed in their respective names by their respective duty authorized officers, all as of the day and year first above written.

STRATHMORE HUNTLEY GROUP, LLC

By: _____
Name:
Title:

[NAME OF SUB-AGENT]

By: _____
Name:
Title:

EXHIBIT "A"
to Form of Sub-Agent Appointment Agreement

FORM ST-123



New York State Department of Taxation and Finance
New York State Sales and Use Tax

ST-123
(2/14)

**IDA Agent or Project Operator
Exempt Purchase Certificate**
Effective for projects beginning on or after June 1, 2014

This certificate is not valid unless all entries have been completed.
Note: To be completed by the purchaser and given to the seller. See TSB-M-14(1.1)S, *Sales Tax Reporting and Recordkeeping Requirements for Industrial Development Agencies and Authorities*, for more information.

Name of seller			Name of agent or project operator		
Street address			Street address		
City, town, or village	State	ZIP code	City, town, or village	State	ZIP code
Agent or project operator sales tax ID number (see instructions)					

Mark an **X** in one: Single-purchase certificate Blanket-purchase certificate (valid only for the project listed below)

To the seller:

You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

Project information

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my agreement with the IDA.

Name of IDA		
Name of project	IDA project number (use OSC number)	
Street address of project site		
City, town, or village	State	ZIP code
Enter the date that you were appointed agent or project operator (mm/dd/yy)	/	/
Enter the date that agent or project operator status ends (mm/dd/yy)	/	/

Exempt purchases

(Mark an **X** in boxes that apply)

- A. Tangible personal property or services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) used to complete the project, but not to operate the completed project
- B. Certain utility services (gas, propane in containers of 100 pounds or more, electricity, refrigeration, or steam) used to complete the project, but not to operate the completed project
- C. Motor vehicle or tangible personal property installed in a qualifying motor vehicle

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that state and local sales or use taxes do not apply to a transaction or transactions for which I tendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to, the vendor as agent for the Tax Department for the purposes of Tax Law section 1838 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

Signature of purchaser or purchaser's representative (include title and relationship)	Date
Type or print the name, title, and relationship that appear in the signature box	

Instructions

To the purchaser

You may use Form ST-123 if you:

- have been appointed as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from sales and use tax as described in the IDA contract

You may use Form ST-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed

Agent or project operator sales tax ID number — If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter *N/A*.

Industrial development agencies and authorities (IDAs) are public benefit corporations under General Municipal Law Article 18-A and the Public Authorities Law, for the purpose of promoting, developing, encouraging, and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreational facilities in New York State.

IDAs are exempt from the payment of sales and use tax on their purchases, in accordance with Tax Law section 1116(a)(1). However, IDAs do not normally make direct purchases for projects. Commonly, IDAs instead appoint a business enterprise or developer, contractor, or subcontractor as its agent or project operator. Such purchases made by the agent or project operator, acting within the authority granted by the IDA, are deemed to be made by the IDA and therefore exempt from tax.

Example 1: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment necessary for completion of the project, as agent for the IDA. Contractor X rents a backhoe and a bulldozer for site preparation, purchases concrete and lumber to construct a building, and purchases machinery to be installed in the building. All these purchases by contractor X as agent of the IDA are exempt from tax.

Example 2: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment to be incorporated into the project, as agent for the IDA. Contractor X makes the same purchases as in Example 1. Since the concrete, lumber, and machinery will actually be incorporated into the project, contractor X may purchase these items exempt from tax. However, rental of the backhoe and bulldozer is not exempt since these transactions are normally taxable and the IDA agreement does not authorize contractor X to make such rentals as agent of the IDA.

A contractor or subcontractor not appointed as agent or project operator of an IDA must present suppliers with Form ST-120 1, *Contractor Exempt Purchase Certificate*, when making purchases that are ordinarily exempt from tax in accordance with Tax Law sections 1115(a)(15) and 1115(a)(16). For more information, see Form ST-120 1.

Exempt purchases

To qualify, the purchases must be made within the authority granted by the IDA and used to complete the project (not to operate the completed project).

- Mark box A to indicate you are purchasing tangible personal property and services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) exempt from tax.
- Mark box B to indicate you are purchasing certain consumer utility services used in completing the project exempt from tax. This includes gas, electricity, refrigeration, and steam, and gas, electric, refrigeration, and steam services.
- Mark box C to indicate you are purchasing a motor vehicle or tangible personal property related to a qualifying motor vehicle exempt from tax.

Misuse of this certificate

Misuse of this exemption certificate may subject you to serious civil and criminal sanctions in addition to the payment of any tax and interest due. These include:

- A penalty equal to 100% of the tax due;
- A \$50 penalty for each fraudulent exemption certificate issued;
- Criminal felony prosecution, punishable by a substantial fine and a possible jail sentence; and
- Revocation of your *Certificate of Authority*, if you are required to be registered as a vendor. See TSB-M-09(17)S, *Amendments that Encourage Compliance with the Tax Law and Enhance the Tax Department's Enforcement Ability*, for more information.

To the seller

When making purchases as agent or project operator of an IDA, the purchaser must provide you with this exemption certificate with all entries completed to establish the right to the exemption. You must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

As a New York State registered vendor, you may accept an exemption certificate in lieu of collecting tax and be protected from liability for the tax if the certificate is valid. The certificate will be considered valid if it is:

- accepted in good faith;
- in your possession within 90 days of the transaction; and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or is fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.

You must also maintain a method of associating an invoice (or other source document) for an exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates, or the date the return was filed, if later.

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1095, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 4051c(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.

Need help?



Visit our Web site at www.tax.ny.gov

- get information and manage your taxes online
- check for new online services and features



Sales Tax Information Center: (518) 485-2889

To order forms and publications: (518) 457-5431



Text Telephone (TTY) Hotline
(for persons with hearing and
speech disabilities using a TTY): (518) 485-5082

EXHIBIT "B"
to Form of Sub-Agent Appointment Agreement

LOCAL ACCESS AGREEMENT

Local Access Agreement

_____ (the Company) understands and agrees that local labor, contractors and suppliers will be used for the construction, renovation, reconstruction and equipping of the Project unless a written waiver is first received from the Agency, and agrees to provide the information requested below as a way to provide access for local participation.

Company				General Contractor							
Representative for Contract Bids and Awards				Contact							
Address				Address							
City		ST		Zip		City		ST		Zip	
Phone			Fax			Phone			Fax		
Email				Email							
Project Address				Construction Start Date							
City		ST		Zip		Occupancy Date					

Project Components – Indicate those for which bids will be sought:

Item	Estimated Value	Bid Date	Contact
Site work/Demolition			
Foundation and footings			
Building			
Masonry			
Metals			
Wood/casework			
Thermal/moisture proof			
Doors, windows, glazing			
Finishes			
Electrical			
HVAC			
Plumbing			
Specialties			
Machinery & Equipment			
Furniture and Fixtures			
Utilities			
Paving			
Landscaping			
Other (identify)			

Date: _____ **Company:** _____

Signature: _____ **Name:** _____

5

McRobbie, Lori L.

From: Anthony D'Elia [anthony@centolellalaw.com]
Sent: Tuesday, May 26, 2015 3:01 PM
To: Katzoff, Susan R.; McRobbie, Lori L.
Cc: Christopher A. Andreucci; Babilon, Thomas R.; Kevin Overton
Subject: SIDA/SEDCO/OCDC to Strathmore Huntley - RECORDING INFO

Here is the recording information as received from Chicago a moment ago:

The following documents were recorded today (5/26/15) at the indicated times and locations in regards to the above referenced matter. Please let me know if I can be of further assistance.

Memo of Company Lease	5325/442 at 2:29pm
Memo of Agency Lease	5325/447 at 2:30pm
Collateral Mortgage	17750/1 at 2:32pm
Assignment of Rents and Leases	17750/21 at 2:33pm
UCC	2015-00371 at 2:34pm
SEDCO Mortgage	17750/34 at 2:36pm
Building Loan Agreement	2015LB50 at 2:37pm
Notice of Lending	2015LN35 at 2:37pm
Intercreditor Agreement	17750/40 at 2:40pm

Thanks,
Casey

Casey J. Woods
Abstractor
100 Madison Street, Suite 1910
Syracuse, NY 13202
casey.woods@ctt.com
Mobile: 315.593.5274
Office: 315.422.1869
Fax: 315.474.0109



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Tel: 315.476.1010 | Fax: 315.476.1134 | Email: ANTHONY@CENTOLELLALAW.COM
DIRECT DIAL: (315) 766-2122

CONFIDENTIALITY STATEMENT

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, YOU ARE HEREBY NOTIFIED that any dissemination, distribution or copying of this communication is strictly prohibited. If you are not the intended recipient of this message, please destroy any printed version and delete this email. In addition, this firm does not accept service of papers by email or facsimile transmission.

**MEMORANDUM OF
AGENCY LEASE AGREEMENT**

NAME AND ADDRESS OF LESSOR: City of Syracuse Industrial Development Agency
333 West Washington Street, Suite 130
Syracuse, New York 13202

NAME AND ADDRESS OF LESSEE: Strathmore Huntley Group, LLC
127 Stolp Avenue
Syracuse, New York 13207

DESCRIPTION OF LEASED PREMISES:

All that tract or parcel of land situate in the City of Syracuse, County of Onondaga and State of New York, being more particularly described in **Exhibit "A"** annexed hereto, together with the improvements thereon.

DATE OF EXECUTION OF AGENCY LEASE AGREEMENT:

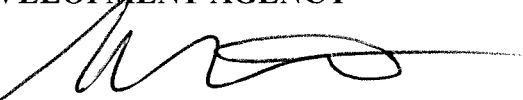
As of May 1, 2015

TERM OF AGENCY LEASE AGREEMENT:

The Agency Lease Agreement shall be in effect for a term commencing as of May 1, 2015 and terminating in accordance with Section 5.2 thereof.


IN WITNESS WHEREOF, the parties hereto have respectively executed this memorandum as of the 1st day of May, 2015.

**CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY**

By: 

William M. Ryan, Chairman

STRATHMORE HUNTLEY GROUP, LLC

By: 

Brenda Colella, Authorized Member

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

On this 20th day of May, 2015, before me, the undersigned, personally appeared, **WILLIAM M. RYAN**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Lori L McRobbie

Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 18

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

On this 21st day of May, 2015, before me, the undersigned, personally appeared, **BRENDA COLELLA**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Lori L McRobbie

Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 18

EXHIBIT "A"

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, known and distinguished as Lots Nos. 113, 114 and 115 of the Stolp Addition, according to a map thereof made by Rhesa Griffin, C.E., and filed in the Onondaga County Clerk's Office October 2, 1890.

Being City of Syracuse addresses and Tax Parcel Id numbers:

1. 409 Stolp Avenue; 087.-12-04.0 (*Lots 113-114*) and
2. 419-21 Stolp Avenue; 087.-12-03.0 (*Lot 115*).



Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax

Recording office time stamp

See Form TP-584-I, Instructions for Form TP-584, before completing this form. Print or type.

Schedule A – Information relating to conveyance

Grantor/Transferor <input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Estate/Trust <input type="checkbox"/> Single member LLC <input checked="" type="checkbox"/> Other	Name (if individual, last, first, middle initial) (<input type="checkbox"/> check if more than one grantor) City of Syracuse Industrial Development Agency <hr/> Mailing address 333 West Washington Street, Suite 130 <hr/> City _____ State _____ ZIP code _____ Syracuse NY 13202 <hr/> Single member's name if grantor is a single member LLC (see instructions)	Social security number Social security number Federal EIN 52-1380308 Single member EIN or SSN
Grantee/Transferee <input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Estate/Trust <input type="checkbox"/> Single member LLC <input checked="" type="checkbox"/> Other	Name (if individual, last, first, middle initial) (<input checked="" type="checkbox"/> check if more than one grantee) Strathmore Huntley Group, LLC <hr/> Mailing address 127 Stolp Avenue <hr/> City _____ State _____ ZIP code _____ Syracuse NY 13207 <hr/> Single member's name if grantee is a single member LLC (see instructions)	Social security number Social security number Federal EIN 27-3285524 Single member EIN or SSN

Location and description of property conveyed

Tax map designation – Section, block & lot (include dots and dashes)	SWIS code (six digits)	Street address	City, town, or village	County
087.-12-04.0 087.-12-03.0		409 Stolp Ave. and 419-21 Stolp Ave.	Syracuse	Onondaga

Type of property conveyed (check applicable box)

1 <input type="checkbox"/> One- to three-family house 2 <input type="checkbox"/> Residential cooperative 3 <input type="checkbox"/> Residential condominium 4 <input type="checkbox"/> Vacant land	5 <input checked="" type="checkbox"/> Commercial/Industrial 6 <input type="checkbox"/> Apartment building 7 <input type="checkbox"/> Office building 8 <input type="checkbox"/> Other _____	Date of conveyance <table border="1" style="display: inline-table; text-align: center;"> <tr> <td style="width: 30px;">05</td> <td style="width: 30px;">21</td> <td style="width: 30px;">2015</td> </tr> <tr> <td>month</td> <td>day</td> <td>year</td> </tr> </table>	05	21	2015	month	day	year	Percentage of real property conveyed which is residential real property _____ % (see instructions)
05	21	2015							
month	day	year							

Condition of conveyance (check all that apply)

- | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. <input type="checkbox"/> Conveyance of fee interest

b. <input type="checkbox"/> Acquisition of a controlling interest (state percentage acquired _____ %)

c. <input type="checkbox"/> Transfer of a controlling interest (state percentage transferred _____ %)

d. <input type="checkbox"/> Conveyance to cooperative housing corporation

e. <input type="checkbox"/> Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest (attach Form TP-584.1, Schedule E) | f. <input type="checkbox"/> Conveyance which consists of a mere change of identity or form of ownership or organization (attach Form TP-584.1, Schedule F)

g. <input type="checkbox"/> Conveyance for which credit for tax previously paid will be claimed (attach Form TP-584.1, Schedule G)

h. <input type="checkbox"/> Conveyance of cooperative apartment(s)

i. <input type="checkbox"/> Syndication

j. <input type="checkbox"/> Conveyance of air rights or development rights

k. <input type="checkbox"/> Contract assignment | l. <input type="checkbox"/> Option assignment or surrender

m. <input type="checkbox"/> Leasehold assignment or surrender

n. <input checked="" type="checkbox"/> Leasehold grant

o. <input type="checkbox"/> Conveyance of an easement

p. <input type="checkbox"/> Conveyance for which exemption from transfer tax claimed (complete Schedule B, Part III)

q. <input type="checkbox"/> Conveyance of property partly within and partly outside the state

r. <input type="checkbox"/> Conveyance pursuant to divorce or separation

s. <input type="checkbox"/> Other (describe) _____ |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

For recording officer's use	Amount received Schedule B., Part I \$ _____ Schedule B., Part II \$ _____	Date received	Transaction number
-----------------------------	----------------------------------------------------------------------------------	---------------	--------------------

Schedule B – Real estate transfer tax return (Tax Law, Article 31)

Part I – Computation of tax due

1	Enter amount of consideration for the conveyance (if you are claiming a total exemption from tax, check the exemption claimed box, enter consideration and proceed to Part III) <input checked="" type="checkbox"/> Exemption claimed	1.		0	00
2	Continuing lien deduction (see instructions if property is taken subject to mortgage or lien)	2.		0	00
3	Taxable consideration (subtract line 2 from line 1)	3.		0	00
4	Tax: \$2 for each \$500, or fractional part thereof, of consideration on line 3	4.		0	00
5	Amount of credit claimed for tax previously paid (see instructions and attach Form TP-584.1, Schedule G)	5.		0	00
6	Total tax due* (subtract line 5 from line 4)	6.		0	00

Part II – Computation of additional tax due on the conveyance of residential real property for \$1 million or more

1	Enter amount of consideration for conveyance (from Part I, line 1)	1.		
2	Taxable consideration (multiply line 1 by the percentage of the premises which is residential real property, as shown in Schedule A) ...	2.		
3	Total additional transfer tax due* (multiply line 2 by 1% (.01))	3.		

Part III – Explanation of exemption claimed on Part I, line 1 (check any boxes that apply)

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

- a. Conveyance is to the United Nations, the United States of America, the state of New York, or any of their instrumentalities, agencies, or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) a
- b. Conveyance is to secure a debt or other obligation..... b
- c. Conveyance is without additional consideration to confirm, correct, modify, or supplement a prior conveyance..... c
- d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts d
- e. Conveyance is given in connection with a tax sale..... e
- f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) Attach Form TP-584.1, Schedule F..... f
- g. Conveyance consists of deed of partition..... g
- h. Conveyance is given pursuant to the federal Bankruptcy Act..... h
- i. Conveyance consists of the execution of a contract to sell real property, without the use or occupancy of such property, or the granting of an option to purchase real property, without the use or occupancy of such property i
- j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than \$200,000 and such property was used solely by the grantor as the grantor's personal residence and consists of a one-, two-, or three-family house, an individual residential condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative apartment..... j
- k. Conveyance is not a conveyance within the meaning of Tax Law, Article 31, section 1401(e) (attach documents supporting such claim) See Schedule "A" k

*The total tax (from Part I, line 6 and Part II, line 3 above) is due within 15 days from the date conveyance. Please make check(s) payable to the county clerk where the recording is to take place. If the recording is to take place in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, make check(s) payable to the **NYC Department of Finance**. If a recording is not required, send this return and your check(s) made payable to the **NYS Department of Taxation and Finance**, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.

Schedule C – Credit Line Mortgage Certificate (Tax Law, Article 11)

Complete the following only if the interest being transferred is a fee simple interest.

I (we) certify that: *(check the appropriate box)*

- 1. The real property being sold or transferred is not subject to an outstanding credit line mortgage.
- 2. The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:
 - The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately before the transfer.
 - The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where 50% or more of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons (as in the case of a transfer to a trustee for the benefit of a minor or the transfer to a trust for the benefit of the transferor).
 - The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee, or other officer of a court.
 - The maximum principal amount secured by the credit line mortgage is \$3,000,000 or more, and the real property being sold or transferred is **not** principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

Please note: for purposes of determining whether the maximum principal amount secured is \$3,000,000 or more as described above, the amounts secured by two or more credit line mortgages may be aggregated under certain circumstances. See TSB-M-96(6)-R for more information regarding these aggregation requirements.

Other *(attach detailed explanation)*.

- 3. The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:
 - A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
 - A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.
- 4. The real property being transferred is subject to an outstanding credit line mortgage recorded in _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount of debt or obligation secured by the mortgage is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. *(Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City but not in Richmond County, make check payable to the NYC Department of Finance.)*

Signature (both the grantor(s) and grantee(s) must sign)

The undersigned certify that the above information contained in schedules A, B, and C, including any return, certification, schedule, or attachment, is to the best of his/her knowledge, true and complete, and authorize the person(s) submitting such form on their behalf to receive a copy for purposes of recording the deed or other instrument effecting the conveyance.

<p>City of Syracuse Industrial Development Agency</p>  <p>_____ Grantor signature William M. Ryan</p>	<p>Chairman</p> <p>_____ Title</p>	<p>Strathmore Hurlley Group, LLC</p>  <p>_____ Grantee signature Brenda Colella</p>	<p>Member</p> <p>_____ Title</p>
<p>_____ Grantor signature</p>	<p>_____ Title</p>	<p>_____ Grantee signature</p>	<p>_____ Title</p>

Reminder: Did you complete all of the required information in Schedules A, B, and C? Are you required to complete Schedule D? If you checked e, f, or g in Schedule A, did you complete Form TP-584.1? Have you attached your check(s) made payable to the county clerk where recording will take place or, if the recording is in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, to the **NYC Department of Finance**? If no recording is required, send your check(s), made payable to the **Department of Taxation and Finance**, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.

Schedule D - Certification of exemption from the payment of estimated personal income tax (Tax Law, Article 22, section 663)

Complete the following only if a fee simple interest or a cooperative unit is being transferred by an individual or estate or trust.

If the property is being conveyed by a referee pursuant to a foreclosure proceeding, proceed to Part II, and check the second box under Exemptions for nonresident transferor(s)/seller(s) and sign at bottom.

Part I - New York State residents

If you are a New York State resident transferor(s)/seller(s) listed in Schedule A of Form TP-584 (or an attachment to Form TP-584), you must sign the certification below. If one or more transferors/sellers of the real property or cooperative unit is a resident of New York State, each resident transferor/seller must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all resident transferors/sellers.

Certification of resident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) as signed below was a resident of New York State, and therefore is not required to pay estimated personal income tax under Tax Law, section 663(a) upon the sale or transfer of this real property or cooperative unit.

Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date

Note: A resident of New York State may still be required to pay estimated tax under Tax Law, section 685(c), but not as a condition of recording a deed.

Part II - Nonresidents of New York State

If you are a nonresident of New York State listed as a transferor/seller in Schedule A of Form TP-584 (or an attachment to Form TP-584) but are not required to pay estimated personal income tax because one of the exemptions below applies under Tax Law, section 663(c), check the box of the appropriate exemption below. If any one of the exemptions below applies to the transferor(s)/seller(s), that transferor(s)/seller(s) is not required to pay estimated personal income tax to New York State under Tax Law, section 663. Each nonresident transferor/seller who qualifies under one of the exemptions below must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all nonresident transferors/sellers.

If none of these exemption statements apply, you must complete Form IT-2663, *Nonresident Real Property Estimated Income Tax Payment Form*, or Form IT-2664, *Nonresident Cooperative Unit Estimated Income Tax Payment Form*. For more information, see *Payment of estimated personal income tax*, on page 1 of Form TP-584-I.

Exemption for nonresident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) (grantor) of this real property or cooperative unit was a nonresident of New York State, but is not required to pay estimated personal income tax under Tax Law, section 663 due to one of the following exemptions:

- The real property or cooperative unit being sold or transferred qualifies in total as the transferor's/seller's principal residence (within the meaning of Internal Revenue Code, section 121) from _____ to _____ (see instructions).
Date Date
- The transferor/seller is a mortgagor conveying the mortgaged property to a mortgagee in foreclosure, or in lieu of foreclosure with no additional consideration.
- The transferor or transferee is an agency or authority of the United States of America, an agency or authority of the state of New York, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.

Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date
Signature	Print full name	Date

SCHEDULE "A"

The document being recorded for which this NYS Form TP-584 is being provided is a Memorandum of Lease between the Grantor and the Grantee. The sum of the term of the lease and any options for renewal do not exceed forty-nine (49) years, and therefore said lease is not a Conveyance within the meaning of Article 31 of the Tax Law.

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CERTIFICATION

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agency Lease Agreement by and between the parties dated as of May 1, 2015.

The undersigned, Brenda Colella, Authorized Member and authorized signatory of Strathmore Huntley Group, LLC (the "**Company**"), does hereby certify and confirm:

(1) that the Company has reviewed and understands the Agency's Local Labor Policy which states as follows:

The Company understands and agrees that local labor and contractors will be used for the construction and equipping of the Project unless a written waiver is first received from the Agency. Failure to comply may result in the revocation or recapture of benefits awarded to the Project by the Agency.

For purposes of this policy, the term "local" shall mean: Cayuga, Cortland, Madison, Oneida, Onondaga and Oswego Counties.

(2) that the Company has complied, and will, for so long as the Agency has an interest in the Project, continue to comply with, the Agency's Local Labor Policy.

Dated: May 21, 2015

STRATHMORE HUNTLEY GROUP, LLC

By: *B. Colella*
Brenda Colella, Authorized Member

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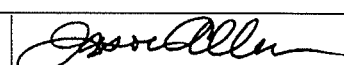
INSURANCE BINDER

DATE (MM/DD/YYYY)
05/12/2015

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

AGENCY Agency Specialists of Mexico, Inc. 5881 Scenic Avenue PO Box 179 Mexico, NY 13114		COMPANY Broome Co-operative Insurance Company		BINDER #	
PHONE (A/C, No, Ext): (315) 963-7944		FAX (A/C, No): (315) 963-4968		<input type="checkbox"/> THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #: CPP100000474	
CODE:		SUB CODE:		DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location)	
AGENCY CUSTOMER ID: ST100921145331203		INSURED STRATHMORE-HUNTLEY GROUP LLC 127 STOLP AVE Syracuse, NY 13207		1 bldg 1: 407-409 Stolp Ave, Syracuse, NY 13207 bldg 2: 419-421 Stolp Ave, Syracuse, NY 13207	

COVERAGES		LIMITS		
TYPE OF INSURANCE	COVERAGE/FORMS	DEDUCTIBLE	COINS %	AMOUNT
PROPERTY CAUSES OF LOSS <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC <input checked="" type="checkbox"/> SF5 form coverage	bldg 1: building coverage bldg 2: building coverage	5000 5000	80	811,200 54,080
GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	LS1 premises liability RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE DAMAGE TO RENTED PREMISES MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	\$ \$ \$ \$ \$ \$	300000 5000 600000
VEHICLE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		COMBINED SINGLE LIMIT BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE MEDICAL PAYMENTS PERSONAL INJURY PROT UNINSURED MOTORIST	\$ \$ \$ \$ \$ \$	
VEHICLE PHYSICAL DAMAGE DED <input type="checkbox"/> COLLISION: _____ <input type="checkbox"/> OTHER THAN COL: _____	<input type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES	ACTUAL CASH VALUE STATED AMOUNT	\$ \$	
GARAGE LIABILITY <input type="checkbox"/> ANY AUTO		AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EACH ACCIDENT AGGREGATE	\$ \$ \$ \$	
EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE AGGREGATE SELF-INSURED RETENTION WC STATUTORY LIMITS E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	\$ \$ \$ \$ \$ \$	
SPECIAL CONDITIONS / OTHER COVERAGES The certificate holder is listed as additional insured on a primary and non-contributory basis for BI & PD caused by the insured and/or his agents in the performance of their duties per policy form. FORM SF-20 - AGREEMENT		FEES TAXES ESTIMATED TOTAL PREMIUM	\$ \$ \$	

NAME & ADDRESS Syracuse Industrial Development Agency ISAOA 333 W Washington St Suite 130 Syracuse NY 13202		<input checked="" type="checkbox"/> MORTGAGEE <input type="checkbox"/> LOSS PAYEE	<input checked="" type="checkbox"/> ADDITIONAL INSURED
		LOAN #	
		AUTHORIZED REPRESENTATIVE 	

CONDITIONS

This Company binds the kind(s) of insurance stipulated on the reverse side. The Insurance is subject to the terms, conditions and limitations of the policy(ies) in current use by the Company.

This binder may be cancelled by the Insured by surrender of this binder or by written notice to the Company stating when cancellation will be effective. This binder may be cancelled by the Company by notice to the Insured in accordance with the policy conditions. This binder is cancelled when replaced by a policy. If this binder is not replaced by a policy, the Company is entitled to charge a premium for the binder according to the Rules and Rates in use by the Company.

Applicable in California

When this form is used to provide insurance in the amount of one million dollars (\$1,000,000) or more, the title of the form is changed from "Insurance Binder" to "Cover Note".

Applicable in Colorado

With respect to binders issued to renters of residential premises, home owners, condo unit owners and mobile home owners, the insurer has thirty (30) business days, commencing from the effective date of coverage, to evaluate the issuance of the insurance policy.

Applicable in Delaware

The mortgagee or Obligee of any mortgage or other instrument given for the purpose of creating a lien on real property shall accept as evidence of insurance a written binder issued by an authorized insurer or its agent if the binder includes or is accompanied by: the name and address of the borrower; the name and address of the lender as loss payee; a description of the insured real property; a provision that the binder may not be canceled within the term of the binder unless the lender and the insured borrower receive written notice of the cancellation at least ten (10) days prior to the cancellation; except in the case of a renewal of a policy subsequent to the closing of the loan, a paid receipt of the full amount of the applicable premium, and the amount of insurance coverage.

Chapter 21 Title 25 Paragraph 2119

Applicable in Florida

Except for Auto Insurance coverage, no notice of cancellation or nonrenewal of a binder is required unless the duration of the binder exceeds 60 days. For auto insurance, the insurer must give 5 days prior notice, unless the binder is replaced by a policy or another binder in the same company.

Applicable in Maryland

The insurer has 45 business days, commencing from the effective date of coverage to confirm eligibility for coverage under the insurance policy.

Applicable in Michigan

The policy may be cancelled at any time at the request of the insured.

Applicable in Nevada

Any person who refuses to accept a binder which provides coverage of less than \$1,000,000.00 when proof is required: (A) Shall be fined not more than \$500.00, and (B) is liable to the party presenting the binder as proof of insurance for actual damages sustained therefrom.

Applicable in the Virgin Islands

This binder is effective for only ninety (90) days. Within thirty (30) days of receipt of this binder, you should request an insurance policy or certificate (if applicable) from your agent and/or insurance company.



OL & T

GENERAL LIABILITY COVERAGE PREMISES AND OPERATIONS LIABILITY INSURANCE

**Coverages for Designated Premises and Related Operations in Progress
other than Structural Alterations, New Construction and Demolition**

Agreement

We agree to provide Premises and Operations Liability Insurance and the other related coverages described in this Policy during the policy period in return for payment of the required premium. This agreement is subject to all the *terms* of this policy. The complete Premises and Operations Liability Insurance coverage consists of the Declarations page, this booklet, and other endorsements which may be added, including required state endorsements.

It is important that *you* read each part of this policy carefully to understand the coverage provided, *your* obligations and *our* obligations under the policy. Each coverage is subject to all *terms* relating to that coverage. The following Table of Contents shows how the coverage part is organized and will help *you* locate particular sections.

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A. **DEFINITIONS**-The following definitions apply to this policy:

1. The words *you* and *your* refer to the person or entity named in the Declarations and the words *we*, *us* and *our* refer to the insurance company named in the Declarations.
2. *Automobile* means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any machinery or apparatus attached to the *automobile*. *Automobile* DOES NOT INCLUDE *mobile equipment*.
3. *Bodily Injury* means *bodily injury*, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting from such *bodily injury*, sickness or disease.
4. *Business* means a trade, profession, or other occupation including farming, all whether full or part time, or the rental of any property to others.
5. *Coverage Territory* means:
 - a) The United States of America, including its territories and possessions, Puerto Rico and Canada;
 - b) international waters or airspace, provided the *bodily injury* or *property damage* does not occur in the course of travel or transportation to or from any place not included in a) above.
6. *Covered Policy* means a policy of commercial risk insurance, professional liability insurance or public entity insurance.
7. *Elevator* means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances pertaining to the *elevator*, including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery; THIS DOES NOT INCLUDE:
 - a) an *automobile* servicing hoist;
 - b) a hoist without a platform outside a building if without mechanical power or if not attached to the building walls;
 - c) a hod or material hoist used in alteration, construction or demolition operations;

- d) an inclined conveyor used exclusively for carrying property; or
 - e) a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet.
8. **Impaired property** means tangible property (other than *your product* or *your work*):
- a) whose value has been decreased:
 - (1) because it includes *your product* or *your work* that is, or believed to be, defective, deficient or dangerous; or
 - (2) because *you* failed to carry out the terms of a contract or agreement; and
 - b) whose value can be restored to use:
 - (1) by the repair, replacement, adjustment or removal of *your product* or *your work*; or
 - (2) by *your* fulfilling the terms of the contract.
9. **Incidental Contract** means any written:
- a) lease of premises;
 - b) easement agreement, except in connection with the construction or demolition operations on or adjacent to a railroad;
 - c) undertaking to insure a municipality against a loss, required by municipal ordinance, except in connection with *work* for the municipality;
 - d) sidetrack agreement; or
 - e) **elevator** maintenance agreement.
10. **Insured**-Each of the following is an **insured** under the conditions and limitations set forth below:
- a) if the **named insured** is an individual both the individual and his/her spouse are **insureds** but only with respect to the conduct of a business of which he/she is the sole proprietor;
 - b) if the **named insured** is a partnership or joint venture, any partner or member and their spouses is an **insured** but only with respect to the conduct of the **business**;
 - c) if the **named insured** is an organization, the executive officers, members of the board of trustees, directors, and governors are **insureds** while acting within the scope of their duties as officers and directors. Stockholders are also **insureds** but only with respect to their liability as stockholders;
 - d) any person (other than an employee of the **named insured**) or organization while acting as real estate manager for the **named insured**;
 - e) with respect to the operation, for the purpose of locomotion upon a public highway, of **mobile equipment** registered under any motor vehicle registration law,
 - (i) an employee of the **named insured** while operating any such equipment in the course of his/her employment; and
 - (ii) any other person while operating with the permission of the **named insured** any such equipment registered in the name of the **named insured** and any other person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;

provided that no person or organization shall be an **insured** under this paragraph (e) with respect to:

 - (1) **bodily injury** to any co-employee of the person driving the equipment; or
 - (2) **property damage** to property owned by, rented to, in charge of or occupied by the **named insured** or the employer of any person described in subparagraph (ii).
 - f) each of the following is also an **insured**:
 - 1) any person or organization having proper temporary custody of **your** property if **you** die, but only:
 - (a) with respect to liability arising out of the maintenance or use of that property; and
 - (b) until **your** legal representative has been appointed.
 - 2) **your** legal representative if **you** die, but only with respect to duties as such. That representative will have all **your** rights and duties under this General Liability Coverage.

This insurance DOES NOT APPLY to **bodily injury** or **property damage** arising out of the conduct of any partnership or joint venture of which the **insured** is a partner or member and which is not designated in this policy as a **named insured**.

11. **Insured Premises** means:
- a) the premises designated in the Declarations including the ways immediately adjoining it on land;
 - b) premises transferred by the **named insured**, including the ways immediately adjoining it on land; (EXCEPT premises constructed for sale by the **named insured**);
 - c) premises and the ways immediately adjoining it on land of which the **named insured** acquires ownership or control and reports his intention to insure such premises under this policy and no other within thirty days after the acquisition.

12. **Mobile equipment** means any of the following types of land vehicles, including any attached machinery or equipment:
- a) bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b) vehicles maintained for use solely on or next to premises **you** own or rent;
 - c) vehicles that travel on crawler treads;
 - d) vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) power cranes, shovels, loaders, diggers or drills; or
 - (2) road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e) vehicles not described in a), b), c) or d) above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) cherry pickers and similar devices used to raise or lower workers;
 - f) vehicles not described in a), b), c) or d) above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **automobiles**:
- (1) equipment designed primarily for:
 - (a) snow removal;
 - (b) road maintenance, but not construction or resurfacing;
 - (c) street cleaning;
 - (2) cherry pickers and similar devices mounted on **automobile** or truck chassis and used to raise or lower workers; and
 - (3) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
13. **Named Insured** means the person or entity named in the Declarations.
14. **Named Insured's Products**-means goods or **products** manufactured, sold, handled, distributed or disposed of by the **named insured** or by others trading under his/her name, or a person or organization whose **business** or assets **you** have acquired.
- Products** includes:
- a) warranties or representations made at any time with respect to the fitness, quality, durability or performance of the **named insured's products**; and
 - b) containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or **products**.
- Products** does not include:
- a) vending machines;
 - b) property that is rented to or placed for the use of others, but not sold; or
 - c) real property.
15. **Nonpayment of Premium** means the failure of the **named insured** to discharge any obligation in connection with the payment of premiums on a policy of insurance or any installment of such premium, whether the premium is payable directly to the insurer or its agent, or indirectly under any premium finance plan or extension of credit. Payment to the insurer, or to an agent or broker authorized to receive such payment, shall be timely if made within fifteen days after the mailing to the **insured** of a notice of cancellation for **nonpayment of premium**.
16. **Occurrence** means an accident including continuous or repeated exposure to substantially similar conditions, which results in **bodily injury** or **property damage** neither expected nor intended from the standpoint of the **insured**.
17. **Pollution** means **bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:
- (a) at or from premises owned, rented or occupied by the **named insured**;
 - (b) at or from any site or location used by or for the **named insured** or others for the handling, storage, disposal, processing or treatment of **waste**;
 - (c) which are at any time transported, handled, stored, treated, disposed of, or processed as **waste** by or for the **named insured** or any person or organization for whom the **named insured** may be legally responsible; or
 - (d) at or from any site or location on which the **named insured** or any contractors or subcontractors working directly or indirectly on behalf of the **named insured** are performing operations:
 - (i) if the pollutants are brought on or to the site or location in connection with such operations; or

- (ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

For the purpose of this provision, pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and *waste*. *Waste* includes materials to be recycled, reconditioned or reclaimed.

18. **Products/Completed Operations Hazard**

- a) **Products hazard** means *bodily injury* or *property damage* occurring away from premises *you* own or rent and arising out of *your product* after physical possession of it has been relinquished to others.
- b) **Completed operations hazard** means *bodily injury* or *property damage* arising out of *your work*. It does not include *work* that has not been completed or that has been abandoned.

Your work is deemed completed at the earliest of the following times:

- (1) when all *work* specified in *your* contract has been done;
- (2) when all *work* to be done at a job site has been completed if *your* contract includes *work* at more than one site; or
- (3) when *your work* at a job site has been put to its intended use by someone other than another contractor or subcontractor working on the same job site.

Work which requires further service, maintenance, correction, repair or replacement because of a defect or deficiency, but which is otherwise complete, shall be deemed completed.

- c) Neither of these hazards include *bodily injury* or *property damage* arising out of:

- (1) the transportation of property, unless the injury or damage arises out of a condition in or on a vehicle, created by loading or unloading.
- (2) the presence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) *products* or *work* for which the classification on the Declarations specifies "including **Products/Completed Operations**".

19. **Professional Service** means:

- a) the rendering or failure to render:
 - (1) any professional service;
 - (2) any cosmetic, ear piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
 - (3) any service or treatment conducive to health or of a professional nature; or
- b) the furnishing or dispensing of drugs or medical, dental or surgical supplies; or
- c) the handling of or performing of autopsies on dead bodies.

20. **Property Damage** means:

- a) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use at any time resulting from such physical injury or destruction, or
- b) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an *occurrence* during the policy period.

21. **Renewal or to Renew** means the issuance or offer to issue by an insurer of a policy superceding a policy previously issued and delivered by the same insurer, or another insurer within the same group or under common management, or the issuance or delivery of a certificate or notice extending the term of a policy beyond its policy period or term. However, any policy with a policy period or term of less than one year shall be considered as if written for a policy period or term of one year, and any policy with no fixed expiration date or with a policy period or term of more than one year shall be considered as if written for successive policy periods or terms of one year.

22. **Required Policy Period** means a period of one year from the date as of which a *covered policy* is renewed or first issued.

23. **Suit** means a civil proceeding in which damages because of *bodily injury* and/or *property damage* to which this insurance applies are alleged. **Suit** includes an arbitration proceeding alleging such damages to which *you* must submit or submit with *our* consent.

24. **Terms** as used in this policy means provisions, limitations, exclusions, definitions and conditions.

25. **Your Work** means:

- a) *work* or operations performed by *you* or on *your* behalf;
- b) materials, parts and equipment *you* supply for such *work* or operations; and
- c) written warranties or representations made at any time regarding quality, fitness, durability or performance of any of the foregoing.

B. PRINCIPAL COVERAGES

Coverage L-Bodily Injury and Property Damage

We provide *bodily injury* or *property damage* coverage only if a limit of liability is shown on the Declarations page or on any endorsement attached to this policy. The *bodily injury* or *property damage* must be caused by an *occurrence*. The *occurrence* must take place in the *coverage territory* and during the policy period.

WHAT WE PAY FOR

We pay, up to *our* limit of liability shown, all sums for which the *insured* is legally obligated to pay as damages because of *bodily injury* or *property damage* caused by an *occurrence* to which this coverage applies. *We* assume no other obligations or liability to pay sums to or perform acts or services unless the coverage is specifically provided for in the Supplementary Payments. The *bodily injury* or *property damage* must result from the ownership, maintenance or use of the *insured premises*, and operations necessary or incidental to *your business* and conducted from the *insured premises*. *We* shall have the right and duty to defend any *suit* seeking damages, even if any of the allegations of the *suit* are groundless, false or fraudulent, provided the *suit* resulted from *bodily injury* or *property damage* not excluded under this coverage. *We* may make any investigation and settle any claim or *suit* that *we* decide is appropriate. *We* are not obligated to provide a defense after *we* have paid, either by judgement or settlement, an amount equal to *our* limit of liability.

- a) Damages because of *bodily injury* include damages claimed by any person or organization for care, loss of services or death resulting at any time from the *bodily injury*.
- b) *Property damage* that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the *occurrence* that caused it.

C. SUPPLEMENTARY PAYMENTS

This policy provides the following Supplementary Payments. These incidental coverages are subject to the *terms* of the Principal Coverages. These Supplementary Payments do not increase the limit of liability stated for the principal coverages except: Claims and Defense Expense Coverage.

1. *Claims and Defense Expense Coverage-We* pay the following expenses incurred in connection with a *suit* defended by *us* under the *bodily injury* and *property damage* liability coverage:
 - a) costs taxed to the *insured*;
 - b) expenses incurred by *us*;
 - c) actual loss of earnings by an *insured*, up to \$100 per day, for time spent away from *work* at *our* request;
 - d) other necessary expenses incurred at *our* request;
 - e) prejudgment interest awarded against the *insured* on that part of the judgment *we* pay. If *we* make an offer to pay the applicable limit of insurance, *we* will not pay any pre-judgment interest based on that period of time after the offer;
 - f) interest accruing after entry of a judgment but ending when *we* tender or pay up to the applicable limit of liability;
 - g) premiums on appeal bonds or bonds to release attachments up to *our* limit of liability (*we* are not required to apply for or furnish any bonds); and
 - h) premiums up to \$500 per bail bond required of any *insured* because of an accident or traffic law violation arising out of the use of any vehicle to which this policy applies. (*We* are not required to apply for or furnish any bonds).
2. *First Aid Coverage-We* pay the expenses incurred for first aid to others at the time of an accident and for *bodily injury* to which this policy applies.

D. EXCLUSIONS

Exclusions that apply to *Bodily injury* and *Property damage*:

We do not pay for loss resulting directly or indirectly from the following, unless specific coverage is added to *your* policy.

WE DO NOT PAY FOR:

- a) *bodily injury* or *property damage* expected or intended from the standpoint of the *insured*. This exclusion does not apply to *bodily injury* resulting from the use of reasonable force to protect persons or property;
- b) liability assumed by the *insured* under any contract or agreement except an *incidental contract*;
- c) *bodily injury* or *property damage* arising out of the ownership, maintenance, operation, use, entrusting, loading or unloading of:
 - (1) any *automobile* or aircraft owned or operated by or rented or loaned to any *insured*, or

- (2) any other *automobile* or aircraft operated by any person in the course of his/her employment by any *insured*; BUT this exclusion DOES NOT APPLY to the parking of an *automobile* on the *insured premises*, if such *automobile* is not owned by or rented or loaned to any *insured*;
Moreover, this exclusion DOES NOT APPLY to *bodily injury* or *property damage* arising out of the operations of any of the equipment listed in paragraphs f) (2) and f) (3) of the *mobile equipment* definition;
- d) *bodily injury* or *property damage* arising out of:
- (1) the ownership, maintenance, operation, use, entrusting, loading or unloading of any *mobile equipment* while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity; or
 - (2) the operation or use of any snowmobile or trailer designed for use with a snowmobile;
- e) *bodily injury* or *property damage* arising out of and in the course of the transportation of *mobile equipment* by an *automobile* owned, or operated by, or rented or loaned to any *insured*;
- f) *bodily injury* or *property damage* arising out of the ownership, maintenance, operation, use, entrusting, loading or unloading of:
- (1) any watercraft owned or operated by or rented or loaned to any *insured*, or
 - (2) any other watercraft operated by any person in the course of his/her employment by any *insured*; BUT this exclusion DOES NOT APPLY to watercraft while ashore on the *insured premises*;
- g) *bodily injury* or *property damage* included within the *pollution* definition. Nor do *we* pay for any loss, cost or expense arising out of any governmental direction or request that the *named insured* test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants;
This exclusion does not apply to *bodily injury* or *property damage* caused by heat, smoke or fumes from a hostile fire. For the purpose of this exclusion, hostile fire means a fire which becomes uncontrollable or breaks out from where it was intended to be;
- h) *bodily injury* or *property damage* due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution;
- i) *bodily injury* or *property damage* for which the *named insured* or others for whom coverage is included in this policy may be held liable:
- (1) as a person or organization engaged in the *business* of manufacturing, distributing, selling or serving of alcoholic beverages; or
 - (2) If not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed:
 - (a) by, or because of the violation of any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage; or
 - (b) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;
BUT part (b) of this exclusion DOES NOT APPLY with respect to liability of the *insured* (or others for whom coverage is included in this policy) as an owner or lessor described in (2) above;
- j) any obligation for which the *insured* or any carrier as his insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law;
- k) *bodily injury*:
- (1) to any employee of the *insured* arising out of and in the course of his/her employment by the *insured* for which the *insured* may be liable as an employer or in any other capacity;
 - (2) sustained by the spouse, child, parent, brother, or sister of an employee of the *insured* as a consequence of *bodily injury* to such employee arising out of and in the course of his/her employment by the *insured*; or
 - (3) to any obligation of the *insured* to indemnify or contribute with another because of damages arising out of such injury.
- This exclusion applies to all claims and *suits* by any person or organization for damages because of such injury including damages for care and loss of services.
This exclusion DOES NOT APPLY to liability assumed by the *insured* under an *incidental contract*;
- l) *Property damage* to:
- (1) property *you* own, rent or occupy;
 - (2) premises *you* sell, give away or abandon, if the *property damage* arises out of any part of those premises;
 - (3) property loaned to *you*;
 - (4) property in *your* care, custody or control;
- Paragraphs (3) and (4), of this exclusion do not apply to liability assumed under a written sidetrack agreement.
Paragraph (4) of this exclusion does not apply with respect to *property damage* (other than to *elevators*) arising out of the use of an *elevator* at the *insured premises*;
- m) *property damage* to *impaired property* or tangible property that has not been physically injured or destroyed resulting from:

- (1) a delay in or lack of performance by or on behalf of the **named insured** of any contract or agreement; or
 - (2) the failure of the **named insured's products or work** performed by or on behalf of the **named insured** to meet the level of performance, quality, fitness or durability warranted or represented by the **named insured**; BUT this exclusion DOES NOT APPLY to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the **named insured's products or work** performed by or on behalf of the **named insured** after such **products or work** have been put to use by any person or organization other than an **insured**;
 - n) **property damage** to the **named insured's product(s)** arising out of such **products** or any part of such **products**;
 - o) **property damage** to **work** performed by or on behalf of the **named insured** arising out of the **work** or any portion of the **work**, or out of materials, parts or equipment furnished in connection with the **work**;
 - p) **bodily injury** or **property damage** included within the **products/completed operations hazard** definition;
 - q) **bodily injury** or **property damage** arising out of operations on or from premises (other than the **insured premises**) owned by, rented to or controlled by the **named insured**, or to liability assumed by the **insured** under any contract or agreement relating to such premises;
 - r) **bodily injury** or **property damage** due to the rendering of or failure to render any **professional service**;
 - s) **bodily injury** or **property damage** arising out of structural alterations which involve changing the size of or moving buildings or other structures, new construction or demolition operations performed by or on behalf of the **named insured**;
 - t) **bodily injury** or **property damage**:
 - (1) resulting directly or indirectly from the transmission of a communicable disease by an **insured** or employees of an **insured**;
 - (2) arising directly or indirectly out of instances, **occurrences** or allegations of sexual abuse or sexual harassment of any person by an **insured** or employees of an **insured**;
 - (3) arising directly or indirectly out of instances, **occurrences** or allegations of criminal activity by an **insured** or by employees of an **insured**.
- This exclusion shall be applicable whether the excluded claims are made directly or are made indirectly or derivatively as claims of negligence or breach of contract; or
- u) damages claimed for any loss, cost or expense incurred by **you** or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
 - (1) **your product**;
 - (2) **your work**; or
 - (3) **impaired property**;
 if such **product, work**, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

E. WHAT YOU MUST DO IN CASE OF LOSS

1. **Notice.**
 - a) In case of an **occurrence** or if **you** become aware of anything that indicates there might be a claim under this policy, **you** must give **us** or **our** agent notice (in writing if requested) as soon as practicable;
 - b) The notice to **us** must state:
 - (1) **your** name, the kind of policy, policy number and the time, place and circumstances of the **occurrence**; and
 - (2) names and addresses of any potential claimants and witnesses.
2. **Cooperation-You** must cooperate with **us** in performing all acts required by this policy.
3. **Volunteer Payments-You** must not, except at **your** own cost, voluntarily make any payments, assume any obligations, or incur any other expenses except first aid to others at the time of **bodily injury**.
4. **Additional Duties Bodily Injury and Property Damage Coverages**-In the event of an **occurrence** which might result in a claim for **bodily injury** or **property damage** liability under this policy, **you** must also do the following:
 - a) promptly forward to **us** copies of all notices, demands, or legal papers received in connection with the **occurrence**;
 - b) at **our** request, assist in:
 - (1) making settlements;
 - (2) the conduct of **suits** including attending trials and hearings;
 - (3) enforcing any right of contribution or indemnification against any party who may be liable to any **insured** for the injury or damage;
 - (4) securing and giving evidence; and
 - (5) obtaining the attendance of witnesses.

F. HOW MUCH WE PAY FOR LOSS OR CLAIM

For the purpose of determining *our* limit of liability, all *bodily injury* and *property damage* arising out of continuous or repeated exposure to substantially the same general condition(s) shall be considered as arising out of one *occurrence*.

1. The limit of liability stated on the Declarations page, the Supplemental Declarations page or attached endorsements and the conditions set forth below fix the maximum amounts *we* will pay for loss regardless of the number of:
 - a) persons insured under this policy;
 - b) persons or organizations who sustain *bodily injury* or *property damage*; or
 - c) claims made or *suits* brought.
2. The Each *Occurrence* limit, subject to the Aggregate limit of liability, is the most *we* pay for the total of damages under Coverages L for all *bodily injury* and *property damage* arising out of a single *occurrence*.
3. The policy period shown on the Declarations page, the Supplemental Declarations page or other endorsements added to this policy may be for a period of one year or longer. HOWEVER, for the purpose of determining any or all aggregate limits of liability described in this section, or in endorsements attached to this policy, policy period means a one year period beginning with the inception date of the policy (and for each subsequent one year period if applicable).

EXAMPLE:

- a) Policy Period as shown on the Declarations page or other endorsements. from January 15, 1987
to January 15, 1990
- b) Initial Policy Period for determining aggregate limits. from January 15, 1987
to January 15, 1988
- c) Subsequent Policy Period(s) for determining aggregate limits. from January 15, 1988
to January 15, 1989
AND
from January 15, 1989
to January 15, 1990

4. The Aggregate limit of liability is the most *we* will pay during a policy period for the sum of all damages under *Coverage L-Bodily Injury and Property Damage*.
5. The Aggregate limit of liability applies separately to each consecutive 12-month period beginning with the inception date of the General Liability Coverage shown on the Declarations page, the Supplemental Declarations page or attached endorsements. It also applies separately to any remaining policy period of less than 12-months, unless the General Liability Coverage has been extended after it was written. In that case, the additional period will be considered part of the last preceding period for the purpose of determining limits.
6. If Premises Medical Payments, Fire Legal Liability, *Product/Completed Operations*, or other coverages are added to this policy by endorsement, then the limits of liability and the conditions pertaining to **HOW MUCH WE PAY FOR LOSS OR CLAIM** under these coverages will be set forth in those endorsements, on the Declarations page, or the Supplemental Declarations page.
7. **Insurance Under More Than One Policy.**
 - a) Insurance under this General Liability Coverage is primary except as provided under paragraph 7c. below, or unless otherwise stated. The amount of *our* liability is not reduced because of other insurance which applies to the loss on other than a primary basis.
 - b) If the other insurance is also primary, *we* will share in the loss as follows:
 - (1) If the other insurance provides for contribution by equal shares, *we* will pay equal amounts with other insurers until:
 - a) the lowest applicable limit under any one policy is reached; or
 - b) the full amount of the loss is paid. If part of the loss remains unpaid, *we* will pay an equal share with the other insurers until the full amount of the loss is paid, or until *we* have paid *our* limit in full.
 - (2) If the other insurance does not provide for contribution by equal shares, *we* will pay no more than that proportion of the loss to which the applicable limit under this policy for such loss bears to the total applicable limit for all insurance against the loss.
 - c) Insurance under this General Liability Coverage is excess over any other insurance:
 - (1) if the other insurance, whether primary, excess, contingent or on any other basis, provides:
 - a) fire, extended coverage, builders' risk, installation risk or similar coverage for *your work*; or
 - b) fire insurance for premises rented to *you*; or
 - (2) if the other insurance applies to any loss arising out of the maintenance or use of aircraft, *autos* or watercraft which may be covered by this policy.

- d) When this insurance is excess over any other insurance:
- (1) *we* will have no duty under Coverage L to defend any claim or *suit* that any other insurer has a duty to defend. If no other insurer defends, *we* will do so. However, *we* will be entitled to the *insured's* rights against all those other insurers.
 - (2) *we* will pay *our* share of the amount of loss, if any, that exceeds the sum of:
 - a) the total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - b) the total of all deductibles and self-insured amounts required by such other insurance.

We will share the remaining loss with any other insurance that is not described in this excess insurance provision and was not bought specifically to apply in excess of the limits of insurance shown on the Declarations page, the Supplemental Declarations page or attached endorsements to this General Liability Coverage.

G. PAYMENT OF LOSS OR CLAIM

Any person, who has secured a judgment against an *insured* for an insured loss or has liability firmly established by a written agreement between the claimant, an *insured* and *us*, is entitled to recover under this policy to the extent of the coverage provided.

I. POLICY CONDITIONS

In addition to the policy *terms* which are contained in other sections of this policy, the following conditions also apply.

1. **Assignment**-Assignment of this policy is not valid without *our* written consent.
2. **Cancellation.**
 - a) **By You**-*You* may cancel this policy at any time by giving *us* written notice or returning the policy to *us* and stating when thereafter the *cancellation* is to be effective.
 - b) **By Us**-*We* may cancel this policy by written notice delivered to or mailed to *you* at the address shown in the policy (and to *your* authorized agent or broker if required). Proof of delivery or mailing is sufficient proof of notice.
This notice must be delivered or mailed the required number of days prior to the effective date of the *cancellation*. For a description of the number of days of required notice, refer to: (1) *Nonpayment of Premium*, (2) *New Policy* or (3) *All Other Situations*.
 - c) **When We May Cancel**-*We* may cancel this policy under the following conditions:
 - (1) **Nonpayment of Premium**-If the premium has not been paid when due, *we* may cancel at any time by delivering or mailing to *you* the required notice at least fifteen days before *cancellation* is effective. Payment by *you* to the insurer, or to an agent or broker authorized to receive such payment, shall be considered timely if made within fifteen days after the mailing to *you* of a notice of cancellation for *nonpayment of premium*.
 - (2) **New Policy**-If this is a new policy which has been in effect less than sixty days, *we* may cancel for any reason by delivering or mailing the required notice to the *first-named insured* at the mailing address shown in the policy at least twenty days before *cancellation* is effective. If upon review during this time period, *we* find that a statutory provision/provisions for *cancellation* applies/apply, *we* may cancel this policy by mailing written notice to the *first-named insured* at the mailing address shown in the policy at least fifteen days before *cancellation* is effective.
 - (3) **All Other Situations**-After a *covered policy* has been in effect for sixty days, or upon the effective date if such a policy is a *renewal*, no notice of *cancellation* shall become effective until fifteen days after notice is delivered or mailed to the *insured* and such *cancellation* is based on one or more of the following statutory provisions:
 - (A) *Nonpayment of premium*;
 - (B) Conviction of a crime arising out of acts increasing the hazard insured against;
 - (C) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim thereunder;
 - (D) After issuance of the policy or after the last *renewal* date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against and which occurred subsequent to inception of the current policy period;
 - (E) Material physical change in the property insured, occurring after issuance or last annual *renewal* anniversary date of the policy, which results in the property becoming uninsurable in accordance with the insurer's objective, uniformly applied underwriting standards in effect at the time the policy was issued or last *renewed*; or material change in the nature or extent of the risk, occurring after issuance or last annual *renewal* anniversary date of the policy, which causes the risk of loss

to be substantially and materially increased beyond that contemplated at the time the policy was issued or last *renewed*;

- (F) Required pursuant to a determination by the superintendent that continuation of the present premium volume of the insurer would jeopardize that insurer's solvency or be hazardous to the interests of policyholders of the insurer, its creditors, or the public;
 - (G) A determination by the superintendent that the continuation of the policy would violate or would place the insurer in violation of the law;
 - (H) Where the insurer has reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the *insured* will destroy, or permit to be destroyed, the *insured* property for the purpose of collecting the insurance proceeds, provided, however, that:
 - (i) a notice of cancellation on this ground shall inform the *insured* in plain language that the *insured* must act within ten days if review by the Insurance Department of the ground for *cancellation* is desired pursuant to item (iii) of this subparagraph (H); and
 - (ii) notice of cancellation on this ground shall be provided simultaneously by the insurer to the Insurance Department; and
 - (iii) upon written request of the *insured* made to the department within ten days from the *insured's* receipt of notice of cancellation on this ground, the Insurance Department shall undertake a review of the ground for *cancellation* to determine whether or not the insurer has satisfied the criteria for *cancellation* specified in this subparagraph; if after such review the department finds no sufficient cause for *cancellation* on this ground, the notice of cancellation on this ground shall be deemed null and void.
 - (I) With respect to professional liability insurance policies, revocation or suspension of the *insured's* license to practice his/her profession or, if the *insured* is a hospital, it no longer possesses a valid operating certificate under section twenty-eight hundred one-a of the public health law.
- d) *We* refund the premium for the unexpired policy period on a pro rata basis.
 - e) *Refund of Premium*-Payment or tender of unearned premium is not a condition of *cancellation*. If the unearned premium is not refunded with the cancellation notice, it will be sent to *you* within a reasonable time.
 - f) *Loss Notice*-The company must advise the *first-named insured* that he/she is entitled to loss information upon written request.

3. *Renewal/Nonrenewal*

3a. *Nonrenewal*-*We* may elect not *to renew* or continue this policy by delivering or mailing to *you* and *your* authorized agent or broker written notice of *our* intent not *to renew*.

- a) Such notice must:
 - (1) be given at least sixty but not more than one hundred twenty days in advance of the end of the *required policy period*.
 - (2) state *our* specific reason(s) for *nonrenewal*.
 - (3) be delivered or mailed to *you* at the address shown in the policy and to *your* authorized agent or broker. Proof of delivery or mailing is sufficient proof of notice.
 - (4) Loss Notice-The company must advise the *first-named insured* that he/she is entitled to loss information upon written request.
 - (5) Requirements for *nonrenewal* shall not apply if the *named insured*, or an agent or broker authorized by the *named insured*, or another insurer of the *named insured* has delivered or mailed written notice that the policy has been replaced or is no longer desired.
- b) Prior to the expiration date of this policy, in the event that a late *nonrenewal* notice is provided by the insurer, the coverage under this policy shall remain in effect:
 - (1) at the same *terms* and conditions contained in the expiring policy; and
 - (2) at the lower of the current rates or the prior period's rates until sixty days after the notice is delivered or mailed unless the *insured* elects to cancel sooner.
- c) In the event that a timely and substantially complete notice is not provided by the insurer prior to the expiration date of the policy, coverage shall remain in effect:
 - (1) on the same *terms* and conditions of the expiring policy;
 - (2) for another *required policy period*; and
 - (3) at the lower of the current rates or the prior period's rates.

However, if the insurer has established the standards and procedures required by the law relating to notice requirements and the failure to comply with these standards and procedures is a result of inadvertance or clerical mistake, then the rates applicable to the remainder of the additional *required policy period* shall be the insurer's current rates at the *terms* and conditions of the expiring policy.

- d) The issuance of a late or incomplete **nonrenewal** notice by the insurer shall not create a new annual aggregate liability limit (if any) for the **covered policy**, except that the annual aggregate limit of the expiring policy shall be increased in proportion to the policy extension, including any additional **required policy period**, caused by the late or incomplete notice of **nonrenewal**.
- e) If the insurer provides a timely notice of **nonrenewal** and thereafter the insurer extends the policy for ninety days or less, an additional notice of **nonrenewal** is not required with respect to the extension period.
- 3b. **Conditional Renewal**-We may elect to **renew** or continue this policy under certain conditions. We may do so by delivering or mailing to **you** and **your** authorized agent or broker written notice.
- a) This notice must:
- (1) be delivered or mailed to **you** at least sixty but not more than one hundred twenty days in advance of the end of the **required policy period**;
 - (2) contain specific reason(s) for the conditional **renewal**;
 - (3) set forth the amount of any premium change if the increase is in excess of 10% unless the increase is due to increased insured values and/or increased coverages or is due to experience rating, retrospective rating or audit;
 - (4) set forth the nature of any proposed change(s) in the policy such as change(s) in limits, change(s) in type(s) of coverage(s), reduction(s) in coverage(s), increased deductible or the addition of an exclusion or exclusions;
 - (5) be delivered or mailed to the **named insured** at the address listed in the policy and to an authorized agent or broker of the **insured**. Proof of delivery or mailing is sufficient proof of notice; and
 - (6) include a statement advising the **first-named insured** that upon written request the company will provide loss information.
- b) Prior to the expiration date of the policy, in the event that an incomplete or late conditional **renewal** notice is provided by the insurer, the coverage under this policy shall remain in effect at:
- (1) the same **terms** and conditions of the expiring policy; and
 - (2) the lower of the current rates or the prior period's rates.
- until sixty days after the notice is delivered or mailed unless the **insured** elects to cancel sooner. However, if the **insured** elects to accept the **terms**, conditions and rates of the conditional **renewal** notice and renews the policy on that basis, then such **terms**, conditions and rates shall govern the policy upon expiration of such sixty-day period.
- c) In the event that a timely and substantially complete conditional **renewal** notice is not provided by the insurer prior to the expiration date of the policy, then coverage under the policy:
- (1) remains in effect for an additional **required policy period**;
 - (2) remains at the same **terms** and conditions as the expiring policy; and
 - (3) the rates for the additional **policy period** will be the lower of the current rates or the previous period's rates.
- However, if the insurer has established the standards and procedures required by law relating to notice requirements, and the failure to comply with these standards and procedures is a result of inadvertence or clerical mistake, then the rates applicable to the remainder of the additional **required policy period** shall be the **insured's** current rates at the **terms** and conditions of the expiring policy.
- d) The issuance of a late or incomplete conditional **renewal** notice by the insurer shall not create a new annual aggregate limit (if any) for the **covered policy**, except that the annual aggregate limit of the expiring policy shall be increased in proportion to the policy extensions including any additional **required policy period**, caused by the late or incomplete conditional **renewal** notice.
- However, if the **insured** accepts the **terms** of a conditional **renewal** offer, a new and annual aggregate shall become effective as of the inception date of the **renewal**.
- 3c. **Alternate Renewal Notice Procedure**-During the period of time the insurer is assessing its option(s) as to whether to nonrenew or conditionally renew a policy, the insurer must notify the **insured** and his/her authorized agent or broker.
- This notice must contain the following:
- (1) The notice must be delivered or mailed at least sixty days prior to the expiration date of the policy;
 - (2) The notice must be delivered or mailed to the **named insured** at the address in the policy and to an authorized agent or broker of the **insured**;
 - (3) The notice must advise the **insured** that the policy will be either nonrenewed or renewed at different **terms**, conditions or rates;
 - (4) The notice must advise the **insured** that a **SECOND NOTICE** will be sent at a later date;

- (5) The notice must advise the *insured* that coverage will continue at the same *terms*, conditions and rates until the later of:
 - (a) the expiration date; or
 - (b) 60 days after the *SECOND NOTICE* is delivered or mailed.
 - (6) The *SECOND NOTICE* sent to the *insured* must advise the *insured*:
 - (a) of the specific reason or reasons for *nonrenewal* or conditional *renewal*, and
 - (b) of the amount of any premium increase if the increase is in excess of 10% and the nature of any other proposed changes.
 - (7) The *SECOND NOTICE* must advise the *first-named insured* that he/she is entitled to loss information upon written request.
 - (8) If a substantially complete *SECOND NOTICE* is not delivered or mailed until after the expiration date of the policy, the *insured* is entitled to coverage under the policy:
 - (a) for an additional *required policy period*;
 - (b) at the same *terms* and conditions as the existing policy; and
 - (c) at the lower of the current rates or the rates of the previous period.

However, if the insurer has established the standards and procedures required by law relating to notice requirements and the failure to comply with these standards and procedures is a result of inadvertence or clerical mistake, then the rates applicable to the remainder of the additional *required policy period* shall be the *insured's* current rates at the *terms* and conditions of the expiring policy.
 - (9) No notice is necessary if the insurer receives a written notice from the *insured*, his/her authorized agent or broker, or another insurer that the policy is no longer desired or has been replaced.
- 3d. *Policies Written For A Term Of Less Than One Year*-For policies issued to an *insured* for a seasonal purpose or to a policy issued to cover a particular project that will be performed in less than one year, the following provisions apply:
- a) During the first sixty days such policy is in effect, no *cancellation* shall become effective until twenty days after written notice is delivered or mailed to the *insured* at the mailing address shown in the policy;
 - b) After a policy has been in effect for sixty days, no notice of *cancellation* shall become effective until fifteen days after notice is delivered or mailed and such *cancellation* is based on one or more of the statutory provisions set forth in this form.
 - c) After a policy has been in effect for sixty days, no premium increase for the *term* of the policy shall be made to become effective unless due to and commensurate with insured value added, subsequent to issuance pursuant to the policy or at the *insured's* request.
4. *Change, Modification, or Waiver of Policy Terms*-A waiver or change of any *terms* of this policy must be issued by *us* in writing to be valid.
 5. *Conformity with Statute-Terms* of this policy, in conflict with the statutes of the state where the premises described in the Declarations are located, are amended to conform to such statutes.
 6. *Misrepresentation, Concealment or Fraud*-This entire policy is void if, whether before or after a loss;
 - a) an *insured* has willfully concealed or misrepresented:
 - (1) any material fact or circumstance concerning this insurance; or
 - (2) an *insured's* interest.
 - b) there has been fraud or false swearing by an *insured* regarding any matter relating to this insurance or the subject.
 7. *Inspection and Audit*-*We* are permitted but not obligated to inspect *your* property and operations. *Our* inspection or any resulting advice or report does not warrant that *your* property or operations are safe or healthful or are in compliance with any law, rule or regulation.
We may examine and audit the *named insured's* books and records at any time during the policy period and extensions of the policy period and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.
 8. *Subrogation*.
 - a) If *we* make a payment under this policy, *we* may require that the *insured* assign to *us* his or her right of recovery against any person for the loss to the extent of the payment. The *insured* must do everything necessary to make this assignment and secure *our* rights.
 - b) *We* are not liable for any loss if an *insured* does anything after the loss occurs to impair *our* right to recover. *You* may waive *your* right of recovery in writing before a loss occurs without voiding the coverage.
 - c) If *we* pay a loss to or on behalf of an *insured* and the *insured* recovers damages from another person for the same loss, the *insured* shall hold the amount recovered in trust for *us* and shall reimburse *us*.

9. **Suit Against Us**-No *suit* may be brought against *us* to recover amounts due for *bodily injury* or *property damage* liability unless:
 - a) the *terms* of this policy have been fully complied with; and
 - b) The amount of any *insured's* liability has been conclusively fixed:
 - (1) by a final judgment against the *insured* following trial; or
 - (2) by written agreement of the *insured*, the claimant and *us*.

No person shall have any right under this policy to join or implead *us* in any action brought to determine an *insured's* liability.
10. **Bankruptcy of an Insured**-Bankruptcy or insolvency of any *insured* or his or her estate does not relieve *us* of any of *our* obligations under this policy.
11. **Policy Period**-This policy applies only to *bodily injury* or *property damage* which occurs during the policy period.
12. **Liberalization Clause**-If *we* change any form attached to *your* policy, *you* will benefit by any coverage that is broadened or extended. There must not be any increased premium charge for this change in endorsement. This change must occur during the period that this policy is in force or within 45 days prior to the effective date of coverage.
13. **Premium**-All premiums for this insurance shall be computed in accordance with *our* rules, rates, rating plans, premiums and minimum premiums applicable to the insurance.

Premium designated in this policy as "provisional premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each annual period (or part of the period terminating with the end of the policy period), the earned premium shall be computed for such period and, upon notice to the *named insured*, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, *we* shall return to the *named insured* the unearned portion paid by the *named insured*.

The *named insured* shall maintain records of such information as is necessary for premium computation and shall send copies of such records to *us* at the end of the policy period and at such times during the policy period as *we* may direct.
14. **Financial Responsibility Laws**-When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by this policy for *bodily injury* liability or for *property damage* liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law. The *insured* agrees to reimburse *us* for any payment made by *us* which it would not have been obligated to make under the *terms* of this policy except for the agreement contained in this paragraph.

NUCLEAR EXCLUSION:

1. This policy does not apply:
 - a) Under any Liability Coverage, to *bodily injury* or *property damage*:
 - (1) with respect to which an *insured* under this policy is also an *insured* under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, The Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada or any of their successors, or would be an *insured* under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) resulting from the *hazardous properties* of *nuclear material* and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any amending law, or (b) the *insured* is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any U.S. agency, under any agreement entered into by the United States of America, or any U.S. agency, with any person or organization.
 - b) Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to *bodily injury* resulting from the *hazardous properties* of *nuclear material* and arising out of the operation of a *nuclear facility* by any person or organization.
 - c) Under any Liability Coverage, to *bodily injury* or *property damage* resulting from the *hazardous properties* of *nuclear material*, if
 - (1) the *nuclear material* (a) is at any *nuclear facility* owned by, or operated by on behalf of an *insured*, or (b) has been discharged or dispersed;
 - (2) the *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an *insured*; or
 - (3) the *bodily injury* or *property damage* arises out of the furnishing by an *insured* of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility* but if such facility is located within the United States of America, its territories or possessions, or

Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.

2. Definitions Applicable to the Nuclear Energy Liability Exclusion.

- a) **Hazardous Properties**-include radioactive, toxic or explosive properties.
- b) **Nuclear Material**-means *source material, special nuclear material* or *by-product material*.
- c) **Source Material, Special Nuclear Material** and **By-product Material**-have the meanings given them in the Atomic Energy Act of 1954, or in any law amendatory thereof.
- d) **Spent Fuel**-means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.
- e) **Waste**-means any *waste* material:
 - (1) containing *by-product material* other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and
 - (2) resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.
- f) **Nuclear Facility**-means:
 - (1) any *nuclear reactor*.
 - (2) any equipment or device designed or used for:
 - (a) separating the isotopes of uranium or plutonium;
 - (b) processing or utilizing *spent fuel*; or
 - (c) handling, processing or packaging *waste*.
 - (3) any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the *insured* at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium-233 or any combination thereof, or more than 250 grams of uranium-235.
 - (4) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of *waste*; and includes the site on which any of the foregoing is located, all operations conducted on such sites, and all premises used for such operations.
- g) **Nuclear Reactor**-means any apparatus designed or used:
 - (1) to sustain nuclear fission in a self-supporting chain reaction; or
 - (2) to contain a critical mass of fissionable material.
- h) **Property Damage**-includes all forms of radioactive contamination of property.



CAUSES OF LOSS-COVERAGE A AND/OR B

WHAT WE COVER

We cover the described building(s) under Coverage A—Building and/or *business* property under Coverage B—*Business* Property when a limit of insurance for each coverage is shown on the Declarations and this form applies.

A. Covered Causes of Loss

When this form is attached to *your* policy, Covered Causes of Loss means the following:

1. **Fire or Lightning**—We cover loss or damage by fire or lightning.
We do not cover loss resulting from any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated. If fire ensues, we will only pay for the loss caused by such fire.
2. **Removal**—We cover removal meaning direct loss by removal of the property covered under *your* policy from premises endangered by the covered causes of loss.
3. **Explosion**—We cover loss or damage caused directly by explosion. This includes loss or damage caused by explosion of gas or fuel in the fire box, combustion chamber or flues.
We do not cover loss or damage caused by:
 - a. explosion of steam boilers, steam pipes, steam turbines or steam engines, if owned, leased by or operated under the control of the *insured*;
 - b. shock waves caused by aircraft, known as “sonic boom”;
 - c. electric arcing;
 - d. rupture or bursting of rotating or moving parts of machinery caused by centrifugal force or mechanical breakdown;
 - e. water hammer;
 - f. rupture or bursting of water pipes;
 - g. rupture, bursting or operating of pressure relief devices; or
 - h. rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.
4. **Windstorm or Hail**—We cover loss or damage caused directly by windstorm or hail.
We do not cover loss:
 - a. caused directly or indirectly by frost, cold weather, ice (other than hail), snow or sleet, all weather wind driven or not;
 - b. to the interior of a building, or to the property inside, caused by dust, rain, sand, sleet, snow or water, all whether wind driven or not. Loss caused by dust, rain, sand, sleet snow or water is covered if these elements enter through an opening in roof or walls resulting from damage caused by the direct force of wind or hail.
5. **Riot or Civil Commotion**—We cover loss or damage caused directly by riot or civil commotion. We also cover loss or damage resulting directly from pillage and looting which occurs during a riot or civil commotion where the riot or civil commotion is taking place. We also cover loss or damage caused by striking employees of the owner or tenants of the described buildings while occupying the described premises.
6. **Aircraft**—We cover loss or damage caused directly from actual physical contact of an aircraft with covered property.
The word aircraft includes spacecraft and self-propelled missiles.
We also cover objects falling from aircraft.
7. **Vehicles**—We cover loss or damage caused directly from actual physical contact of a vehicle or an object thrown by a vehicle with covered property.
We do not cover loss or damage caused by vehicles:
 - a. owned, leased or operated by *you* or by an occupant of the *insured premises*; or
 - b. to fences, driveways or walks.
8. **Smoke**—We cover sudden and accidental damage from smoke.
We do not cover loss or damage caused by smoke from agricultural smudging or industrial operations.
9. **Sinkhole Collapse**—We cover direct loss or damage caused by sudden settlement or collapse of earth supporting the covered property. The earth settlement or collapse must result from subterranean voids created by the action of water on limestone or similar rock formation.

We do not cover the value of land or the cost of filling sinkholes.

10. **Volcanic Action**-*We* cover direct loss or damage caused by volcanic action. This means airborne volcanic blast or airborne shock waves; ash, dust or particulate matter; or lava flow.

All volcanic eruptions that occur within any 72-hour period will constitute a single *occurrence*.

We do not cover removal of ash, dust or particulate matter that does not cause direct physical loss to the described property.

B. EXCLUSIONS THAT APPLY TO YOUR POLICY

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

For other Exclusions, Limitations and Property Not Covered which may effect *your* coverage, see Principal Coverages, Incidental Coverages, and other endorsements added to *your* policy.

1. **Business Interruption**-This means loss resulting from the interruption of *business*.
2. **Civil Authority**-This means loss, including seizure, confiscation or destruction of property, caused by the order of any civil authority. But *we* will pay for acts of destruction ordered by government authority and taken at the time of fire to prevent its spread if the fire would be covered under this coverage part.
3. **Earth Movement of any Kind**-This includes any earth movement (other than sinkhole collapse), such as earthquake, landslide, or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, *we* will pay for that resulting loss or damage.
4. **Neglect**-This means neglect by an *insured* to use all reasonable means to save covered property at and after the time of a loss. It also means neglect by any *insured* to use all reasonable means to save and preserve covered property when endangered by a covered cause of loss.
5. **Nuclear Clause**-This policy does not cover loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination, all whether directly or indirectly resulting from a covered cause of loss under this policy. But if loss or damage by fire results, *we* will pay for that resulting loss or damage.
6. **Ordinance or Law**-This means loss or increased cost resulting from enforcement of any code, ordinance or law regulating the use, construction, repair or demolition of a building or other structure, including the cost of removing its debris. When breakage of glass is covered by this policy, *we* pay to replace damaged glass with safety glazing materials where required by code, ordinance or law.
7. **Power Interruption**-This means loss from the interruption of power or other utility services resulting from any cause, whether insured under this policy or not, if interruption takes place away from the *insured premises*. *We* pay for loss to covered property by power interruption as the direct result of damage to covered property on premises caused by a covered cause of loss.
8. **Temperature-Humidity**-This means loss resulting from dampness, dryness, or changes in or extremes of temperatures.
9. **War**-This means undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, or destruction, seizure or use of property for a military purpose. It includes any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
10. **Water Damage**-This means loss caused by:
 - a. flood, surface water, waves, tides, tidal water or overflow of a body of water or spray from any of these all whether wind driven or not;
 - b. water which backs up through sewers or drains;
 - c. water below the surface of the ground pressing on or flowing or seeping through:
 - 1) foundations, walls, floors or paved surfaces;
 - 2) basements, whether paved or not; or
 - 3) swimming pools or other structures.

But if loss or damage by fire or explosion results *we* will pay for that resulting loss or damage.

11. **Wear and Tear**-This includes damage caused by marring or scratching, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself, mechanical breakdown, rust, wet or dry rot, corrosion, mold, contamination or smog. But if loss or damage is caused by the covered causes of loss, *we* will pay for that resulting loss or damage.
12. **Dishonest or Criminal Act**-This means loss caused by or resulting from any dishonest or criminal act by *you*, any of *your* partners, employees, directors, trustees, authorized representatives or anyone to whom *you* entrust the property for any purpose:
 - a. acting alone or in collusion with others; or
 - b. whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by *your* employees; but theft by employees is not covered.



AGREEMENT

This policy, subject to all of its *terms*, provides insurance against loss to property, and other described coverages during the policy period, in return for payment of the required premium. It consists of this Agreement, the Declarations, Supplemental Declarations (if any), the General Policy Provisions, Causes of Loss Section and any forms or endorsements made part of it, including any required state endorsement(s).

Endorsements attached to this policy may require a premium charge for increased or additional coverage. In the event *you* select a higher deductible amount or where certain exclusionary or limiting endorsements are added to *your* policy, *you* may receive a reduction in premium.

It is important that *you* read each part of this policy carefully to understand the coverage provided and *your* obligations as well as *our* obligations under the policy. Each coverage is subject to all policy *terms* relating to that coverage including the *terms* applicable to the entire policy. Coverages A & B described in this policy apply only if a limit of insurance is shown for the coverage on the Declarations or are added by endorsement.

The following Table of Contents shows how the policy is organized and will help *you* locate particular sections of the policy.

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GENERAL POLICY PROVISIONS

A. DEFINITIONS-The following definitions apply to this policy:

1. The words *you* and *your* refer to the person or entity named in the Declarations and the words *we*, *us* and *our* refer to the insurance company named in the Declarations.
2. **Business** means a trade, profession or other occupation including farming, all whether full or part time.
3. **Covered Policy** means a policy of commercial risk insurance, professional liability insurance or public entity insurance.
4. **Insured** means the person or entity named in the Declarations.
 - a. **Insured** means *you* or *your* legal representative. However, this person, *your* legal representative, is an **insured** only with respect to property covered by this insurance.
 - b. Each person listed above is a separate **insured** under this policy, but this does not increase *our* limit of insurance under this policy.
5. **Insured Premises**
 - a. If *you* own the building described in the Declarations, the **insured premises** means the building and the grounds at that location described in the policy.
 - b. If, at the location described in the policy, *you* lease the entire building or a portion of the building, **insured premises** means the parts of the described premises which are used or occupied exclusively by *you*.
6. **Nonpayment of Premium** means the failure of the **named insured** to discharge any obligation in connection with the payment of premiums on a policy of insurance or any installment of such premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit. Payment to the insurer, or to an agent or broker authorized to receive such payment shall be timely if made within fifteen days after the mailing to the **insured** of a notice of cancellation for **nonpayment of premium**.
7. **Renewal** or **to Renew** means the issuance or offer to issue by an insurer of a policy superseding a policy previously issued and delivered by the same insurer, or another insurer within the same group or under common management, or the issuance or delivery of a certificate or notice extending the term of a policy beyond its policy period or term. However, any policy with a policy period or term of less than one year shall be considered as if written for a policy period or term of one year, and any policy with no fixed expiration date or with a policy period or term of more than one year shall be considered as if written for successive policy periods or terms of one year.
8. **Required Policy Period** means a period of one year from the date a **covered policy** is renewed or first issued.
9. **Stock** means merchandise held in storage or for sale, raw materials, and in-process or finished goods, including supplies used in their packing or shipping.
10. **Terms** as used in this policy means provisions, limitations, exclusions, definitions and conditions.

B. PRINCIPAL COVERAGES-COVERAGE A-BUILDINGS AND COVERAGE B-BUSINESS PROPERTY

We provide insurance for the following coverages indicated by a specific limit of insurance on the Declarations page.

Coverage A-Building

This policy covers the building on the **insured premises** described on the Declarations Page which includes:

1. completed additions and attached extensions;
2. fire extinguishing apparatus;
3. floor coverings;
4. permanent fixtures, machinery and equipment forming a part of or pertaining to the services of the building or its premises;
5. personal property of the **insured** as landlord used to maintain or service the building including refrigerating, ventilating, cooking, dishwashing and laundering equipment;
6. shades and outdoor furniture;
7. If not covered by other insurance:
 - a. additions under construction, alterations and repairs to the building or structure;
 - b. materials, equipment, supplies and temporary structures on or within 100 feet of the described premises used for making additions, alterations or repairs to the building or structure.Additions, alterations and repairs are included within the Coverage A limit of insurance and do not increase the Coverage A limit of insurance.
8. If *you* own the described building, Coverage A—Building also includes:
 - a. storm doors, sash and screens;
 - b. awnings, canopies or their supports;

Coverage A does not cover:

1. antennas (outdoor), satellite antennas, their lead-in wiring, accessories, masts and towers;
2. awnings, canopies or their supports if *you* do not own the building;
3. driveways, parking lots, sidewalks or paved surfaces;
4. fences that are not a permanent part of the building;
5. foundations which are below the under surface of the lowest floor or below ground level if there is no basement, retaining walls that are not a part of the building, cost of excavations, or grading and filling;
6. land, including land on which the property is located;
7. outdoor signs;
8. personal property in apartments or rooms furnished by the *insured* as landlord;
9. pools, piers, docks and wharfs;
10. property which is more specifically insured in whole or in part by any other insurance except for the excess of the amount due (whether *you* can collect it or not) from that other insurance;
11. trees, plants, shrubs and lawns;
12. underground pipes, flues and drains;
13. vehicles or self propelled vehicles designed for use on public roads, aircraft, or watercraft, including motors, equipment and accessories;
14. water, either underground or surface water;
15. windmills, wind pumps, crop silos or metal smokestacks.

Coverage B-Business Property

This policy covers *your Business* Property in the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises. This includes:

1. furniture and fixtures;
2. machinery and equipment not servicing the building;
3. *stock*;
4. *your* interest in the property of others to the extent of the labor, materials or services furnished or arranged by *you* on such property;
5. *your* use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions;
 - a. made a part of the building or structure *you* occupy but do not own; and
 - b. *you* acquired or made at *your* expense but cannot legally remove;
6. all other *business* property owned by *you* and used in *your business*.

Coverage B does not cover the following property

(Limited coverage of some of these types of property is included in the Incidental Coverages).

1. accounts, bills, currency or deeds;
2. aircraft, including equipment and accessories;
3. animals, unless held as *stock* within the described building(s);
4. antennas (outdoor), satellite antennas, their lead-in wiring, accessories, masts and towers;
5. *automobiles*;
6. awnings, canopies or their supports if *you* own the building;
7. bullion and manuscripts;
8. *business* property away from the *insured premises*;
9. contraband, or property in the course of illegal transportation or trade;
10. standing crops;
11. electronic devices, accessories or antennas that may be operated from the electrical system of a motorized vehicle, farm equipment or watercraft. This includes films, tapes, wires, discs, records or other media for use with such devices;
12. evidences of debt;
13. fences;
14. household or personal property;
15. loss due to *business* interruption or delay;
16. money, credit card receipts and securities;
17. outdoor signs;
18. pools, piers, docks and wharfs;
19. property of others;

20. recreational vehicles, including equipment and accessories;
21. the cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media;
22. trees, plants, shrubs and lawns;
23. vehicles or self propelled vehicles designed for use on public roads;
24. watercraft, including motors, equipment and accessories.

C. INCIDENTAL COVERAGES

This policy also provides Incidental Coverages. These Incidental Coverages are subject to all of the *terms* of the applicable Principal Coverages, A or B. These Incidental Coverages do not increase the Limit of Insurance stated for the Principal Coverages.

1. **Removal.**

a. **Emergency Removal:**

(1) If *you* remove property covered by this policy from the *insured premises* to preserve it from damage from covered causes of loss, *we* pay for loss. Once removed, such property is covered against direct loss from covered causes of loss, not specifically excluded under this policy, for a period up to ten days. This coverage does not extend past the expiration date of the policy.

(2) *We* pay up to \$250 towing charge to move a covered mobile structure endangered by a covered cause of loss.

b. **Debris Removal-We** cover the cost of moving debris of the covered property caused by a covered cause of loss under this policy. This coverage does not include costs to:

- (1) extract pollutants from land or water; or
- (2) remove, restore or replace polluted land or water.

We will not pay any more under this debris removal coverage than 25 percent of the amount *we* pay for the direct loss or damage. *We* will not pay more for loss to property and debris removal combined than the limit of insurance for the property.

We will not pay any expenses unless they are reported to *us* within 180 days of the direct physical loss or damage to covered property.

2. **Repairs-We** cover the cost of repairs that are reasonable and necessary to protect covered property from further damage after damage resulting from a covered cause of loss. *We* will not pay more for loss to property and repairs combined than the limit of insurance for the property.

3. **Change of Location-When you** move to another location, the Coverage B limit of insurance applies pro rata at each location for 30 days from the date *you* begin to move but not extending past the expiration date of the policy. When *you* move, this Change of Location coverage applies in place of *your* coverage for property **While Away From The Insured premises.**

4. **While Away From the Insured Premises-**(This coverage applies only when an 80% or higher coinsurance provision is shown on the Declarations page).

You may apply up to 2% of the Coverage B limit of insurance, up to \$5,000 to *your business* property covered under this policy while temporarily at locations that *you* do not own, control, operate or lease.

This coverage applies only if loss or damage is caused by a cause of loss covered under this policy.

This coverage does not apply to:

- a. merchandise or *stock*;
- b. property held for rental;
- c. *your* business samples.

5. **Property of Others In Your Care, Custody or Control While On the Described Premises-**(This coverage applies only when an 80% or higher coinsurance provision is shown on the Declarations page or if the type of policy on the Declarations page is indicated as *Business* owners).

You may apply up to 2% of the Coverage B limit of insurance, up to \$2,500 to cover the *business* property of others or to customer's goods in *your* care, custody or control.

This coverage applies only if loss or damage is caused by a covered cause of loss.

This coverage shall apply as an additional limit of insurance.

This coverage is only for the benefit of the owners of *business* property or to the owners of customer's goods.

6. **Business Credit Card, Forgery and Counterfeit Money.**

We pay up to \$500 per loss but no more than \$1,000 during each *required policy period* for loss sustained by an *insured* when such *insured*:

- a. becomes legally obligated to pay for the unauthorized use of *credit cards* issued or registered in the *insured's* name;

- b. suffers a loss through the forgery or alteration of checks, drafts, certificates of deposit and notes including negotiable orders of withdrawal; or
- c. accepts in good faith counterfeit United States or Canadian paper currency.

We do not pay for loss if:

- a. the **insured** has not complied with the **terms** under which the **credit card** was issued;
- b. the loss is caused by the dishonesty of an **insured**;
- c. the loss occurs while a person, not an **insured**, has possession of the **credit card** with an **insured's** permission; or
- d. the loss involves a bank debit card or similar device used for the deposit, withdrawal or transfer of funds.

D. EXCLUSIONS AND LIMITATIONS THAT APPLY

For Exclusions, Limitations and Property Not Covered which may affect **your** coverage, see Principal Coverages, Incidental Coverages, the Causes of Loss Section and other endorsements added to **your** policy.

Coverage for some excluded or limited causes of loss may be available at an additional cost.

E. CONDITIONS THAT SUSPEND INSURANCE

1. **Your** insurance is suspended when any hazard is increased by any means within **your** knowledge or control.
2. **Your** insurance is suspended while a described building is vacant or unoccupied beyond a period of sixty consecutive days.

F. HOW MUCH WE PAY FOR LOSS OR CLAIM

Settlement of property losses covered by this policy shall be made in accordance with the following provisions.

1. Property losses will be settled on the basis of the lesser of the following amounts:
 - a. the applicable limit of insurance;
 - b. the amount of **your** interest in the property;
 - c. the actual cash value of the property at the time of loss including an appropriate deduction for depreciation however caused;
 - d. the cost of repairing or replacing the property with materials of equivalent kind and quality to the extent practicable;
 - e. the amount computed after applying the deductible or other limitation applicable to the loss; or
 - f. (applies to mobile homes only at **your** option) the amount equal to the difference between the actual cash value of the property immediately before the loss and its actual cash value immediately after the loss.
2. **Coinsurance**.

If a coinsurance percentage applicable to a particular building and/or **business** property is shown on the Declarations Page, then the following coinsurance provision applies to **your** policy:

Coinsurance Provision.

We require that **you** maintain a minimum limit of insurance when a coinsurance percentage is shown on the Declarations Page. If there is more than one building and/or **business** property designated on the Declarations Page as having coinsurance applicable, then the minimum insurance requirement applies separately to each building and/or **business** property.

The minimum limit of insurance required is the actual cash value of the insured property at the time of loss multiplied by the coinsurance percentage.

If the limit of insurance at the time of loss is less than the minimum limit of insurance required, **we** will pay only a part of the loss. **Our** part of the loss will be determined by dividing the limit of insurance on the property by the minimum limit of insurance required.

EXAMPLE—If **you** DO NOT maintain the required limit of insurance:

(NOTE: This example does not include a deductible).

a. Actual Cash Value	\$100,000
b. Coinsurance Percentage	80%
c. Minimum Limit of Insurance Required (\$100,000 x 80%)	\$ 80,000
d. Limit of Insurance (Amount shown on Declarations Page)	\$ 60,000
e. Amount of Loss as established under the provisions of 1. Above	\$ 20,000

In this example, **we** would pay **you** \$15,000. **We** arrive at this payment figure as follows:

1. **Our** part of the loss is 75%. (d. limit of insurance \$60,000 divided by c. limit of insurance required \$80,000).
2. \$20,000 loss is then multiplied by the 75% percent figure computed in step 1. to arrive at the part of the loss **we** will pay.
3. The uninsured loss is \$5,000.

NOTE: Under Coverage A—Building and Coverage B—**Business** Property the Incidental Coverages described in this policy shall NOT be considered in determining the actual cash value when applying the Coinsurance Provision.

3. **Replacement Cost Provision.**

If the Replacement Cost Provision (Form SF-27) is attached to this policy then losses to buildings and/or **business** property designated on that form shall be settled in accordance with the provisions contained in that form.

4. **Loss to a Pair or Set**-If there is loss to an article which is part of a pair or set, **we** are only liable for a reasonable proportion of the value of the entire pair or set, and the loss is not considered a total loss of the pair or set.

5. **Tenant's Improvements and Betterments**-will be valued at:

- a. actual cash value of the lost or damaged property if repaired or replaced at **your** expense within a reasonable time.
- b. a portion of **your** original cost if **you** do not make repairs. **We** will determine the proportionate value in the following manner:
 - (1) multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (2) divide the amount determined in (1) above by the number of days from the installation of improvements to the expiration of the lease.

If **your** lease contains a **renewal** option, the expiration of the **renewal** option period will replace the expiration of the lease in this procedure.

- c. nothing if others pay for repairs or replacement.

6. **Deductible.**

The deductible applies to the following:

- a. Coverage A—Building.
- b. Coverage B—**Business** Property.
- c. Incidental Coverages.
- d. All additional property coverages added by endorsement.

The deductible applies to all covered causes of loss unless otherwise stated in the Declarations or any endorsement.

- e. **We** pay only that part of the loss over the deductible stated in the Declarations or endorsement. Not more than one deductible applies per loss but:
 - 1) If this policy covers more than one building, the deductible applies separately to each building.
 - 2) If this policy covers only **business** property, the deductible applies separately to **business** property in each building.
- f. If coverage is otherwise restricted by special limits of insurance, **our** liability must be separately computed under both the deductible and the special limit of insurance. **We** pay the lesser of the two amounts.
- g. If the same deductible amount applies to **your** building, and **business** property within that building, one deductible shall apply to the loss for the building and **business** property within that building; otherwise, the higher of any applicable deductible shall apply.

7. **Insurance Under More Than One Coverage**-If more than one coverage of this policy insures the same loss. **we** pay no more than the actual claim, loss or damage sustained.

8. **Insurance Under More Than One Policy.**

- a. **You** may have other insurance subject to the same plan, **terms**, conditions and provisions as the insurance under this policy. If **you** do, **we** will pay **our** share of the covered loss or damage. **Our** share is the proportion that the applicable Limit of Insurance under this policy bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same loss or damage, other than that described in a. above, **we** will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether **you** can collect on it or not. But **we** will not pay more than the applicable Limit of Insurance.

9. **Restoration of Limit of Insurance**-Any loss **we** pay under this policy does not reduce the limits of insurance applying to a later loss.

G. PAYMENT OF LOSS OR CLAIM

1. In the event of loss or damages to property covered under this policy **we** will:
 - a. pay the loss in money;
 - b. rebuild, repair or replace with property of equivalent kind and quality, to the extent practicable, within a reasonable time.

c. take all or any part of damaged property at the agreed or appraised value. Any property paid for or replaced shall become **our** property.

We will give notice of **our** intent to rebuild, repair or replace within 30 days after receipt of a duly executed proof of loss.

2. **Your Property-We** will adjust all losses with **you**. An insured loss will be payable after a satisfactory proof of loss is received, and the amount of the loss has been established either by written agreement with **you** or the filing of an appraisal award with **us**. Payment will be made to **you** unless another loss payee is named in the policy.

3. **Property of Others**-Losses to property of others may be adjusted with **you**. **We** reserve the right to adjust with and pay to the owners. Payment to the owners satisfies **our** obligation to **you** for loss to this property. **We** may also choose to defend **you** against any **suits** arising from claims of the owners of property.

4. **Liens for Unpaid Taxes.**

We are required by the Insurance Law to deduct the claim of any tax district from the amount **we** pay **you** for a loss by fire.

To the extent **we** pay any tax district the amount certified as **your** unpaid taxes, **we** are no longer obligated to pay this amount to **you**.

Our payment of such claim to the tax district within 30 days of the receipt of a certificate of lien shall be considered by **you** and **us** that such claim was valid and properly paid.

H. WHAT YOU MUST DO IN CASE OF LOSS

1. **Notice.**

a. In case of a loss or if **you** become aware of anything that indicates there might be a claim under this policy, **you** must:

- (1) promptly give **us** or **our** agent notice (in writing if requested);
- (2) promptly notify the police when the act causing the loss is also a violation of law.

b. The notice to **us** must state:

- (1) **your** name, the kind of policy, policy number and the time, place and circumstances of the loss; and
- (2) names and addresses of any potential witnesses.

2. **Protect Property-You** must take all reasonable steps to protect covered property at and after an insured loss to avoid further damage. **We** pay for repairs which are reasonable and necessary to protect the property from further damage, provided **you** keep an accurate record of such expenses. These payments do not increase the limit of insurance otherwise applicable to the loss.

3. **Cooperation-You** must cooperate with **us** in performing all acts required by this policy.

4. **Volunteer Payments-You** must not, except at **your** own cost, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses.

5. **Proof of Loss-You** must submit to **us** a proof of loss (sworn to by **you** if requested) within 60 days after the loss or accident containing the following information:

- (1) the time, place and circumstances of loss;
- (2) **your** interest and the interests of all others in the property involved, including all mortgages and liens on the covered property;
- (3) other policies of insurance that may cover the loss on the property;
- (4) changes in title or occupancy of the property during the policy period;
- (5) available plans and specifications of buildings or structures;
- (6) detailed estimates for repair of the damage; and
- (7) if requested, an inventory of damaged personal property showing in detail the quantity, description, cost, actual cash value and amount of loss. **You** must attach to the inventory copies of all bills, receipts and related documents that substantiate the inventory.

6. **Additional Duties-You** must:

- a. if requested, submit to examination under oath at such times as may be reasonably required about any matter relating to this insurance or **your** claim, including **your** books and records. In such event, **your** answers must be signed;
- b. exhibit the damaged property as often as **we** reasonably request;
- c. produce records, including tax returns and bank microfilms of all cancelled checks, relating to value, loss and expenses and permit copies and extracts to be made of them as often as **we** reasonably request;
- d. assist in enforcing any right of recovery which **you** may have against any party causing the loss.

I. POLICY CONDITIONS

In addition to the policy **terms** which are contained in other sections of this policy, the following conditions also apply.

1. **Assignment**-Assignment of this policy is not valid without **our** written consent.

2. **Cancellation.**

- a. **By You-You** may cancel this policy at any time by giving **us** written notice or returning the policy to **us** and stating when thereafter the **cancellation** is to be effective.
- b. **By Us-We** may cancel this policy by written notice delivered to or mailed to **you** at the address shown in the policy (and to **your** authorized agent or broker if required). Proof of delivery or mailing is sufficient proof of notice.

This notice must be delivered or mailed the required number of days prior to the effective date of the **cancellation**. For a description of the number of days of required notice, refer to: (1) **Nonpayment of premium**, (2) **New Policy** or (3) **All Other Situations**.

c. **When We May Cancel-We** may cancel this policy under the following conditions:

- (1) **Nonpayment of Premium**-If the premium has not been paid when due, **we** may cancel at any time by delivering or mailing to **you** the required notice at least fifteen days before cancellation is effective. Payment by **you** to the insurer, or to an agent or broker authorized to receive such payment, shall be considered timely if made within fifteen days after the mailing to **you** of a notice of cancellation for **nonpayment of premium**.
- (2) **New Policy**-If this is a new policy which has been in effect less than sixty days, **we** may cancel for any reason by delivering or mailing the required notice to the first named **insured** at the mailing address shown in the policy at least twenty days before cancellation is effective. If upon review during this time period **we** find that a statutory provision/provisions for cancellation applies/apply, **we** may cancel this policy by mailing written notice to the first named **insured** at the mailing address shown in the policy at least fifteen days before cancellation is effective.
- (3) **All Other Situations**-After a **covered policy** has been in effect for sixty days, or upon the effective date if such policy is a **renewal**, no notice of cancellation shall become effective until fifteen days after notice is delivered or mailed to the **insured** and such cancellation is based on one or more of the following statutory provisions:
 - (A) **Nonpayment of premium**;
 - (B) Conviction of a crime arising out of acts increasing the hazard insured against;
 - (C) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim thereunder;
 - (D) After issuance of the policy or after the last **renewal** date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against and which occurred subsequent to inception of the current policy period;
 - (E) Material physical change in the property insured, occurring after issuance or last annual **renewal** anniversary date of the policy, which results in the property becoming uninsurable in accordance with the insurer's objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
 - (F) Required pursuant to a determination by the superintendent that continuation of the present premium volume of the insurer would jeopardize that insurer's solvency or be hazardous to the interests of policyholders of the insurer, its creditors or the public;
 - (G) A determination by the superintendent that the continuation of the policy would violate or would place the insurer in violation of the law;
 - (H) Where the insurer has reason to believe, in good faith and with sufficient cause, that there is a probable risk or danger that the **insured** will destroy, or permit to be destroyed, the **insured** property for the purpose of collecting the insurance proceeds, provided, however, that:
 - (i) a notice of cancellation on this ground shall inform the **insured** in plain language that the **insured** must act within ten days if review by the Insurance Department of the ground for **cancellation** is desired pursuant to item (iii) of this subparagraph (H); and
 - (ii) notice of cancellation on this ground shall be provided simultaneously by the insurer to the Insurance Department; and
 - (iii) upon written request of the **insured** made to the department within ten days from the **insured's** receipt of notice of cancellation on this ground, the Insurance Department shall undertake a review of the ground for cancellation to determine whether or not the insurer has satisfied the criteria for cancellation specified in this subparagraph; if after such review the department finds

no sufficient cause for **cancellation** on this ground, the notice of cancellation on this ground shall be deemed null and void.

(I) With respect to professional liability insurance policies, revocation or suspension of the **insured's** license to practice his/her profession or, if the **insured** is a hospital, it no longer possesses a valid operating certificate under section twenty-eight hundred one-a of the public health law.

- d. **We** refund the premium for the unexpired policy period on a pro rata basis.
- e. **Refund of Premium**-Payment or tender of unearned premium is not a condition of cancellation. If the unearned premium is not refunded with the cancellation notice, it will be sent to **you** within a reasonable time.
- f. **Loss Notice**-The company must advise the first named **insured** that he/she is entitled to loss information upon written request.

3. **Renewal/Nonrenewal.**

3a. **Nonrenewal**-**We** may elect not **to renew** or continue this policy by delivering or mailing to **you** and **your** authorized agent or broker written notice of **our** intent not **to renew**.

a. Such notice must:

- (1) be given at least sixty but not more than one hundred twenty days in advance of the end of the **required policy period**.
- (2) state **our** specific reason(s) for nonrenewal.
- (3) be delivered or mailed to **you** at the address shown in the policy and to **your** authorized agent or broker. Proof of delivery or mailing is sufficient proof of notice.
- (4) Loss Notice—The company must advise the first named **insured** that he/she is entitled to loss information upon written request.
- (5) Requirements for nonrenewal shall not apply if the named **insured**, or an agent or broker authorized by the named **insured**, or another insurer of the named **insured** has delivered or mailed written notice that the policy has been replaced or is no longer desired.

b. Prior to the expiration date of this policy, in the event that a late nonrenewal notice is provided by the insurer, the coverage under this policy shall remain in effect:

- (1) at the same **terms** and conditions contained in the expiring policy; and
- (2) at the lower of the current rates or the prior period's rates until sixty days after the notice is delivered or mailed unless the **insured** elects to cancel sooner.

c. In the event that a timely and substantially complete notice is not provided by the insurer prior to the expiration date of the policy, coverage shall remain in effect:

- (1) on the same **terms** and conditions of the expiring policy;
- (2) for another **required policy period**; and
- (3) at the lower of the current rates or the prior period's rates.

However, if the insurer has established the standards and procedures required by the law relating to notice requirements and the failure to comply with these standards and procedures is a result of inadvertence or clerical mistake, then the rates applicable to the remainder of the additional **required policy period** shall be the insurer's current rates at the **terms** and conditions of the expiring policy.

d. The issuance of a late or incomplete nonrenewal notice by the insurer shall not create a new annual aggregate liability limit (if any) for the **covered policy**, except that the annual aggregate limit of the expiring policy shall be increased in proportion to the policy extension, including any additional **required policy period** caused by the late or incomplete notice of nonrenewal.

e. If the insurer provides a timely notice of nonrenewal and thereafter the insurer extends the policy for ninety days or less, an additional notice of nonrenewal is not required with respect to the extension period.

3b. **Conditional Renewal**-**We** may elect **to renew** or continue this policy under certain conditions. **We** may do so by delivering or mailing to **you** and **your** authorized agent or broker written notice.

a. This notice must:

- (1) be delivered or mailed to **you** at least sixty but not more than one hundred twenty days in advance of the end of the **required policy period**;
- (2) contain specific reason(s) for the conditional **renewal**;
- (3) set forth the amount of any premium change if the increase is in excess of 10% unless the increase is due to increased insured values and/or increased coverages or is due to experience rating, retrospective rating or audit;
- (4) set forth the nature of any proposed change(s) in the policy such as change(s) in limits, change(s) in type(s) of coverage(s), reduction(s) in coverage(s), increased deductible or the addition of an exclusion or exclusions;

- (5) be delivered or mailed to the named *insured* at the address listed in the policy and to an authorized agent or broker of the *insured*. Proof of delivery or mailing is sufficient proof of notice; and
 - (6) include a statement advising the first named *insured* that upon written request the company will provide loss information.
- b. Prior to the expiration date of the policy, in the event that an incomplete or late conditional *renewal* notice is provided by the insurer, the coverage under this policy shall remain in effect at:
- (1) the same *terms* and conditions of the expiring policy, and
 - (2) the lower of the current rates or the prior period's rates until sixty days after the notice is delivered or mailed unless the *insured* elects to cancel sooner.

However, if the *insured* elects to accept the *terms*, conditions and rates of the conditional *renewal* notice and renews the policy on that basis, then such *terms*, conditions and rates shall govern the policy upon expiration of such sixty-day period.

- c. In the event that a timely and substantially complete conditional *renewal* notice is not provided by the insurer prior to the expiration date of the policy, then coverage under the policy:
- (1) remains in effect for an additional *required policy period*;
 - (2) remains at the same *terms* and conditions as the expiring policy; and
 - (3) the rates for the additional *policy period* will be the lower of the current rates or the previous period's rates.

However, if the insurer has established the standards and procedures required by law relating to notice requirements, and the failure to comply with these standards and procedures is a result of inadvertence or clerical mistake, then the rates applicable to the remainder of the additional *required policy period* shall be the *insured's* current rates at the *terms* and conditions of the expiring policy.

- d. The issuance of a late or incomplete conditional *renewal* notice by the insurer shall not create a new annual aggregate limit (if any) for the *covered policy*, except that the annual aggregate limit of the expiring policy shall be increased in proportion to the policy extensions including any additional *required policy period*, caused by the late or incomplete conditional *renewal* notice.

However, if the *insured* accepts the *terms* of a conditional *renewal* offer, a new annual aggregate shall become effective as of the inception date of the *renewal*

- 3c. **Alternate Renewal Notice Procedure**-During the period of time the insurer is assessing its option(s) as to whether to nonrenew or conditionally renew a policy, the insurer must notify the *insured* and his/her authorized agent or broker.

This notice must contain the following:

- (1) The notice must be delivered or mailed at least sixty days prior to the expiration date of the policy;
- (2) The notice must be delivered or mailed to the named *insured* at the address in the policy and to an authorized agent or broker of the *insured*;
- (3) The notice must advise the *insured* that the policy will be either nonrenewed or renewed at different *terms*, conditions or rates;
- (4) The notice must advise the *insured* that a **SECOND NOTICE** will be sent at a later date;
- (5) The notice must advise the *insured* that coverage will continue at the same *terms*, conditions and rates until the later of:
 - (a) the expiration date, or
 - (b) 60 days after the **SECOND NOTICE** is delivered or mailed.
- (6) The **SECOND NOTICE** sent to the *insured* must advise the *insured*:
 - (a) of the specific reason or reasons for *nonrenewal* or conditional *renewal*, and
 - (b) of the amount of any premium increase if the increase is in excess of 10% and the nature of any other proposed changes.
- (7) The **SECOND NOTICE** must advise the first named *insured* that he/she is entitled to loss information upon written request.
- (8) If a substantially complete **SECOND NOTICE** is not delivered or mailed until after the expiration date of the policy, the *insured* is entitled to coverage under the policy:
 - (a) for an additional *required policy period*;
 - (b) at the same *terms* and conditions as the existing policy; and
 - (c) at the lower of the current rates or the rates of the previous period.

However, if the insurer has established the standards and procedures required by law relating to notice requirements and the failure to comply with these standards and procedures is a result of inadvertence or clerical mistake, then the rates applicable to the remainder of the additional *required policy period* shall be the *insured's* current rates at the *terms* and conditions of the expiring policy.

- (9) No notice is necessary if the insurer receives a written notice from the *insured*, his/her authorized agent or broker, or another insurer that the policy is no longer desired or has been replaced.
- 3d. **Policies Written For A Term Of Less Than One Year**-For policies issued to an *insured* for a seasonal purpose or to a policy issued to cover a particular project that will be performed in less than one year, the following provisions apply:
- During the first sixty days such policy is in effect, no cancellation shall become effective until twenty days after written notice is delivered or mailed to the *insured* at the mailing address shown in the policy;
 - After a policy has been in effect for sixty days, no notice of cancellation shall become effective until fifteen days after notice is delivered or mailed and such cancellation is based on one or more of the statutory provisions set forth in this form.
 - After a policy has been in effect for sixty days, no premium increase for the term of the policy shall be made to become effective unless due to and commensurate with insured value added, subsequent to issuance pursuant to the policy or at the *insured's* request.
4. **Change, Modification or Waiver of policy Terms**-A waiver or change of any *terms* of this policy must be issued by *us* in writing to be valid. *Our* request for an appraisal or examination under oath does not waive any of *our* rights.
If *we* adopt any revision of forms or endorsements during a policy period which would broaden coverage under this policy without additional premium, the broadened coverage will automatically apply to this policy. If this policy is issued on a continuous basis (with no specified expiration date), *we* may substitute or add, upon any anniversary date, forms or endorsements which are authorized for use on this policy in accordance with *our* manual rules in effect at the time.
5. **Conformity with Statute-Terms** of this policy, in conflict with the statutes of the state where the premises described in the Declarations are located, are amended to conform to such statutes.
6. **Misrepresentation, Concealment or Fraud**-This entire policy is void if, whether before or after a loss:
- An *insured* has willfully concealed or misrepresented:
 - any material fact or circumstance concerning this insurance; or
 - an *insured's* interest herein.
 - There has been fraud or false swearing by an *insured* regarding any matter relating to this insurance or the subject thereof.
 - The notice provisions of Section 3426 of the Insurance Law shall apply to this condition.
7. **Inspection**-*We* are permitted but not obligated to inspect *your* property and operations. *Our* inspection or any resulting advice or report does not warrant that *your* property or operations are safe or healthful or are in compliance with any law, rule or regulation.
8. **Policy Premium**-If this policy is issued without a specified expiration date, it may be continued by payment of the required premium for the next annual period. The premium must be paid to *us* on or before each anniversary date. The policy expires on any anniversary date that the premium has not been received by *us*. Premium is subject to adjustment on the basis of the rates in effect at each anniversary date.
9. **Recoveries**-If *we* pay an *insured* for loss under this policy, and lost or damaged property is recovered or payment is made by those responsible for the loss, the following provisions apply:
- The *insured* must notify *us* or *we* will notify the *insured* promptly if either recovers property or receives payment.
 - Any proper expenses incurred by either party in making the recovery are reimbursed first.
 - The *insured* may keep recovered property by refunding to *us* the amount of the claim paid or any lesser amount to which *we* agree.
 - If the claim paid is less than the agreed loss due to a deductible, special limit of liability or other limiting *terms* of the policy, any recovery will be pro-rated between the *insured* and *us* based on *our* respective interests in the loss.
10. **Subrogation**
- If *we* make a payment under this policy, *we* may require that the *insured* assign to *us* his or her right of recovery against any person for the loss to the extent of the payment. The *insured* must do everything necessary to make this assignment and secure *our* rights.
 - We* are not liable for any loss if an *insured* does anything after the loss occurs to impair *our* right to recover. *You* may waive *your* right of recovery in writing before a loss occurs without voiding the coverage.
 - If *we* pay a loss to or on behalf of an *insured* and the *insured* recovers damages from another person for the same loss, the *insured* shall hold the amount recovered in trust for *us* and shall reimburse *us* as provided under Recoveries.
11. **Suit Against Us**-No *suit* to recover for any property claim may be brought against *us* unless:

- a. the *terms* of this policy have been fully complied with; and,
 - b. the *suit* is commenced within 2 years after the loss. If any law of the state where the premises described in the Declarations are located makes this limitation invalid, then *suit* must begin within the shortest period permitted by the law.
12. **Abandonment of Property**-We may take the property or any part of it at the agreed or appraised value, but an *insured* may not abandon the covered property to *us* unless *we* specifically agree.
13. **Appraisal**-If *you* and *we* do not agree on the cost to repair or replace, actual cash value of or amount of loss to covered property when loss occurs, either party may demand that these amounts be determined by appraisal. If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, *you* or *we* can ask a judge of a court of record in the state where the property is located to select an umpire. The appraisers will then determine the amount of the damage stating separately, in detail: the cost to repair or replace, actual cash value of, and amount of loss to each building item and item of personal property. If the appraisers submit a written report of any agreement to *us*, the amount agreed upon will be the amount of damage or value. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three sets the cost to repair or replace, actual cash value of and amount of loss to each item. Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by *you* and *us*.
14. **No Benefit to Bailee**-Insurance under this policy shall not directly or indirectly benefit any hired carrier or anyone else who is paid for assuming custody of covered property.
15. **Secured Party Coverage**-Applies Only to Coverage on **Business** Property.
(This entire clause is void unless the name of a secured party is inserted in the Declarations or the Supplemental Declarations. This clause applies only to the interest of a secured party and does not affect the *insured's* rights or duties under the policy).
If a secured party is named in this policy, any loss payable on property subject to the security interest shall be payable to the secured party and *you* as interest may appear. If there is more than one security interest in the same property, the order of payment shall be the same as their order of priority.
If *we* deny *your* claim, that denial shall not apply to a valid claim of a secured party if such party has:
- a. notified *us* of any change in ownership, occupancy or substantial change in risk of which the secured party became aware;
 - b. paid any premium due under the policy on demand if *you* have not made such payment; and
 - c. submitted a signed, sworn proof of loss within 60 days if an *insured* has failed to do so.
- Policy conditions relating to Appraisal, **Suit Against Us** and Loss Payment apply to the secured party. If the policy is canceled by *us*, the secured party shall be notified at least 15 days before the date cancellation takes effect. If *we* pay the secured party for any loss for which *we* have denied payment to *you*:
- a. *we* are subrogated to all the rights of the secured party granted under the security agreement; or
 - b. at *our* option *we* may pay the secured party the remaining amount due on the security agreement plus interest and receive a full assignment of the security agreement and any securities held as collateral for the agreement.
- However, the secured party's interest is not covered for conversion, embezzlement or secretion by an *insured* in possession of the encumbered property, unless specifically insured against and premium paid for such.
16. **Mortgage Clause**-Applies only to Coverage on Buildings
(This entire clause is void unless the name of the mortgagee (mortgage holder), or trustee under a trust deed, is inserted in the Declarations. This clause applies only to the mortgagee (or trustee) and does not affect *your* rights or duties under this policy).
- a. *We* will pay for loss or damage to buildings to each mortgagee shown on the Declarations and to *you* as interests may appear. If more than one mortgagee is named in the Declarations, they shall be paid in order of priority.
 - b. The mortgagee is entitled to receive loss payment even if the mortgagee has started foreclosure or other similar proceedings on the building or structure.
 - c. The insurance for the mortgagee continues in effect even when *your* insurance may be void because of *your* acts, neglect or failure to comply with policy *terms* provided that the mortgagee:
 - (1) Pays any premium due under this policy at *our* request insofar as *you* have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from *us* of *your* failure to do so; and

(3) Notifies *us* of any change in ownership, occupancy or substantial change in risk known to the mortgagee.

If all of these conditions are met, then the *terms* of this policy will apply directly to the mortgagee.

- d. If *we* pay the mortgagee for a loss where *your* insurance may be void as a result of *your* acts, neglect or failure to comply with policy *terms* then:
- (1) The mortgagee's rights under the mortgage will be transferred to *us* to the extent of the amount *we* pay; and
 - (2) The mortgagee's right to recover the remainder of the mortgage debt from *you* will not be impaired. At *our* option, *we* may pay the mortgagee the remaining principal and accrued interest in return for a full assignment of the mortgagee's interest and any instruments given as security for the mortgage debt.
- e. If *we* cancel this policy, *we* will give written notice to the mortgagee at least:
- (1) 10 days before the effective date of cancellation if *we* cancel for *nonpayment of premium* or other statutory reasons; or
 - (2) 30 days before the effective date of cancellation if *we* cancel for any other reason.
- f. If *we* do not renew this policy, *we* will give written notice to the mortgagee at least 10 days before the expiration of this policy.



**Certificate of Attestation of Exemption
From New York State Workers' Compensation
and/or Disability Benefits Insurance Coverage**

****This form cannot be used to waive the workers' compensation rights or obligations of any party.****

The applicant may use this Certificate of Attestation of Exemption **ONLY** to show a government entity that New York State specific workers' compensation and/or disability benefits insurance is not required. The applicant may **NOT** use this form to show another business or that business's insurance carrier that such insurance is not required.

Please provide this form to the government entity from which you are requesting a permit, license or contract. This Certificate will not be accepted by government officials one year after the date printed on the form.

<p align="center">In the Application of (Legal Entity Name and Address):</p> <p>STRATHMORE HUNTLEY GROUP, LLC 127 STOLP AVENUE SYRACUSE, NY 13207 PHONE: 315-308-0590 FEIN: XXXXX5574</p>	<p align="center">Business Applying For: Contract with Government Agency</p> <p>From: ONONDAGA COUNTY AND CITY OF SYRACUSE</p>
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Workers' Compensation Exemption Statement:

The above named business is certifying that it is **NOT REQUIRED TO OBTAIN NEW YORK STATE SPECIFIC WORKERS' COMPENSATION INSURANCE COVERAGE** for the following reason:
The business is a LLC, LLP, PLLP or a RLLP; OR is a partnership under the laws of New York State and is not a corporation. Other than the partners or members, there are no employees, day labor, leased employees, borrowed employees, part-time employees, unpaid volunteers (including family members) or subcontractors.

Partners / Members: MARGARET CARRILLO-SHERIDAN, BRENDA COLELLA, GARTH COVIELLO, JOHN LACEY

Disability Benefits Exemption Statement:

The above named business is certifying that it is **NOT REQUIRED TO OBTAIN NEW YORK STATE STATUTORY DISABILITY BENEFITS INSURANCE COVERAGE** for the following reason:
The business **MUST** be either: 1) owned by one individual; OR 2) is a partnership (including LLC, LLP, PLLP, RLLP, or LP) under the laws of New York State and is not a corporation; OR 3) is a one or two person owned corporation, with those individuals owning all of the stock and holding all offices of the corporation (in a two person owned corporation each individual must be an officer and own at least one share of stock); OR 4) is a business with no NYS location. In addition, the business does not require disability benefits coverage at this time since it has not employed one or more individuals on at least 30 days in any calendar year in New York State. (Independent contractors are not considered to be employees under the Disability Benefits Law.)

I, BRENDA D. COLELLA, am the Member with the above-named legal entity. I affirm that due to my position with the above-named business I have the knowledge, information and authority to make this Certificate of Attestation of Exemption. I hereby affirm that the statements made herein are true, that I have not made any materially false statements and I make this Certificate of Attestation of Exemption under the penalties of perjury. I further affirm that I understand that any false statement, representation or concealment will subject me to felony criminal prosecution, including jail and civil liability in accordance with the Workers' Compensation Law and all other New York State laws. By submitting this Certificate of Attestation of Exemption to the government entity listed above I also hereby affirm that if circumstances change so that workers' compensation insurance and/or disability benefits coverage is required, the above-named legal entity will immediately acquire appropriate New York State specific workers' compensation insurance and/or disability benefits coverage and also immediately furnish proof of that coverage on forms approved by the Chair of the Workers' Compensation Board to the government entity listed above.

SIGN HERE	Signature: <i>Brenda Colella</i>	Date: 04-13-15
Exemption Certificate Number 2015-021494		Received April 13, 2015 NYS Workers' Compensation Board



AGREEMENT

This policy, subject to all of its *terms*, provides insurance against loss to property, and other described coverages during the policy period, in return for payment of the required premium. It consists of this Agreement, the Declarations, Supplemental Declarations (if any), the General Policy Provisions, Causes of Loss Section and any forms or endorsements made part of it, including any required state endorsement(s).

Endorsements attached to this policy may require a premium charge for increased or additional coverage. In the event *you* select a higher deductible amount or where certain exclusionary or limiting endorsements are added to *your* policy, *you* may receive a reduction in premium.

It is important that *you* read each part of this policy carefully to understand the coverage provided and *your* obligations as well as *our* obligations under the policy. Each coverage is subject to all policy *terms* relating to that coverage including the *terms* applicable to the entire policy. Coverages A & B described in this policy apply only if a limit of insurance is shown for the coverage on the Declarations or are added by endorsement.

The following Table of Contents shows how the policy is organized and will help *you* locate particular sections of the policy.

TABLE OF CONTENTS

	Page		Starting On Page
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Endorsements—See endorsements (if any) attached to this policy.			

GENERAL POLICY PROVISIONS

A. DEFINITIONS-The following definitions apply to this policy:

1. The words *you* and *your* refer to the person or entity named in the Declarations and the words *we*, *us* and *our* refer to the insurance company named in the Declarations.
2. **Business** means a trade, profession or other occupation including farming, all whether full or part time.
3. **Covered Policy** means a policy of commercial risk insurance, professional liability insurance or public entity insurance.
4. **Insured** means the person or entity named in the Declarations.
 - a. **Insured** means *you* or *your* legal representative. However, this person, *your* legal representative, is an **insured** only with respect to property covered by this insurance.
 - b. Each person listed above is a separate **insured** under this policy, but this does not increase *our* limit of insurance under this policy.
5. **Insured Premises**
 - a. If *you* own the building described in the Declarations, the **insured premises** means the building and the grounds at that location described in the policy.
 - b. If, at the location described in the policy, *you* lease the entire building or a portion of the building, **insured premises** means the parts of the described premises which are used or occupied exclusively by *you*.
6. **Nonpayment of Premium** means the failure of the **named insured** to discharge any obligation in connection with the payment of premiums on a policy of insurance or any installment of such premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit. Payment to the insurer, or to an agent or broker authorized to receive such payment shall be timely if made within fifteen days after the mailing to the **insured** of a notice of cancellation for **nonpayment of premium**.
7. **Renewal or to Renew** means the issuance or offer to issue by an insurer of a policy superceding a policy previously issued and delivered by the same insurer, or another insurer within the same group or under common management, or the issuance or delivery of a certificate or notice extending the term of a policy beyond its policy period or term. However, any policy with a policy period or term of less than one year shall be considered as if written for a policy period or term of one year, and any policy with no fixed expiration date or with a policy period or term of more than one year shall be considered as if written for successive policy periods or terms of one year.
8. **Required Policy Period** means a period of one year from the date a **covered policy** is renewed or first issued.
9. **Stock** means merchandise held in storage or for sale, raw materials, and in-process or finished goods, including supplies used in their packing or shipping.
10. **Terms** as used in this policy means provisions, limitations, exclusions, definitions and conditions.

B. PRINCIPAL COVERAGES-COVERAGE A-BUILDINGS AND COVERAGE B-BUSINESS PROPERTY

We provide insurance for the following coverages indicated by a specific limit of insurance on the Declarations page.

Coverage A-Building

This policy covers the building on the **insured premises** described on the Declarations Page which includes:

1. completed additions and attached extensions;
2. fire extinguishing apparatus;
3. floor coverings;
4. permanent fixtures, machinery and equipment forming a part of or pertaining to the services of the building or its premises;
5. personal property of the **insured** as landlord used to maintain or service the building including refrigerating, ventilating, cooking, dishwashing and laundering equipment;
6. shades and outdoor furniture;
7. If not covered by other insurance:
 - a. additions under construction, alterations and repairs to the building or structure;
 - b. materials, equipment, supplies and temporary structures on or within 100 feet of the described premises used for making additions, alterations or repairs to the building or structure.Additions, alterations and repairs are included within the Coverage A limit of insurance and do not increase the Coverage A limit of insurance.
8. If *you* own the described building, Coverage A—Building also includes:
 - a. storm doors, sash and screens;
 - b. awnings, canopies or their supports;

Coverage A does not cover:

1. antennas (outdoor), satellite antennas, their lead-in wiring, accessories, masts and towers;
2. awnings, canopies or their supports if **you** do not own the building;
3. driveways, parking lots, sidewalks or paved surfaces;
4. fences that are not a permanent part of the building;
5. foundations which are below the under surface of the lowest floor or below ground level if there is no basement, retaining walls that are not a part of the building, cost of excavations, or grading and filling;
6. land, including land on which the property is located;
7. outdoor signs;
8. personal property in apartments or rooms furnished by the **insured** as landlord;
9. pools, piers, docks and wharfs;
10. property which is more specifically insured in whole or in part by any other insurance except for the excess of the amount due (whether **you** can collect it or not) from that other insurance;
11. trees, plants, shrubs and lawns;
12. underground pipes, flues and drains;
13. vehicles or self propelled vehicles designed for use on public roads, aircraft, or watercraft, including motors, equipment and accessories;
14. water, either underground or surface water;
15. windmills, wind pumps, crop silos or metal smokestacks.

Coverage B-Business Property

This policy covers **your Business** Property in the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises. This includes:

1. furniture and fixtures;
2. machinery and equipment not servicing the building;
3. **stock**;
4. **your** interest in the property of others to the extent of the labor, materials or services furnished or arranged by **you** on such property;
5. **your** use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions;
 - a. made a part of the building or structure **you** occupy but do not own; and
 - b. **you** acquired or made at **your** expense but cannot legally remove;
6. all other **business** property owned by **you** and used in **your business**.

Coverage B does not cover the following property

(Limited coverage of some of these types of property is included in the Incidental Coverages).

1. accounts, bills, currency or deeds;
2. aircraft, including equipment and accessories;
3. animals, unless held as **stock** within the described building(s);
4. antennas (outdoor), satellite antennas, their lead-in wiring, accessories, masts and towers;
5. **automobiles**;
6. awnings, canopies or their supports if **you** own the building;
7. bullion and manuscripts;
8. **business** property away from the **insured premises**;
9. contraband, or property in the course of illegal transportation or trade;
10. standing crops;
11. electronic devices, accessories or antennas that may be operated from the electrical system of a motorized vehicle, farm equipment or watercraft. This includes films, tapes, wires, discs, records or other media for use with such devices;
12. evidences of debt;
13. fences;
14. household or personal property;
15. loss due to **business** interruption or delay;
16. money, credit card receipts and securities;
17. outdoor signs;
18. pools, piers, docks and wharfs;
19. property of others;

20. recreational vehicles, including equipment and accessories;
21. the cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media;
22. trees, plants, shrubs and lawns;
23. vehicles or self propelled vehicles designed for use on public roads;
24. watercraft, including motors, equipment and accessories.

C. INCIDENTAL COVERAGES

This policy also provides Incidental Coverages. These Incidental Coverages are subject to all of the *terms* of the applicable Principal Coverages, A or B. These Incidental Coverages do not increase the Limit of Insurance stated for the Principal Coverages.

1. **Removal.**

a. **Emergency Removal:**

- (1) If *you* remove property covered by this policy from the *insured premises* to preserve it from damage from covered causes of loss, *we* pay for loss. Once removed, such property is covered against direct loss from covered causes of loss, not specifically excluded under this policy, for a period up to ten days. This coverage does not extend past the expiration date of the policy.
- (2) *We* pay up to \$250 towing charge to move a covered mobile structure endangered by a covered cause of loss.

b. **Debris Removal-***We* cover the cost of moving debris of the covered property caused by a covered cause of loss under this policy. This coverage does not include costs to:

- (1) extract pollutants from land or water; or
- (2) remove, restore or replace polluted land or water.

We will not pay any more under this debris removal coverage than 25 percent of the amount *we* pay for the direct loss or damage. *We* will not pay more for loss to property and debris removal combined than the limit of insurance for the property.

We will not pay any expenses unless they are reported to *us* within 180 days of the direct physical loss or damage to covered property.

2. **Repairs-***We* cover the cost of repairs that are reasonable and necessary to protect covered property from further damage after damage resulting from a covered cause of loss. *We* will not pay more for loss to property and repairs combined than the limit of insurance for the property.

3. **Change of Location-**When *you* move to another location, the Coverage B limit of insurance applies pro rata at each location for 30 days from the date *you* begin to move but not extending past the expiration date of the policy. When *you* move, this Change of Location coverage applies in place of *your* coverage for property **While Away From The Insured premises.**

4. **While Away From the Insured Premises-**(This coverage applies only when an 80% or higher coinsurance provision is shown on the Declarations page).

You may apply up to 2% of the Coverage B limit of insurance, up to \$5,000 to *your business* property covered under this policy while temporarily at locations that *you* do not own, control, operate or lease.

This coverage applies only if loss or damage is caused by a cause of loss covered under this policy.

This coverage does not apply to:

- a. merchandise or *stock*;
- b. property held for rental;
- c. *your* business samples.

5. **Property of Others In Your Care, Custody or Control While On the Described Premises-**(This coverage applies only when an 80% or higher coinsurance provision is shown on the Declarations page or if the type of policy on the Declarations page is indicated as **Business** owners).

You may apply up to 2% of the Coverage B limit of insurance, up to \$2,500 to cover the *business* property of others or to customer's goods in *your* care, custody or control.

This coverage applies only if loss or damage is caused by a covered cause of loss.

This coverage shall apply as an additional limit of insurance.

This coverage is only for the benefit of the owners of *business* property or to the owners of customer's goods.

6. **Business Credit Card, Forgery and Counterfeit Money.**

We pay up to \$500 per loss but no more than \$1,000 during each *required policy period* for loss sustained by an *insured* when such *insured*:

- a. becomes legally obligated to pay for the unauthorized use of *credit cards* issued or registered in the *insured's* name;

- b. suffers a loss through the forgery or alteration of checks, drafts, certificates of deposit and notes including negotiable orders of withdrawal; or
- c. accepts in good faith counterfeit United States or Canadian paper currency.

We do not pay for loss if:

- a. the *insured* has not complied with the *terms* under which the *credit card* was issued;
- b. the loss is caused by the dishonesty of an *insured*;
- c. the loss occurs while a person, not an *insured*, has possession of the *credit card* with an *insured's* permission; or
- d. the loss involves a bank debit card or similar device used for the deposit, withdrawal or transfer of funds.

D. EXCLUSIONS AND LIMITATIONS THAT APPLY

For Exclusions, Limitations and Property Not Covered which may affect *your* coverage, see Principal Coverages, Incidental Coverages, the Causes of Loss Section and other endorsements added to *your* policy. Coverage for some excluded or limited causes of loss may be available at an additional cost.

E. CONDITIONS THAT SUSPEND INSURANCE

- 1. *Your* insurance is suspended when any hazard is increased by any means within *your* knowledge or control.
- 2. *Your* insurance is suspended while a described building is vacant or unoccupied beyond a period of sixty consecutive days.

F. HOW MUCH WE PAY FOR LOSS OR CLAIM

Settlement of property losses covered by this policy shall be made in accordance with the following provisions.

- 1. Property losses will be settled on the basis of the lesser of the following amounts:
 - a. the applicable limit of insurance;
 - b. the amount of *your* interest in the property;
 - c. the actual cash value of the property at the time of loss including an appropriate deduction for depreciation however caused;
 - d. the cost of repairing or replacing the property with materials of equivalent kind and quality to the extent practicable;
 - e. the amount computed after applying the deductible or other limitation applicable to the loss; or
 - f. (applies to mobile homes only at *your* option) the amount equal to the difference between the actual cash value of the property immediately before the loss and its actual cash value immediately after the loss.
- 2. *Coinsurance*.

If a coinsurance percentage applicable to a particular building and/or to *business* property is shown on the Declarations Page, then the following coinsurance provision applies to *your* policy:

Coinsurance Provision.

We require that *you* maintain a minimum limit of insurance when a coinsurance percentage is shown on the Declarations Page. If there is more than one building and/or *business* property designated on the Declarations Page as having coinsurance applicable, then the minimum insurance requirement applies separately to each building and/or *business* property.

The minimum limit of insurance required is the actual cash value of the insured property at the time of loss multiplied by the coinsurance percentage.

If the limit of insurance at the time of loss is less than the minimum limit of insurance required, *we* will pay only a part of the loss. *Our* part of the loss will be determined by dividing the limit of insurance on the property by the minimum limit of insurance required.

EXAMPLE—If *you* DO NOT maintain the required limit of insurance:

(NOTE: This example does not include a deductible).

a. Actual Cash Value	\$100,000
b. Coinsurance Percentage	80%
c. Minimum Limit of Insurance Required (\$100,000 x 80%)	\$ 80,000
d. Limit of Insurance (Amount shown on Declarations Page)	\$ 60,000
e. Amount of Loss as established under the provisions of 1. Above	\$ 20,000

In this example, *we* would pay *you* \$15,000. *We* arrive at this payment figure as follows:

- 1. *Our* part of the loss is 75%. (d. limit of insurance \$60,000 divided by c. limit of insurance required \$80,000).
- 2. \$20,000 loss is then multiplied by the 75% percent figure computed in step 1. to arrive at the part of the loss *we* will pay.
- 3. The uninsured loss is \$5,000.

NOTE: Under Coverage A—Building and Coverage B—**Business** Property the Incidental Coverages described in this policy shall NOT be considered in determining the actual cash value when applying the Coinsurance Provision.

3. **Replacement Cost Provision.**

If the Replacement Cost Provision (Form SF-27) is attached to this policy then losses to buildings and/or **business** property designated on that form shall be settled in accordance with the provisions contained in that form.

4. **Loss to a Pair or Set**-If there is loss to an article which is part of a pair or set, **we** are only liable for a reasonable proportion of the value of the entire pair or set, and the loss is not considered a total loss of the pair or set.

5. **Tenant's Improvements and Betterments**-will be valued at:

- a. actual cash value of the lost or damaged property if repaired or replaced at **your** expense within a reasonable time.
- b. a portion of **your** original cost if **you** do not make repairs. **We** will determine the proportionate value in the following manner:
 - (1) multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (2) divide the amount determined in (1) above by the number of days from the installation of improvements to the expiration of the lease.

If **your** lease contains a **renewal** option, the expiration of the **renewal** option period will replace the expiration of the lease in this procedure.

c. nothing if others pay for repairs or replacement.

6. **Deductible.**

The deductible applies to the following:

- a. Coverage A—Building.
- b. Coverage B—**Business** Property.
- c. Incidental Coverages.
- d. All additional property coverages added by endorsement.

The deductible applies to all covered causes of loss unless otherwise stated in the Declarations or any endorsement.

e. **We** pay only that part of the loss over the deductible stated in the Declarations or endorsement. Not more than one deductible applies per loss but:

- 1) If this policy covers more than one building, the deductible applies separately to each building.
- 2) If this policy covers only **business** property, the deductible applies separately to **business** property in each building.

f. If coverage is otherwise restricted by special limits of insurance, **our** liability must be separately computed under both the deductible and the special limit of insurance. **We** pay the lesser of the two amounts.

g. If the same deductible amount applies to **your** building, and **business** property within that building, one deductible shall apply to the loss for the building and **business** property within that building; otherwise, the higher of any applicable deductible shall apply.

7. **Insurance Under More Than One Coverage**-If more than one coverage of this policy insures the same loss. **we** pay no more than the actual claim, loss or damage sustained.

8. **Insurance Under More Than One Policy.**

a. **You** may have other insurance subject to the same plan, **terms**, conditions and provisions as the insurance under this policy. If **you** do, **we** will pay **our** share of the covered loss or damage. **Our** share is the proportion that the applicable Limit of Insurance under this policy bears to the Limits of Insurance of all insurance covering on the same basis.

b. If there is other insurance covering the same loss or damage, other than that described in a. above, **we** will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether **you** can collect on it or not. But **we** will not pay more than the applicable Limit of Insurance.

9. **Restoration of Limit of Insurance**-Any loss **we** pay under this policy does not reduce the limits of insurance applying to a later loss.

G. PAYMENT OF LOSS OR CLAIM

1. In the event of loss or damages to property covered under this policy **we** will:

- a. pay the loss in money;
- b. rebuild, repair or replace with property of equivalent kind and quality, to the extent practicable, within a reasonable time.

c. take all or any part of damaged property at the agreed or appraised value. Any property paid for or replaced shall become *our* property.

We will give notice of *our* intent to rebuild, repair or replace within 30 days after receipt of a duly executed proof of loss.

2. ***Your Property-We*** will adjust all losses with *you*. An insured loss will be payable after a satisfactory proof of loss is received, and the amount of the loss has been established either by written agreement with *you* or the filing of an appraisal award with *us*. Payment will be made to *you* unless another loss payee is named in the policy.

3. ***Property of Others***-Losses to property of others may be adjusted with *you*. *We* reserve the right to adjust with and pay to the owners. Payment to the owners satisfies *our* obligation to *you* for loss to this property. *We* may also choose to defend *you* against any *suits* arising from claims of the owners of property.

4. ***Liens for Unpaid Taxes.***

We are required by the Insurance Law to deduct the claim of any tax district from the amount *we* pay *you* for a loss by fire.

To the extent *we* pay any tax district the amount certified as *your* unpaid taxes, *we* are no longer obligated to pay this amount to *you*.

Our payment of such claim to the tax district within 30 days of the receipt of a certificate of lien shall be considered by *you* and *us* that such claim was valid and properly paid.

H. WHAT YOU MUST DO IN CASE OF LOSS

1. ***Notice.***

a. In case of a loss or if *you* become aware of anything that indicates there might be a claim under this policy, *you* must:

- (1) promptly give *us* or *our* agent notice (in writing if requested);
- (2) promptly notify the police when the act causing the loss is also a violation of law.

b. The notice to *us* must state:

- (1) *your* name, the kind of policy, policy number and the time, place and circumstances of the loss; and
- (2) names and addresses of any potential witnesses.

2. ***Protect Property-You*** must take all reasonable steps to protect covered property at and after an insured loss to avoid further damage. *We* pay for repairs which are reasonable and necessary to protect the property from further damage, provided *you* keep an accurate record of such expenses. These payments do not increase the limit of insurance otherwise applicable to the loss.

3. ***Cooperation-You*** must cooperate with *us* in performing all acts required by this policy.

4. ***Volunteer Payments-You*** must not, except at *your* own cost, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses.

5. ***Proof of Loss-You*** must submit to *us* a proof of loss (sworn to by *you* if requested) within 60 days after the loss or accident containing the following information:

- (1) the time, place and circumstances of loss;
- (2) *your* interest and the interests of all others in the property involved, including all mortgages and liens on the covered property;
- (3) other policies of insurance that may cover the loss on the property;
- (4) changes in title or occupancy of the property during the policy period;
- (5) available plans and specifications of buildings or structures;
- (6) detailed estimates for repair of the damage; and
- (7) if requested, an inventory of damaged personal property showing in detail the quantity, description, cost, actual cash value and amount of loss. *You* must attach to the inventory copies of all bills, receipts and related documents that substantiate the inventory.

6. ***Additional Duties-You*** must:

- a. if requested, submit to examination under oath at such times as may be reasonably required about any matter relating to this insurance or *your* claim, including *your* books and records. In such event, *your* answers must be signed;
- b. exhibit the damaged property as often as *we* reasonably request;
- c. produce records, including tax returns and bank microfilms of all cancelled checks, relating to value, loss and expenses and permit copies and extracts to be made of them as often as *we* reasonably request;
- d. assist in enforcing any right of recovery which *you* may have against any party causing the loss.

I. POLICY CONDITIONS

In addition to the policy *terms* which are contained in other sections of this policy, the following conditions also apply.

1. **Assignment**-Assignment of this policy is not valid without *our* written consent.

2. **Cancellation.**

- a. **By You-You** may cancel this policy at any time by giving *us* written notice or returning the policy to *us* and stating when thereafter the **cancellation** is to be effective.
- b. **By Us-We** may cancel this policy by written notice delivered to or mailed to *you* at the address shown in the policy (and to *your* authorized agent or broker if required). Proof of delivery or mailing is sufficient proof of notice.

This notice must be delivered or mailed the required number of days prior to the effective date of the **cancellation**. For a description of the number of days of required notice, refer to: (1) **Nonpayment of premium**, (2) **New Policy** or (3) **All Other Situations**.

c. **When We May Cancel-We** may cancel this policy under the following conditions:

- (1) **Nonpayment of Premium**-If the premium has not been paid when due, *we* may cancel at any time by delivering or mailing to *you* the required notice at least fifteen days before cancellation is effective. Payment by *you* to the insurer, or to an agent or broker authorized to receive such payment, shall be considered timely if made within fifteen days after the mailing to *you* of a notice of cancellation for **nonpayment of premium**.
- (2) **New Policy**-If this is a new policy which has been in effect less than sixty days, *we* may cancel for any reason by delivering or mailing the required notice to the first named **insured** at the mailing address shown in the policy at least twenty days before cancellation is effective. If upon review during this time period *we* find that a statutory provision/provisions for cancellation applies/apply, *we* may cancel this policy by mailing written notice to the first named **insured** at the mailing address shown in the policy at least fifteen days before cancellation is effective.
- (3) **All Other Situations**-After a **covered policy** has been in effect for sixty days, or upon the effective date if such policy is a **renewal**, no notice of cancellation shall become effective until fifteen days after notice is delivered or mailed to the **insured** and such cancellation is based on one or more of the following statutory provisions:
 - (A) **Nonpayment of premium**;
 - (B) Conviction of a crime arising out of acts increasing the hazard insured against;
 - (C) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim thereunder;
 - (D) After issuance of the policy or after the last **renewal** date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against and which occurred subsequent to inception of the current policy period;
 - (E) Material physical change in the property insured, occurring after issuance or last annual **renewal** anniversary date of the policy, which results in the property becoming uninsurable in accordance with the insurer's objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
 - (F) Required pursuant to a determination by the superintendent that continuation of the present premium volume of the insurer would jeopardize that insurer's solvency or be hazardous to the interests of policyholders of the insurer, its creditors or the public;
 - (G) A determination by the superintendent that the continuation of the policy would violate or would place the insurer in violation of the law;
 - (H) Where the insurer has reason to believe, in good faith and with sufficient cause, that there is a probable risk or danger that the **insured** will destroy, or permit to be destroyed, the **insured** property for the purpose of collecting the insurance proceeds, provided, however, that:
 - (i) a notice of cancellation on this ground shall inform the **insured** in plain language that the **insured** must act within ten days if review by the Insurance Department of the ground for **cancellation** is desired pursuant to item (iii) of this subparagraph (H); and
 - (ii) notice of cancellation on this ground shall be provided simultaneously by the insurer to the Insurance Department; and
 - (iii) upon written request of the **insured** made to the department within ten days from the **insured's** receipt of notice of cancellation on this ground, the Insurance Department shall undertake a review of the ground for cancellation to determine whether or not the insurer has satisfied the criteria for cancellation specified in this subparagraph; if after such review the department finds

no sufficient cause for **cancellation** on this ground, the notice of cancellation on this ground shall be deemed null and void.

(I) With respect to professional liability insurance policies, revocation or suspension of the **insured's** license to practice his/her profession or, if the **insured** is a hospital, it no longer possesses a valid operating certificate under section twenty-eight hundred one-a of the public health law.

- d. **We** refund the premium for the unexpired policy period on a pro rata basis.
- e. **Refund of Premium**-Payment or tender of unearned premium is not a condition of cancellation. If the unearned premium is not refunded with the cancellation notice, it will be sent to **you** within a reasonable time.
- f. **Loss Notice**-The company must advise the first named **insured** that he/she is entitled to loss information upon written request.

3. **Renewal/Nonrenewal.**

3a. **Nonrenewal**-**We** may elect not **to renew** or continue this policy by delivering or mailing to **you** and **your** authorized agent or broker written notice of **our** intent not **to renew**.

a. Such notice must:

- (1) be given at least sixty but not more than one hundred twenty days in advance of the end of the **required policy period**.
- (2) state **our** specific reason(s) for nonrenewal.
- (3) be delivered or mailed to **you** at the address shown in the policy and to **your** authorized agent or broker. Proof of delivery or mailing is sufficient proof of notice.
- (4) Loss Notice—The company must advise the first named **insured** that he/she is entitled to loss information upon written request.
- (5) Requirements for nonrenewal shall not apply if the named **insured**, or an agent or broker authorized by the named **insured**, or another insurer of the named **insured** has delivered or mailed written notice that the policy has been replaced or is no longer desired.

b. Prior to the expiration date of this policy, in the event that a late nonrenewal notice is provided by the insurer, the coverage under this policy shall remain in effect:

- (1) at the same **terms** and conditions contained in the expiring policy; and
- (2) at the lower of the current rates or the prior period's rates until sixty days after the notice is delivered or mailed unless the **insured** elects to cancel sooner.

c. In the event that a timely and substantially complete notice is not provided by the insurer prior to the expiration date of the policy, coverage shall remain in effect:

- (1) on the same **terms** and conditions of the expiring policy;
- (2) for another **required policy period**; and
- (3) at the lower of the current rates or the prior period's rates.

However, if the insurer has established the standards and procedures required by the law relating to notice requirements and the failure to comply with these standards and procedures is a result of inadvertence or clerical mistake, then the rates applicable to the remainder of the additional **required policy period** shall be the insurer's current rates at the **terms** and conditions of the expiring policy.

d. The issuance of a late or incomplete nonrenewal notice by the insurer shall not create a new annual aggregate liability limit (if any) for the **covered policy**, except that the annual aggregate limit of the expiring policy shall be increased in proportion to the policy extension, including any additional **required policy period** caused by the late or incomplete notice of nonrenewal.

e. If the insurer provides a timely notice of nonrenewal and thereafter the insurer extends the policy for ninety days or less, an additional notice of nonrenewal is not required with respect to the extension period.

3b. **Conditional Renewal**-**We** may elect **to renew** or continue this policy under certain conditions. **We** may do so by delivering or mailing to **you** and **your** authorized agent or broker written notice.

a. This notice must:

- (1) be delivered or mailed to **you** at least sixty but not more than one hundred twenty days in advance of the end of the **required policy period**;
- (2) contain specific reason(s) for the conditional **renewal**;
- (3) set forth the amount of any premium change if the increase is in excess of 10% unless the increase is due to increased insured values and/or increased coverages or is due to experience rating, retrospective rating or audit;
- (4) set forth the nature of any proposed change(s) in the policy such as change(s) in limits, change(s) in type(s) of coverage(s), reduction(s) in coverage(s), increased deductible or the addition of an exclusion or exclusions;

- (5) be delivered or mailed to the named *insured* at the address listed in the policy and to an authorized agent or broker of the *insured*. Proof of delivery or mailing is sufficient proof of notice; and
 - (6) include a statement advising the first named *insured* that upon written request the company will provide loss information.
- b. Prior to the expiration date of the policy, in the event that an incomplete or late conditional *renewal* notice is provided by the insurer, the coverage under this policy shall remain in effect at:
- (1) the same *terms* and conditions of the expiring policy, and
 - (2) the lower of the current rates or the prior period's rates until sixty days after the notice is delivered or mailed unless the *insured* elects to cancel sooner.

However, if the *insured* elects to accept the *terms*, conditions and rates of the conditional *renewal* notice and renews the policy on that basis, then such *terms*, conditions and rates shall govern the policy upon expiration of such sixty-day period.

- c. In the event that a timely and substantially complete conditional *renewal* notice is not provided by the insurer prior to the expiration date of the policy, then coverage under the policy:
- (1) remains in effect for an additional *required policy period*;
 - (2) remains at the same *terms* and conditions as the expiring policy; and
 - (3) the rates for the additional *policy period* will be the lower of the current rates or the previous period's rates.

However, if the insurer has established the standards and procedures required by law relating to notice requirements, and the failure to comply with these standards and procedures is a result of inadvertence or clerical mistake, then the rates applicable to the remainder of the additional *required policy period* shall be the *insured's* current rates at the *terms* and conditions of the expiring policy.

- d. The issuance of a late or incomplete conditional *renewal* notice by the insurer shall not create a new annual aggregate limit (if any) for the *covered policy*, except that the annual aggregate limit of the expiring policy shall be increased in proportion to the policy extensions including any additional *required policy period*, caused by the late or incomplete conditional *renewal* notice.

However, if the *insured* accepts the *terms* of a conditional *renewal* offer, a new annual aggregate shall become effective as of the inception date of the *renewal*

- 3c. **Alternate Renewal Notice Procedure**-During the period of time the insurer is assessing its option(s) as to whether to nonrenew or conditionally renew a policy, the insurer must notify the *insured* and his/her authorized agent or broker.

This notice must contain the following:

- (1) The notice must be delivered or mailed at least sixty days prior to the expiration date of the policy;
- (2) The notice must be delivered or mailed to the named *insured* at the address in the policy and to an authorized agent or broker of the *insured*;
- (3) The notice must advise the *insured* that the policy will be either nonrenewed or renewed at different *terms*, conditions or rates;
- (4) The notice must advise the *insured* that a **SECOND NOTICE** will be sent at a later date;
- (5) The notice must advise the *insured* that coverage will continue at the same *terms*, conditions and rates until the later of:
 - (a) the expiration date, or
 - (b) 60 days after the **SECOND NOTICE** is delivered or mailed.
- (6) The **SECOND NOTICE** sent to the *insured* must advise the *insured*:
 - (a) of the specific reason or reasons for *nonrenewal* or conditional *renewal*, and
 - (b) of the amount of any premium increase if the increase is in excess of 10% and the nature of any other proposed changes.
- (7) The **SECOND NOTICE** must advise the first named *insured* that he/she is entitled to loss information upon written request.
- (8) If a substantially complete **SECOND NOTICE** is not delivered or mailed until after the expiration date of the policy, the *insured* is entitled to coverage under the policy:
 - (a) for an additional *required policy period*;
 - (b) at the same *terms* and conditions as the existing policy; and
 - (c) at the lower of the current rates or the rates of the previous period.

However, if the insurer has established the standards and procedures required by law relating to notice requirements and the failure to comply with these standards and procedures is a result of inadvertence or clerical mistake, then the rates applicable to the remainder of the additional *required policy period* shall be the *insured's* current rates at the *terms* and conditions of the expiring policy.

(9) No notice is necessary if the insurer receives a written notice from the *insured*, his/her authorized agent or broker, or another insurer that the policy is no longer desired or has been replaced.

3d. **Policies Written For A Term Of Less Than One Year**-For policies issued to an *insured* for a seasonal purpose or to a policy issued to cover a particular project that will be performed in less than one year, the following provisions apply:

- a. During the first sixty days such policy is in effect, no cancellation shall become effective until twenty days after written notice is delivered or mailed to the *insured* at the mailing address shown in the policy;
- b. After a policy has been in effect for sixty days, no notice of cancellation shall become effective until fifteen days after notice is delivered or mailed and such cancellation is based on one or more of the statutory provisions set forth in this form.
- c. After a policy has been in effect for sixty days, no premium increase for the term of the policy shall be made to become effective unless due to and commensurate with insured value added, subsequent to issuance pursuant to the policy or at the *insured's* request.

4. **Change, Modification or Waiver of policy Terms**-A waiver or change of any *terms* of this policy must be issued by *us* in writing to be valid. *Our* request for an appraisal or examination under oath does not waive any of *our* rights.

If *we* adopt any revision of forms or endorsements during a policy period which would broaden coverage under this policy without additional premium, the broadened coverage will automatically apply to this policy. If this policy is issued on a continuous basis (with no specified expiration date), *we* may substitute or add, upon any anniversary date, forms or endorsements which are authorized for use on this policy in accordance with *our* manual rules in effect at the time.

5. **Conformity with Statute-Terms** of this policy, in conflict with the statutes of the state where the premises described in the Declarations are located, are amended to conform to such statutes.

6. **Misrepresentation, Concealment or Fraud**-This entire policy is void if, whether before or after a loss:

- a. An *insured* has willfully concealed or misrepresented:
 - (1) any material fact or circumstance concerning this insurance; or
 - (2) an *insured's* interest herein.
- b. There has been fraud or false swearing by an *insured* regarding any matter relating to this insurance or the subject thereof.
- c. The notice provisions of Section 3426 of the Insurance Law shall apply to this condition.

7. **Inspection**-*We* are permitted but not obligated to inspect *your* property and operations. *Our* inspection or any resulting advice or report does not warrant that *your* property or operations are safe or healthful or are in compliance with any law, rule or regulation.

8. **Policy Premium**-If this policy is issued without a specified expiration date, it may be continued by payment of the required premium for the next annual period. The premium must be paid to *us* on or before each anniversary date. The policy expires on any anniversary date that the premium has not been received by *us*. Premium is subject to adjustment on the basis of the rates in effect at each anniversary date.

9. **Recoveries**-If *we* pay an *insured* for loss under this policy, and lost or damaged property is recovered or payment is made by those responsible for the loss, the following provisions apply:

- a. The *insured* must notify *us* or *we* will notify the *insured* promptly if either recovers property or receives payment.
- b. Any proper expenses incurred by either party in making the recovery are reimbursed first.
- c. The *insured* may keep recovered property by refunding to *us* the amount of the claim paid or any lesser amount to which *we* agree.
- d. If the claim paid is less than the agreed loss due to a deductible, special limit of liability or other limiting *terms* of the policy, any recovery will be pro-rated between the *insured* and *us* based on *our* respective interests in the loss.

10. **Subrogation**

- a. If *we* make a payment under this policy, *we* may require that the *insured* assign to *us* his or her right of recovery against any person for the loss to the extent of the payment. The *insured* must do everything necessary to make this assignment and secure *our* rights.
- b. *We* are not liable for any loss if an *insured* does anything after the loss occurs to impair *our* right to recover. *You* may waive *your* right of recovery in writing before a loss occurs without voiding the coverage.
- c. If *we* pay a loss to or on behalf of an *insured* and the *insured* recovers damages from another person for the same loss, the *insured* shall hold the amount recovered in trust for *us* and shall reimburse *us* as provided under Recoveries.

11. **Suit Against Us**-No *suit* to recover for any property claim may be brought against *us* unless:

- a. the *terms* of this policy have been fully complied with; and,
 - b. the *suit* is commenced within 2 years after the loss. If any law of the state where the premises described in the Declarations are located makes this limitation invalid, then *suit* must begin within the shortest period permitted by the law.
12. **Abandonment of Property**-We may take the property or any part of it at the agreed or appraised value, but an *insured* may not abandon the covered property to *us* unless *we* specifically agree.
13. **Appraisal**-If *you* and *we* do not agree on the cost to repair or replace, actual cash value of or amount of loss to covered property when loss occurs, either party may demand that these amounts be determined by appraisal. If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, *you* or *we* can ask a judge of a court of record in the state where the property is located to select an umpire. The appraisers will then determine the amount of the damage stating separately, in detail: the cost to repair or replace, actual cash value of, and amount of loss to each building item and item of personal property. If the appraisers submit a written report of any agreement to *us*, the amount agreed upon will be the amount of damage or value. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three sets the cost to repair or replace, actual cash value of and amount of loss to each item. Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by *you* and *us*.
14. **No Benefit to Bailee**-Insurance under this policy shall not directly or indirectly benefit any hired carrier or anyone else who is paid for assuming custody of covered property.
15. **Secured Party Coverage**-Applies Only to Coverage on **Business** Property.
(This entire clause is void unless the name of a secured party is inserted in the Declarations or the Supplemental Declarations. This clause applies only to the interest of a secured party and does not affect the *insured's* rights or duties under the policy).
If a secured party is named in this policy, any loss payable on property subject to the security interest shall be payable to the secured party and *you* as interest may appear. If there is more than one security interest in the same property, the order of payment shall be the same as their order of priority.
If *we* deny *your* claim, that denial shall not apply to a valid claim of a secured party if such party has:
- a. notified *us* of any change in ownership, occupancy or substantial change in risk of which the secured party became aware;
 - b. paid any premium due under the policy on demand if *you* have not made such payment; and
 - c. submitted a signed, sworn proof of loss within 60 days if an *insured* has failed to do so.
- Policy conditions relating to Appraisal, *Suit Against Us* and Loss Payment apply to the secured party. If the policy is canceled by *us*, the secured party shall be notified at least 15 days before the date cancellation takes effect. If *we* pay the secured party for any loss for which *we* have denied payment to *you*:
- a. *we* are subrogated to all the rights of the secured party granted under the security agreement; or
 - b. at *our* option *we* may pay the secured party the remaining amount due on the security agreement plus interest and receive a full assignment of the security agreement and any securities held as collateral for the agreement.
- However, the secured party's interest is not covered for conversion, embezzlement or secretion by an *insured* in possession of the encumbered property, unless specifically insured against and premium paid for such.
16. **Mortgage Clause**-Applies only to Coverage on Buildings
(This entire clause is void unless the name of the mortgagee (mortgage holder), or trustee under a trust deed, is inserted in the Declarations. This clause applies only to the mortgagee (or trustee) and does not affect *your* rights or duties under this policy).
- a. *We* will pay for loss or damage to buildings to each mortgagee shown on the Declarations and to *you* as interests may appear. If more than one mortgagee is named in the Declarations, they shall be paid in order of priority.
 - b. The mortgagee is entitled to receive loss payment even if the mortgagee has started foreclosure or other similar proceedings on the building or structure.
 - c. The insurance for the mortgagee continues in effect even when *your* insurance may be void because of *your* acts, neglect or failure to comply with policy *terms* provided that the mortgagee:
 - (1) Pays any premium due under this policy at *our* request insofar as *you* have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from *us* of *your* failure to do so; and

(3) Notifies *us* of any change in ownership, occupancy or substantial change in risk known to the mortgagee.

If all of these conditions are met, then the *terms* of this policy will apply directly to the mortgagee.

d. If *we* pay the mortgagee for a loss where *your* insurance may be void as a result of *your* acts, neglect or failure to comply with policy *terms* then:

(1) The mortgagee's rights under the mortgage will be transferred to *us* to the extent of the amount *we* pay; and

(2) The mortgagee's right to recover the remainder of the mortgage debt from *you* will not be impaired. At *our* option, *we* may pay the mortgagee the remaining principal and accrued interest in return for a full assignment of the mortgagee's interest and any instruments given as security for the mortgage debt.

e. If *we* cancel this policy, *we* will give written notice to the mortgagee at least:

(1) 10 days before the effective date of cancellation if *we* cancel for *nonpayment of premium* or other statutory reasons; or

(2) 30 days before the effective date of cancellation if *we* cancel for any other reason.

f. If *we* do not renew this policy, *we* will give written notice to the mortgagee at least 10 days before the expiration of this policy.

8

ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT

THIS ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT (the “*Agreement*”) is made as of the May 1, 2015, between **STRATHMORE HUNTLEY GROUP, LLC** (the “*Indemnitor*” or the “*Company*”), for the benefit of the **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY** (the “*Agency*”).

RECITALS

WHEREAS, the Agency has undertaken at the request of the Indemnitor, a project (the “*Project*”) consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York, as more fully described on Schedule A annexed hereto (the “*Land*”); (ii) the rehabilitation and renovation of approximately 42 affordable market-rate apartments units with approximately 80-85% subject to income restrictions at 115% of the area median income with the balance approximately 15-20% of the units subject to income restrictions at 80% of the area median income (the “*Facility*”); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the “*Equipment*”, and together with the Land and the Facility, the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the “*Financial Assistance*”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement

NOW, THEREFORE, in consideration of the premises, Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Indemnitor, intending to be legally bound, hereby agrees as follows:

1. **Recitals; Definitions.**

(a) The foregoing recitals are incorporated into this Agreement by this reference.

(b) Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Schedule of Definitions attached to the Agency Lease as Exhibit “C.”

2. **Representations and Warranties.**

(a) Except as disclosed in Schedule B annexed hereto, Indemnitor represents and warrants that it has no knowledge of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage or filtration of oil, petroleum or chemical liquids or solids, liquid or gaseous products or any hazardous wastes or hazardous substances (collectively, “*Hazardous Substances*”), as those terms are used in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or in any other federal, state or local law

governing hazardous substances, as such laws may be amended from time to time (collectively, the “*Hazardous Waste Laws*”), at, upon, under or within the Project Facility or any contiguous real estate, and (ii) it has not caused or permitted to occur, and shall not permit to exist, any condition which may cause a discharge of any Hazardous Substances at, upon, under or within the Project Facility or on any contiguous real estate.

(b) Except as disclosed in the reports listed on Schedule B annexed hereto, Indemnitor further represents and warrants that (i) it has not been nor will be involved in operations at or near the Project Facility which operations could lead to (A) the imposition of liability on Indemnitor or on any subsequent or former owner of the Project Facility or (B) the creation of a lien on the Project Facility under the Hazardous Waste Laws or under any similar laws or regulations; and (ii) it has not permitted, and will not permit, any tenant or occupant of the Project Facility to engage in any activity that could impose liability under the Hazardous Waste Laws on such tenant or occupant, on Agency, the Indemnitor or on any other owner of any of the Project Facility.

3. Covenants.

(a) Indemnitor shall comply strictly and in all respects with the requirements of the Hazardous Waste Laws and related regulations and with all similar laws and regulations and shall notify Agency immediately in the event of any discharge or discovery of any Hazardous Substance at, upon, under or within the Project Facility which is not otherwise already disclosed in Schedule B. Indemnitor shall promptly forward to Agency copies of all orders, notices, permits, applications or other communications and reports in connection with any discharge or the presence of any Hazardous Substance or any other matters relating to the Hazardous Waste Laws or any similar laws or regulations, as they may affect the Project Facility.

(b) Promptly upon the written request of Agency, Indemnitor shall provide Agency, at Indemnitor’s expense, with an environmental site assessment or environmental audit report prepared by an environmental engineering firm acceptable to the requesting Person, to assess with a reasonable degree of certainty the presence or absence of any Hazardous Substances and the potential costs in connection with abatement, cleanup or removal of any Hazardous Substances found on, under, at or within the Project Facility.

4. Indemnity.

(a) Indemnitor shall at all times indemnify and hold harmless Agency against and from any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, of any nature whatsoever suffered or incurred by Agency, whether as contract vendor, owner, mortgagee, as mortgagee in possession, or as successor-in-interest to Indemnitor by foreclosure deed or deed in lieu of foreclosure, under or on account of the Hazardous Waste Laws or any similar laws or regulations, including the assertion of any lien thereunder, with respect to:

(1) any discharge of Hazardous Substances, the threat of a discharge of any Hazardous Substances, or the presence of any Hazardous Substances affecting the Project

Facility whether or not the same originates or emanates from the Project Facility or any contiguous real estate including any loss of value of the Project Facility as a result of any of the foregoing;

(2) any costs of removal or remedial action incurred by the United States Government or any costs incurred by any other person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Hazardous Waste Laws;

(3) liability for personal injury or property damage arising under any statutory or common law tort theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance or for the carrying on of an abnormally dangerous activity at or near the Project Facility; and/or

(4) any other environmental matter affecting the Project Facility within the jurisdiction of the Environmental Protection Agency, any other federal agency, or any state or local agency.

The obligations of Indemnitor under this Agreement shall arise whether or not the Environmental Protection Agency, any other federal agency or any state or local agency has taken or threatened any action in connection with the presence of any Hazardous Substances.

(b) In the event of any discharge of Hazardous Substances, the threat of a discharge of any Hazardous Substances, or the presence of any Hazardous Substances affecting the Project Facility, whether or not the same originates or emanates from the Project Facility or any contiguous real estate, and/or if Indemnitor shall fail to comply with any of the requirements of the Hazardous Waste Laws or related regulations or any other environmental law or regulation, Agency may at its election, but without the obligation so to do, give such notices and/or cause such work to be performed at the Project Facility and/or take any and all other actions as Agency shall deem necessary or advisable in order to abate the discharge of any Hazardous Substance, remove the Hazardous Substance or cure the noncompliance of Indemnitor.

(c) Indemnitor acknowledges that Agency has relied upon the representations, warranties, covenants and indemnities of Indemnitor in this Agreement. All of the representations, warranties, covenants and indemnities of this Agreement shall survive the repayment of Indemnitor's obligations under the Agency Lease or other Company Documents.

5. **Attorney's Fees.** If Agency retains the services of any attorney in connection with the subject of the indemnity herein, Indemnitor shall pay Agency's costs and reasonable attorneys' fees thereby incurred. Agency may employ an attorney of its own choice.

6. **Interest.** In the event that Agency incurs any obligations, costs or expenses under this Agreement, Indemnitor shall pay such Person immediately on demand, and if such payment is not received within ten (10) days, interest on such amount shall, after the expiration of the ten-day period, accrue at the interest rate set forth in the Agency Lease until such amount, plus interest, is paid in full.

7. **No Waiver.** Notwithstanding any terms of the Company Documents to the contrary, the liability of Indemnitor under this Agreement shall in no way be limited or impaired by: (i) any extensions of time for performance required by any of the Company Documents; (ii) any sale, assignment or foreclosure of the Agency Lease or any sale or transfer of all or part of the Project Facility; (iii) the accuracy or inaccuracy of the representations and warranties made by Indemnitor under any of the Company Documents; or (iv) the release of Indemnitor or any other person from performance or observance of any of the agreements, covenants, terms or conditions contained in the Company Documents by operation of law, Agency's voluntary act, or otherwise; and, in any such case, whether with or without notice to Indemnitor and with or without consideration.

8. **Waiver by Indemnitor.** Indemnitor waives any right or claim of right to cause a marshalling of Indemnitor's assets or to cause Agency to proceed against any of the security for the Agency Lease before proceeding under this Agreement against Indemnitor or to proceed against Indemnitor in any particular order; Indemnitor agrees that any payments required to be made hereunder shall become due on demand; Indemnitor expressly waives and relinquishes all rights and remedies (including any rights of subrogation) accorded by applicable law to indemnitors or guarantors.

9. **Releases.** Any one or more of Indemnitor and any other party liable upon or in respect of this Agreement or the Agency Lease may be released without affecting the liability of any party not so released.

10. **Amendments.** No provision of this Agreement may be changed, waived, discharged or terminated orally, by telephone or by any other means except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

11. **Joint and Several Liability.** In the event that this Agreement is executed by more than one party as Indemnitor, the liability of such parties is joint and several. A separate action or actions may be brought and prosecuted against each Indemnitor, whether or not an action is brought against any other person or whether or not any other person is joined in such action or actions.

12. **Consent to Jurisdiction.** Indemnitor consents to the exercise of personal jurisdiction over Indemnitor by any federal or state court in the State of New York and consent to the laying of venue in any jurisdiction or locality in the City of Syracuse. Service shall be effected by any means permitted by the court in which any action is filed.

13. **Notices.** All notices, certificates, and other communications hereunder shall be in writing, shall be sufficiently given, and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, and actually received by the intended recipient or by overnight courier or such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates, and other communications hereunder shall be delivered are as follows:

(a) If to the Agency, to:

City of Syracuse Industrial Development Agency
333 West Washington Street, Suite 130
Syracuse, New York 13202
Attention: Chairman

With a copy to:

City of Syracuse
233 East Washington Street
Syracuse, New York 13202
Attn: Corporation Counsel

(b) To the Company:

Strathmore Huntley Group, LLC
127 Stolp Avenue
Syracuse, New York 13207
Attn: Brenda Colella, Esq.

With copies to:

Centolella Lynn D'Elia & Temes LLC
100 Madison Street
Tower I, Suite 1905
Syracuse, New York 13202
Attn: Anthony J. D'Elia, Esq.

The Agency and the Company, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, and other communications shall be sent.

14. **Waivers.** The parties waive trial by jury in any action brought on, under or by virtue of this Agreement. Indemnitor waives any right to require Agency at any time to pursue any remedy in such Person's power whatsoever. The failure of Agency to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any such terms, nor shall it prevent Agency from insisting upon strict compliance with this Agreement or any other Company Document at any time thereafter.

15. **Severability.** If any clause or provisions herein contained operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision shall be held for naught as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

16. **Inconsistencies Among the Company Documents.** Nothing contained herein is intended to modify in any way the obligations of Indemnitor under the Agency Lease or any

other Company Document. Any inconsistencies among the Company Documents shall be construed, interpreted and resolved so as to benefit Agency.

17. **Successors and Assigns.** This Agreement shall be binding upon Indemnitor's successors, assigns, heirs, personal representatives and estate and shall inure to the benefit of Agency and its successors and assigns.

18. **Controlling Laws.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

[Remainder of page intentionally left blank]

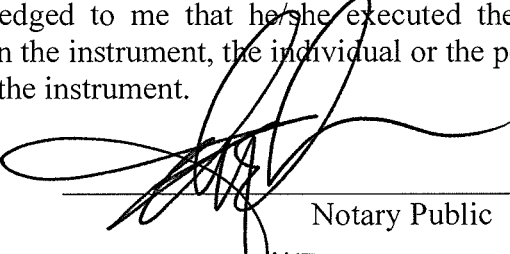
IN WITNESS WHEREOF, Indemnitor has executed this Agreement as of the date first above written.

STRATHMORE HUNTLEY GROUP, LLC

By: *Brenda Colella*
Brenda Colella, Authorized Member

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

On the 21 day of May, in the year 2015 before me, the undersigned, a notary public in and for said state, personally appeared **BRENDA COLELLA**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.



Notary Public
ANTHONY J. D'ELIA
Notary Public in the State of New York
Qualified in Onondaga County
No. 02DE5056520
My Commission Expires March 4, 2018

EXHIBIT "A"

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, known and distinguished as Lots Nos. 113, 114 and 115 of the Stolp Addition, according to a map thereof made by Rhesa Griffin, C.E., and filed in the Onondaga County Clerk's Office October 2, 1890.

Being City of Syracuse addresses and Tax Parcel Id numbers:

1. 409 Stolp Avenue; 087.-12-04.0 (*Lots 113-114*) and
2. 419-21 Stolp Avenue; 087.-12-03.0 (*Lot 115*).

SCHEDULE "B"

EXCEPTIONS

Comprehensive Asbestos Survey prepared by ARCADIS U.S. Inc. dated January 25, 2011 on file with the Agency.

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CLOSING RECEIPT

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY LEASE/SUBLEASE TRANSACTION STRATHMORE HUNTLEY GROUP, LLC

CLOSING RECEIPT executed May 21, 2015 by the City of Syracuse Industrial Development Agency (the “*Agency*”) and Strathmore Huntley Group, LLC (the “*Company*”) in connection with a certain project (the “*Project*”) consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the “*Land*”); (ii) the rehabilitation and renovation of approximately 42 affordable market-rate apartments units with approximately 80-85% subject to income restrictions at 115% of the area median income with the balance approximately 15-20% of the units subject to income restrictions at 80% of the area median income (the “*Facility*”); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the “*Equipment*”, and together with the Land and the Facility, the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the “*Financial Assistance*”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement.


WITNESSETH:

(1) The Agency has executed, delivered, sealed and acknowledged, where appropriate, the documents to which it is a party, and acknowledges receipt from the Company of its administrative fee.

(2) The Company has executed, delivered, sealed and acknowledged, where appropriate, the documents to which it is a party.


(Signature page to Closing Receipt)

**CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY**

By: 

William M. Ryan, Chairman

STRATHMORE HUNTLEY GROUP, LLC

By: 

Brenda Colella, Authorized Member

10

City of Syracuse
Industrial Development Agency

333 West Washington Street, Suite 130
Syracuse, New York 13202
Tel (315) 473-3275 Fax (315) 435-3669

May 1, 2015

Strathmore Huntley Group, LLC
127 Stolp Avenue
Syracuse, New York 13207
Attn: Brenda D. Colella, Esq.

Re: City of Syracuse Industrial Development Agency
Strathmore Huntley Group, LLC (Huntley Building Renovation Project)
Sales Tax Appointment Letter

Dear Ms. Colella:

Pursuant to a resolution duly adopted on January 24, 2013, the City of Syracuse Industrial Development Agency (the “**Agency**”) appointed Strathmore Huntley Group, LLC (the “**Company**”) the true and lawful agent of the Agency to undertake a project (the “**Project**”) consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the “**Land**”); (ii) the rehabilitation and renovation of approximately 42 affordable market-rate apartments units with approximately 80-85% subject to income restrictions at 115% of the area median income with the balance approximately 15-20% of the units subject to income restrictions at 80% of the area median income (the “**Facility**”); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the “**Equipment**”, and together with the Land and the Facility, the “**Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the “**Financial Assistance**”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement. The amount of State and local sales and use tax exemption benefits comprising the Financial Assistance approved by the Agency for the benefit of the Project shall not exceed \$93,917.95.

This appointment includes, and this letter evidences, authority to purchase on behalf of the Agency all materials to be incorporated into and made an integral part of the Project Facility and the following activities as they relate to any renovation, improvement and equipping of any of any buildings, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of such buildings: (1) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with renovation, improvement and equipping; (2) all purchases, rentals, uses or consumption of supplies, materials, utilities and services of every kind and description used in connection with renovation, improvement and equipping; and (3) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs), installed or placed in, upon or under such building or facility, including all repairs and replacements of such property, and with respect to such specific purchases or rentals, are exempt from any sales or use tax imposed by the State of New York or any governmental instrumentality located within the State of New York.

This appointment includes, and this letter evidences, authority to purchase on behalf of the Agency all materials to be incorporated into and made an integral part of the Project Facility and the following activities as they relate to any construction, improvement and equipping of any of any buildings, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of such buildings: (1) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with construction, improvement and equipping; (2) all purchases, rentals, uses or consumption of supplies, materials, utilities and services of every kind and description used in connection with construction, improvement and equipping; and (3) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs), installed or placed in, upon or under such building or facility, including all repairs and replacements of such property, and with respect to such specific purchases or rentals, are exempt from any sales or use tax imposed by the State of New York or any governmental instrumentality located within the State of New York.

This agency appointment includes the power to delegate such agency, in whole or in part, to a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, "***Additional Agents***"). However, if an Additional Agent is going to be purchasing or renting construction materials, equipment, tools and/or supplies that do not become part of the Project Facility, such Additional Agent must be specifically appointed by the Company in accordance and compliance with the terms of the Agency Lease ("***Appointed Additional Agents***"). Additional Agents who purchase construction materials, equipment and/or supplies that become part of the Project Facility need not be specifically appointed as an agent of the Agency. The Company hereby agrees to complete "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (Form ST-60) for itself and each Appointed Additional Agent who provide materials, equipment, supplies or services to the Project Facility and deliver said form to the Agency within fifteen (15) days of appointment such that the Agency can execute and deliver said form to the State Department of Taxation and Finance within thirty (30) days of appointment. The Agency's obligation to execute any Form ST-60 relative to an Appointed Additional Agent is subject to the satisfaction of the conditions in the Agency Lease relative to such appointments.

The Company agrees, whenever requested by the Agency, to provide, or cause its Additional Agents whether appointed or not to provide, and certify, or cause to be certified, such information regarding use of local labor, job creation, exemptions from State and local sales and use tax, real property taxes and mortgage recording taxes and other topics as the Agency from time to time reasonably considers necessary or appropriate, including, but not limited to, such information as to enable the Agency to make any reports required by law or governmental regulation, including but not limited to those required by §875 of the Act.

The Company acknowledges and agrees, that pursuant to Section 875(3) of the Act and in connection with Agency policy, 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 and local Sales and Use Tax exemption to which the Company, or its Additional Agents, was not entitled, which is in excess of the amount of the State and local Sales and Use tax exemption authorized by the Agency or which is for property or services not authorized by the Agency or unrelated to the Project Facility; or (b) the full amount of such State and local Sales and Use Tax exemption, if the Company fails to comply with a material term or condition regarding the use of the property or services as provided in the Agency Documents; (2) together with any interest or penalties thereon imposed by the Agency or by operation of law or by judicial order or otherwise. The failure of the Company to promptly pay such Recapture Amount to the Agency will be grounds for the State Commissioner of Taxation and Finance (the “**Commissioner**”) to collect the State Sales and Use Taxes from the Company under Article 28 of the State Tax Law, together with interest and penalties and for the Agency to take, or cause to be taken, any and all action necessary to collect the local portion of the sales tax comprising the Recapture Amount.

Each supplier or vendor should identify the Project Facility on each bill or invoice and indicate thereon which of the Company or its Additional Agents acted as agent for the Agency in making the purchase.

In order to be entitled to use this exemption, you and each Appointed Additional Agent should present to the supplier or other vendor of materials for the Project Facility, a completed “IDA Agent or Project Operator Exempt Purchase Certificate” (Form ST-123)¹.

In addition, General Municipal Law §874(8) requires you to file an Annual Statement with the New York State Department of Taxation and Finance (“**NYSDTF**”) on “Annual Report of Sales and Use Tax Exemptions” (Form ST-340) regarding the value of sales and use tax exemptions you, your Additional Agents have claimed pursuant to the agency we have conferred on you with respect to this project. The penalty for failure to file such statement is the removal

¹ Additional Agents who have not been specifically appointed as an agent of the Agency should use Form ST 120.1 for purchases or rentals of construction materials, equipment, tools and/or supplies that are affixed to or become part of the Project Facility.

Strathmore Huntley Group, LLC
May 1, 2015
Page 4

of your authority to act as our agent. In addition, you must provide a copy of the completed Form ST-340 to the Agency within ten (10) days of the date it is due to be filed with the NYSDTF.

The agency created by this letter is limited to the Project Facility, and will expire on the earlier of: (i) May 21, 2016, (ii) the issuance of a certificate of occupancy by the City; or (iii) the termination of the Agency Lease. You may apply to extend this agency authority by showing good cause.

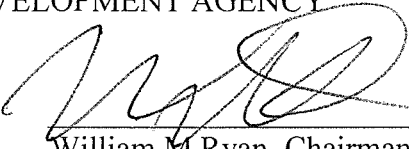
This letter is provided for the sole purpose of evidencing, in part, the exemption from New York State Sales and Use Taxes for this project only. No other principal/agent relationship is intended or may be implied or inferred by this letter.

The Agency shall not be liable, either directly or indirectly or contingently, upon any such contract, agreement, invoice, bill or purchase order in any manner and to any extent whatsoever (including payment or performance obligations), and the Company shall be the sole party liable thereunder. By acceptance of this letter, the vendor hereby acknowledges the limitations on liability described herein.

Strathmore Huntley Group, LLC
May 1, 2015
Page 5

Very truly yours,

CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY

By: 
William M Ryan, Chairman

11



IDA Appointment of Project Operator or Agent For Sales Tax Purposes

ST-60

(4/13)

The industrial development agency or authority (IDA) must submit this form within 30 days of the appointment of a project operator or agent, whether appointed directly by the IDA or indirectly by the operator or another agent.

For IDA use only

Name of IDA City of Syracuse Industrial Development Agency		IDA project number (use OSC numbering system for projects after 1998)	
Street address 333 West Washington Street, Suite 130		Telephone number (315) 473-3275	
City Syracuse		State NY	ZIP code 13202
Name of IDA project operator or agent Strathmore Huntley Group, LLC	Mark an X in the box if directly appointed by the IDA: <input checked="" type="checkbox"/>	Employer identification or social security number 27-3285524	
Street address 127 Stolp Avenue		Telephone number (315) 308-0590	Primary operator or agent? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
City Syracuse		State NY	ZIP code 13207
Name of project Huntley Building Renovation Project		Purpose of project (see instructions) other - commercial	
Street address of project site 409 Stolp Ave. and 419-21 Stolp Ave.			
City Syracuse		State NY	ZIP code
Description of goods and services intended to be exempted from New York State and local sales and use taxes building materials, equipment, fixtures and furnishings installed in the Project Facility			

Date project operator or agent appointed (mm/dd/yy) 5/01/15	Date project operator or agent status ends (mm/dd/yy) 5/21/16	Mark an X in the box if this is an extension to an original project: <input checked="" type="checkbox"/>
Estimated value of goods and services that will be exempt from New York State and local sales and use tax: \$1,173,974.30	Estimated value of New York State and local sales and use tax exemption provided: \$93,917.95	

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements with the knowledge that willfully providing false or fraudulent information with this document may constitute a felony or other crime under New York State Law, punishable by a substantial fine and possible jail sentence. I also understand that the Tax Department is authorized to investigate the validity of any information entered on this document.

Print name of officer or employee signing on behalf of the IDA William M. Ryan	Print title Chairman
Signature 	Date 5/21/15
	Telephone number (315) 473-3275

Instructions

Filing requirements

An IDA must file this form within 30 days of the date the IDA appoints any project operator or other person as agent of the IDA, for purposes of extending any sales and compensating use tax exemptions.

The IDA must file a separate form for each person it appoints as agent, whether directly or indirectly, and regardless of whether the person is the primary project operator or agent. If the IDA authorizes a project operator or agent to appoint other persons as agent of the IDA, the operator or agent making such an appointment must advise the IDA that it has done so, so that the IDA can file a form within 30 days of the date of the new agent's appointment. The IDA should not file this form for a person hired to work on an IDA project if that person is not appointed as agent of the IDA. The IDA need not file this form if the IDA does not extend any sales or use tax exemption benefits for the project.

If an IDA modifies a project, such as by extending it beyond its original completion date, or by increasing or decreasing the amount of sales and use tax exemption benefits authorized for the project, the IDA must, within 30 days of the change, file a new form with the new information.

If an IDA amends, revokes, or cancels the appointment of an agent, or if an agent's appointment becomes invalid for any reason, the IDA must, within 30 days, send a letter to the address below for filing this form, indicating that the appointment has been amended, revoked, or cancelled, or is no longer valid, and the effective date of the change. It should attach to the letter a copy of the form it originally filed. The IDA need not send a letter for a form that is not valid merely because the "Completion date of project" has passed.

Purpose of project

For Purpose of project, enter one of the following:

- Services
- Agriculture, forestry, fishing
- Finance, insurance, real estate
- Transportation, communication, electric, gas, sanitary services
- Construction
- Wholesale trade
- Retail trade
- Manufacturing
- Other (specify)

Mailing instructions

Mail completed form to:

**NYS TAX DEPARTMENT
IDA UNIT
W A HARRIMAN CAMPUS
ALBANY NY 12227**

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.

Need help?

Internet access: www.tax.ny.gov
(for information, forms, and publications)

Sales Tax Information Center: (518) 485-2889
To order forms and publications: (518) 457-5431

Text Telephone (TTY) Hotline
(for persons with hearing and speech disabilities using a TTY): (518) 485-5082

HISCOCK & BARCLAY^{LLP}

Susan R. Katzoff
Partner

May 29, 2015

VIA CERTIFIED MAIL
7012 0470 0000 2744 1915

New York State Tax Department
IDA Unit
Building 8, Room 738
W.A. Harriman Campus
Albany, New York 12227

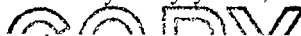
Re: IDA Appointment of Project Operator or Agent for Sales Tax Purposes
City of Syracuse Industrial Development Agency Appointment of
Strathmore Huntley Group, LLC (Huntley Building Renovation Project)

Dear Ladies and Gentlemen:

Enclosed for filing on behalf of the City of Syracuse Industrial Development Agency, please find form ST-60 in connection with the appointment by the IDA of Strathmore Huntley Group, LLC as its agent for sales tax purposes in connection with the IDA project identified therein.

Please do not hesitate to contact me with any questions. Thank you.

Very truly yours,



7012 0470 0000 2744 1915

Sent To Street, Apt. No., or PO Box No. City, State, ZIP+4	Postage \$ Certified Fee Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$	OFFICIAL USE For delivery information visit our website at www.usps.com U.S. Postal Service TM CERTIFIED MAILTM RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	SENDER: COMPLETE THIS SECTION ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.	COMPLETE THIS SECTION ON DELIVERY A. Signature <input checked="" type="checkbox"/> X <input type="checkbox"/> Agent <input type="checkbox"/> Address B. Received by (Printed Name) C. Date of Delivery
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CITY OF SYRACUSE

and

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT
AGENCY**

and

**STRATHMORE HUNTLEY GROUP, LLC
PAYMENT IN LIEU OF TAX AGREEMENT**

Dated as of: May 1, 2015

Strathmore Huntley Group, LLC

Federal Tax ID #:27-3285574

THIS PAYMENT IN LIEU OF TAX AGREEMENT, (this "*Agreement*") dated as of May 1, 2015 by and among the **CITY OF SYRACUSE**, a municipal corporation of the State of New York, having an office at City Hall, Syracuse, New York 13202 (hereinafter referred to as the "*Municipality*"), the **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation organized and existing under the laws of the State of New York (hereinafter referred to as the "*Agency*"), having an office at City Hall Commons, 333 West Washington Street, Suite 130, Syracuse, New York 13202, and **STRATHMORE HUNTLEY GROUP, LLC**, a domestic Limited Liability Company having a principal place of business at 127 Stolp Avenue, Syracuse, NY 13207 (hereinafter referred to as the "*Company*").

W I T N E S S E T H:

WHEREAS, the New York State Industrial Development Agency Act, being Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of the State of New York, as amended (hereinafter referred to as the "*Enabling Act*") authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish real and personal property, whether or not now in existence or under construction, which shall be suitable for, among others, manufacturing, warehousing, research, commercial or industrial purposes, in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their recreation opportunities, prosperity and standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease and to sell its projects, to charge and collect rent therefor, to issue its bonds or notes for the purpose of carrying out any of its corporate purposes and, as security for the payment of the principal and redemption price of, and interest on, any such bonds or notes, to mortgage any or all of its facilities and to pledge the revenues and receipts therefrom to the payment of such bonds or notes; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act, Chapter 641 of the 1979 Laws of the State of New York, as amended (said chapter and the

Enabling Act being hereinafter collectively referred to as the "*Act*") created the Agency for the benefit of the Municipality and the inhabitants thereof; and

WHEREAS, the Agency, by Resolution adopted on November 13, 2012, (the "*Resolution*"), resolved to undertake the "*Project*" (as hereinafter defined); and

WHEREAS, the Project will consist of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York; (, the "*Land*"); (ii) the rehabilitation and renovation of approximately 42 market rate apartments for use as affordable market rate apartments (the "*Facility*"); (iii) the acquisition and installation in thereon of furniture, fixtures and equipment (collectively the "*Equipment*") and together with the Land and the Facility (the "*Project Facility*"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the "*Financial Assistance*"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition 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 will lease the Project Facility from the Company pursuant to that certain Company Lease Agreement dated as of May 1, 2015 (the "*Company Lease Agreement*"), between the Company and the Agency, and sublease the Project Facility back to the Company pursuant to that certain Agency Lease Agreement dated as of May 1, 2015 (the "*Agency Lease Agreement*"), between the Agency and the Company (collectively the Company Lease Agreement and the Agency Lease Agreement are hereinafter referred to as the ("*Lease Agreement*"); and

WHEREAS, under the present provisions of the Act and Section 412-a of the Real Property Tax Law of the State of New York, the Agency is required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction or supervision or control; and

WHEREAS, the Company, to further induce the Agency to assist with the Project, has

agreed with the Municipality and the Agency to enter into this Agreement; the Municipality's participation in this Agreement has been duly authorized by Ordinance No.47 of 2013, adopted by the Municipality's Common Council on January 28, 2013, and approved by Mayor Stephanie A. Miner on January 30, 2013.

NOW, THEREFORE, in consideration of the matters above recited, the parties hereto formally covenant, agree and bind themselves as follows, to wit:

ARTICLE I

REPRESENTATIONS AND WARRANTIES

Section 1.01. Representations and Warranties by Municipality

The Municipality does hereby represent, warrant and covenant as follows:

(a) Authorization. The Municipality has secured all approvals of appropriate officers, boards and bodies of the Municipality necessary to duly authorize the execution, delivery and performance of this Agreement by the Municipality and the performance by the Municipality of its obligations hereunder.

(b) Validity. The Municipality is not prohibited from entering into this Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement by the terms, conditions or provisions of any law, any order of any court or other agency or authority of government, or any agreement or instrument to which the Municipality is a party or by which the Municipality is bound, and this Agreement is a legal, valid and binding obligation of the Municipality enforceable in accordance with its terms.

Section 1.02. Representations and Warranties by Agency

The Agency does hereby represent and warrant as follows:

(a) Existence and Power. The Agency has been duly established under the provisions of the Act and has the power to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder.

(b) Intentions. The Agency intends to acquire a leasehold interest in the Project Facility from the Company and to sublease the Project Facility back to the Company, all pursuant to the

provisions of the Lease Agreement.

(c) Authorization. The Agency is authorized and has the corporate power under the Act, its by-laws and the laws of the State of New York to enter into this Agreement and the transactions contemplated hereby and to perform and carry out all the covenants and obligations on its part to be performed under and pursuant to this Agreement. By proper corporate action on the part of its members, the Agency has duly authorized the execution, delivery and performance of this Agreement and the consummation of the transactions herein contemplated.

(d) Validity. The Agency is not prohibited from entering into this Agreement and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement by the terms, conditions or provisions of the Act, any other law, any order of any court or other agency or authority of government, or any agreement or instrument to which the Agency is a party or by which the Agency is bound, and this Agreement is a legal, valid and binding obligation of the Agency enforceable in accordance with its terms.

Section 1.03. Representations and Warranties by Company

The Company does hereby represent and warrant as follows:

(a) Existence. The Company is a domestic Limited Liability Company duly organized and validly existing under the laws of the State of New York.

(b) Authorization. The Company is authorized and has the power under the laws of the State of New York to enter into this Agreement and the transactions contemplated hereby and to perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement. The Company has duly authorized the execution, delivery and performance of this Agreement and the consummation of the transactions herein contemplated. The Company is not prohibited from entering into this Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement by (and the execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby and the fulfillment of and compliance with the provisions of this Agreement will not conflict with or violate or constitute a breach of or a default under) the terms, conditions or provisions of its Articles of Organization, Operating Agreement or any other restriction or any law, rule, regulation

or order of any court or other agency or authority of government, or any contractual limitation, restriction or outstanding indenture, deed of trust, mortgage, loan agreement, other evidence of indebtedness or any other agreement or instrument to which the Company is a party or by which it or any of its property is bound, and the Company's discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement will neither be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any of the foregoing, nor result in the creation or imposition of any lien of any nature upon any of the property of the Company under the terms of any of the foregoing, and this Agreement is a legal, valid and binding obligation of the Company enforceable in accordance with its terms.

(c) Governmental Consent. No further consent, approval or authorization of, or filing, registration or qualification with, any governmental or public authority on the part of the Company is required as a condition to the execution, delivery or performance of this Agreement by the Company or as a condition to the validity of this Agreement.

ARTICLE II

COVENANTS AND AGREEMENTS

Section 2.01. Tax-Exempt Status of the Project Facility

(a) Assessment of the Project Facility. Pursuant to the Act and Section 412-a of the Real Property Tax Law, the parties hereto understand that, upon acquisition of ownership or control of the Project Facility by the Agency, and for so long thereafter as the Agency shall own or control the Project Facility, the Project Facility shall be entitled to an exemption upon the first available assessment roll of the Municipality prepared subsequent to the acquisition by the Agency of ownership or control of the Project Facility. The time of commencement of the Agency's exemption shall be controlled by the Municipality's taxable status date, in conformity with Section 412-a of the Real Property Tax Law. The Company will be required to pay to the Municipality all taxes and assessments lawfully levied and/or assessed against the Project Facility, in spite of the Agency's actual ownership or control of the Project Facility, until the Project Facility shall be entitled to exempt status on the tax roll of the Municipality.

(b) Special Assessments. The parties hereto understand that the tax exemption extended to the Agency by the Act and Section 412-a of the Real Property Tax Law does not entitle the Agency to exemption from special assessments and special ad valorem levies. The Company will be required to pay all special assessments and special ad valorem levies lawfully levied and/or assessed against the Project Facility.

Section 2.02. Payments in Lieu of Taxes

(a) Agreement to Make Payments. The Company agrees that it shall make periodic payments in lieu of real property taxes in the amounts hereinafter provided. The said payments due to the Agency hereunder shall be paid by the Company, to the Municipality, by check made payable to "*Commissioner of Finance*". Upon receipt of the Company's payment, it shall be the Municipality's obligation to appropriately disburse any portion of the said payment to the County of Onondaga, or such other taxing jurisdiction, pursuant to the Act. This Company obligation shall exist for so long as the Agency retains an interest in the Project Facility. Notwithstanding the appearance of the Agency's exemption on the Municipality's tax roll for the 2016/2017 City and School portion of the real property tax due on the Land and Facility, the year 1 payment due for the City and School portion of the year 1 payment under Exhibit "A" shall commence on July 1, 2016. The year 1 payment due for the County and Water District portion of the year 1 payment under Exhibit "A" shall commence on January 1, 2017. Without regard to the Agency exemption, the Company shall continue paying real property tax through June 30, 2016 with respect to the City and School portion of the real property tax and through December 31, 2016 with respect to the County and Water District portion of the real property tax, based upon the assessment and the combined real property tax rate in effect for that period as if the Project Facility were privately owned and the Agency had no interest in the same.

(b) Amount of Payments in Lieu of Taxes. Unless otherwise stated, the Company's agreed upon annual payment in lieu of tax hereunder shall be an amount determined by reference to Exhibit "A", attached hereto and made a part hereof. The payments in lieu of tax due, as set forth in Exhibit "A", include any real property tax exemptions that might be afforded to the Company if the Project Facility were owned by the Company and not the Agency. As consideration for the benefits

conferred on the Company pursuant to this Agreement, the Company hereby agrees to be bound by any determination by the City of Syracuse Board of Assessment Review resulting from a review of the assessment pertaining to the Project Facility and/or Additional Property throughout the term of this Agreement. The Company hereby agrees to waive any and all right to challenge or contest in a court of law (a "*Legal Challenge*"), those payments or the basis for those payments due pursuant to Exhibit "A." It shall also be an event of default under Article IV of this Agreement should the Company bring a Legal Challenge on the Project Facility and/or Additional Property.

(c) Additional Amounts in Lieu of Taxes. Commencing on the first tax year following the date on which any structural addition shall be made to the Facilities, or any new or additional building shall be constructed on the real property described in Exhibit "B" that is in addition to the Facilities (such structural additions and additional buildings being hereinafter referred to as "*Additional Property*"), the Company agrees to make additional periodic payments in lieu of real property taxes (such additional payments being hereinafter collectively referred to as "*Additional Payments*") to the Municipality with respect to such Additional Property. Such Additional Payments shall be computed as follows:

By multiplying (1) the value placed on such Additional Property, as value is determined by the Municipality's Assessor by (2) the tax rate or rates of the Municipality that would be applicable to such Additional Property if such Additional Property were owned or controlled by the Company and not the Agency, and (3) then reducing the amount so determined by the amounts of any properly acquired tax exemptions that would be afforded to the Company by the Municipality for such Additional Property as if it was owned or controlled by the Company and not the Agency.

(d) Revaluation. In the event of a real property assessment revaluation by the Municipality, the Company shall continue to make its payments in accordance with this Agreement; however, in the event that Exhibit "A" is no longer in effect, but payments are still being made hereunder for any reason, (including, but not limited to, the Agency still having an interest in the Project Facility), and would be effected by revaluation, each year's payments subsequent to such revaluation shall be adjusted to properly reflect the revaluation, it being the intent of the parties that

the level of payments following revaluation shall be equal to those payments contemplated by this Agreement.

(e) Damage or Destruction. In the event that all or substantially all of the Project Facility is damaged or destroyed, the Company shall continue to make the payments required by this Agreement for as long as the Agency shall own or control the Project Facility, without regard to such damage or destruction.

(f) Time of Payments. The Company agrees to pay the amounts due the Agency hereunder to the Municipality for each year of this Agreement, within the period that the Municipality allows payment of taxes levied in such calendar year without penalty. The Company shall be entitled to receive receipts from the Municipality for such payments.

(g) Method of Payment. All payments by the Company hereunder shall be paid to the Municipality in lawful money of the United States of America, cash, money order or check.

Section 2.03. Obligation of Municipality

The Municipality shall submit to the Company written semi-annual statements specifying the amount and due date or dates of any payments due to the Agency hereunder. Each said semi-annual statement shall be submitted to the Company at the same time that tax bills are mailed by the Municipality to the owners of privately owned property.

Section 2.04. Obligations of Agency

(a) Requirement that any Project Facility Agreements Require Payments in Lieu of Taxes. So long as the Project Facility shall be entitled to exemption from real property taxes as provided in Section 2.01(a) hereof, the Agency agrees, to the extent permitted by law, that it shall not make any agreement regarding the leasing or sale of the Project Facility which does not require that payments in lieu of taxes shall be paid to the Municipality in at least the amounts set forth in Article II hereof.

(b) Requirement that Mortgagees Subordinate to Payments. The Agency and the Company agree that any mortgages on the Project Facility, given by either of them, shall provide that the rights of the mortgagees thereunder shall be subordinate to this Agreement and to the right of the Municipality to receive payments in lieu of taxes pursuant to Article II hereof.

Section 2.05. Company to Furnish Information

The Company agrees to promptly comply with the reporting and information requirements of the Agency and the Act, and to immediately furnish the applicable information required or requested by the Agency and/or the State of New York. The Company further agrees to assist the Agency with the preparation of any reports, or answer any inquiries, required by the State of New York in connection with the Act or the Agency's participation in the Project.

Section 2.06. Interest

(a) Agreement to Pay Interest on Missed Payments. If the Company shall fail to make any payment required by this Agreement when due, its obligation to make the payment so in default shall continue as an obligation of the Company until such payment in default shall have been made in full, and the Company shall pay the same together with interest thereon, to the extent permitted by law, at the greater of **(i) eighteen per cent (18%) per annum, or (ii) the rate per annum which would be payable if such amounts were delinquent taxes, until so paid in full.**

(b) Maximum Legal Rate. It is the intent of the Agency, the Municipality, and Company that in no event shall interest be payable at a rate in excess of the maximum rate permitted by applicable law (the "Maximum Legal Rate"). Solely to the extent necessary to prevent interest under this Agreement from exceeding the Maximum Legal Rate, any amount that would be treated as excessive under a final judicial interpretation of applicable law shall be deemed to have been a mistake and automatically canceled, and, if received by the Agency or Municipality, shall be refunded to the Company.

ARTICLE III

LIMITED OBLIGATION OF THE AGENCY

Section 3.01. No Recourse; Limited Obligation of the Agency

(a) No Recourse. All covenants, stipulations, promises, agreements and obligations of the Agency contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency and not of any member, director, officer, agent, servant or employee of the Agency in his individual capacity, and no recourse under or upon

any obligation, covenant or agreement contained in this Agreement, or otherwise based on or in respect of this Agreement, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, director, officer, agent, servant or employee, as such, of the Agency or any successor public benefit corporation or political subdivision or any person executing this Agreement on behalf of the Agency, either directly or through the Agency or any successor public benefit corporation or political subdivision or any person so executing this Agreement. It is expressly understood that this Agreement is a corporate obligation, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, director, officer, agent, servant or employee of the Agency or of any successor public benefit corporation or political subdivision or any person so executing this Agreement under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom. Any and all such personal liability of, and any and all such rights and claims against, every such member, director, officer, agent, servant or employee under or by reason of the obligations, covenants or agreements contained in this Agreement or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of this Agreement.

(b) Limited Obligation. The obligations and agreements of the Agency contained herein shall not constitute or give rise to an obligation of the State of New York or the Municipality, and neither the State of New York nor the Municipality shall be liable thereon. Furthermore, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from the revenues of the Agency derived and to be derived from the lease, sale or other disposition of the Project.

(c) Further Limitation. Notwithstanding any provision of this Agreement to the contrary, the Agency shall not be obligated to take any action pursuant to any provision hereof unless (i) the Agency shall have been requested to do so in writing by the Company and (ii) if compliance with such request is expected to result in the incurrence by the Agency (or any of its members, directors, officers, agents, servants or employees) of any liability, fees, expenses or

other costs, the Agency shall have received from the Company security or indemnity satisfactory to the Agency for protection against all such liability, however remote, and for the reimbursement of all such fees, expenses and other costs.

ARTICLE IV
EVENTS OF DEFAULT

Section 4.01. Events of Default

Any one or more of the following events shall constitute an event of default under this Agreement, and the terms "*Event of Default*" or "*Default*" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure of the Company to pay any amount due and payable by it pursuant to this Agreement or the Lease Agreement.

(b) Commencement by the Company of a Legal Challenge, as defined in Section 2.02(b), to those payments or the basis for those payments due pursuant to Exhibit "A."

(c) Failure of the Company to observe and perform any other covenant, condition or agreement on its part to be observed and performed under this Agreement (other than as referred to in paragraph (a) above) or the Lease Agreement, and continuance of such failure for a period of thirty (30) days after written notice to the Company specifying the nature of such failure and requesting that it be remedied.

(d) Any warranty, representation or other statement by or on behalf of the Company contained in this Agreement or the Lease Agreement shall prove to have been false or incorrect in any material respect on the date when made or on the effective date of this Agreement or the Lease Agreement.

(e) The Company violates any federal, state or local environmental law or allows or causes any Hazardous Materials (as Hazardous Materials is defined and described in any federal, state or local law) to be released at, on, to, into or from the Project Facility, except as permitted by the Lease Agreement or within the terms and conditions of a permit, certificate, license or other written approval of an authorized governmental body, and fails to remedy such violation within

thirty (30) days; or if such failure cannot be cured within thirty (30) days, fails to commence a cure within thirty (30) days and thereafter diligently prosecute the cure thereof.

(f) The occurrence of any Event of Default or Default under this Agreement, the Lease Agreement or any other Project documents.

(g) Failure of the Company to commence rehabilitation of the Project Facility within six months of the date of this Agreement.

The payment schedule contained in Exhibit "A" is for the benefit of the Company and its Project Facility. In the event that the Company defaults hereunder, and the Lease Agreement cannot be terminated, and/or the Agency's participation in the Project and this Agreement is not or cannot be terminated, the Company, or any assignee, or successor shall no longer be entitled to make payments under this Agreement pursuant to Exhibit "A". In such an event, payments shall be made hereunder, for any remaining term of the Project, as if the Project Facility was privately owned and assessed and without any further regard to Exhibit "A".

Section 4.02. Remedies on Company Default

Whenever any Event of Default under Sections 4.01(a), 4.01(b), 4.01(c), 4.01(d), 4.01(e), 4.01 (f) or 4.01(g) shall have occurred and be continuing with respect to this Agreement, and/or the Company shall be in default under the Lease Agreement, the Municipality or the Agency may take whatever action at law or in equity, following applicable notice, as may appear necessary or desirable to collect the amount then in default or to enforce the performance and observance of the obligations, agreements and covenants of the Company under this Agreement and/or the Lease Agreement.

Section 4.03. Recording of Lease Terminations and Other Documents

Whenever any Event of Default under Sections 4.01(a), 4.01(b), 4.01(c), 4.01(d), 4.01(e), 4.01 (f) or 4.01(g) shall have occurred and be continuing with respect to this Agreement or the Lease Agreement, the Agency may, upon notice to the Company provided for in this Agreement or the Lease Agreement, terminate the Lease Agreement and record such termination or other necessary documents in the Onondaga County Clerk's Office, terminating the Agency's interest in the Project Facility and terminating this Agreement.

The recording of such a termination and any other documentation shall constitute delivery to, and acceptance of such, by the Company. In order to facilitate such a termination, the Company hereby appoints the Chairman or the Vice Chairman of the Agency as its agent for the purpose of executing and delivering all documents necessary to allow such termination by the Agency.

In the event that the Lease Agreement, for any reason, is extended by its terms, or for any reason this Agreement expires or terminates, but the Agency retains an interest or remains in title to the Project Facility, the Company shall continue to make payments in lieu of taxes to the Municipality for as long as the Agency retains an interest in, or remains in title to, the Project Facility. Those payments shall be the equivalent of the real property taxes that would be due on the Project Facility if it were owned by the Company and not the Agency. It is the intention of the parties hereto, that for so long as the Agency shall possess title to, or an interest in, the Property, the Company, or any permitted successors or assigns, shall make payments in lieu of taxes to the Municipality that are either based upon Exhibit "A", or if Exhibit "A" is no longer applicable for any reason, are the equivalent of the real property taxes that would be due and owing if the Project Facility were privately owned.

Section 4.04. Payment of Attorney's Fees and Expenses

If the Company should default in performing any of its obligations, covenants and agreements under this Agreement and the Agency or the Municipality should employ attorneys (whether in-house or outside counsel) or incur other expenses for the collection of any amounts payable hereunder or for the enforcement of performance or observance of any obligation or agreement on the part of the Company herein contained, the Company agrees that it will, on demand therefor, pay to the Agency and/or the Municipality the reasonable fees and disbursements of such attorneys and such other reasonable expenses so incurred.

Furthermore, should the Company bring a Legal Challenge on the Project Facility and/or Additional Property during the term of this Agreement, and the Agency and/or the Municipality waives its right to declare a default under this Agreement in regard to such Legal Challenge, or such Legal Challenge is determined not to be a default of this Agreement by any Court of competent jurisdiction, the Company agrees that in the event that the Company is unsuccessful in its Legal

Challenge, it will, on demand, pay to the Agency and/or the Municipality the reasonable fees and disbursements of any attorneys employed (whether in-house or outside counsel) for the defense of such Legal Challenge as well as such other reasonable expenses so incurred.

Section 4.05. Remedies; Waiver and Notice

(a) No Remedy Exclusive. No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute.

(b) Delay. No delay or omission in exercising any right or power accruing upon the occurrence of any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

(c) Notice Not Required. In order to entitle the Agency or the Municipality to exercise any remedy reserved to it in this Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Agreement.

(d) No Waiver. In the event any provision contained in this Agreement should be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to be a waiver of any other breach hereunder. No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing.

ARTICLE V

MISCELLANEOUS

Section 5.01. Term of Agreement

(a) General. This Agreement shall become effective and the obligations of the Municipality, the Agency and the Company shall arise absolutely and unconditionally upon the execution and delivery of this Agreement. This Agreement shall terminate on the earliest to occur of (i) the same date that the Agency Lease Agreement terminates; (ii) on any earlier date permitted

under the Agency Lease Agreement; or (iii) upon the expiration on June 30, 2026, of the PILOT Schedule set forth in Exhibit “A” hereto. In the event of a termination of the Agency’s interest in the Project Facility, the Company's payments due hereunder shall be pro-rated to the extent necessary to allow the Municipality to issue a supplemental tax bill based upon the Agency's transfer of ownership or control of the Project Facility to the Company, and the loss of the Agency's tax exemption on the said Project Facility.

(b) Conflict. In the event of a conflict between this Agreement or any of its terms on the one hand, and the Lease Agreement or any other Project documents on the other hand, the provisions most favorable to the Agency shall govern. The Agency and the Company agree that the Agency’s participation in the Project is for the benefit of the Company and that the Municipality must receive payments from the Company hereunder, during the entire term of this Agreement and/or the Agency’s ownership or control of the Project Facility.

Section 5.02. Company Acts

Where the Company is required to do or accomplish any act or thing hereunder, the Company may cause the same to be done or accomplished with the same force and effect as if done or accomplished by the Company.

Section 5.03. Amendment of Agreement

This Agreement may not be amended, changed, modified or altered unless such amendment, change, modification or alteration is in writing and signed by the Municipality, the Agency, and the Company.

Section 5.04. Notices

All notices, certificates or other communications hereunder shall be in writing, shall be sufficiently given, and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, and actually received by the intended recipient or by overnight courier or such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee as evidenced by the affidavit of the person who attempted to effect such delivery. The addresses to which notices, certificates, and other communications hereunder shall be delivered are as follows:

- (a) To the Municipality:
City of Syracuse
City Hall, Room 300
233 East Washington Street
Syracuse, New York 13202
Attention: Mayor
Attention: Corporation Counsel

- (b) To the Agency:
City of Syracuse Industrial Development Agency
City Hall, Room 300
233 East Washington Street
Syracuse, New York 13202
Attention: Chairman
Attention: Corporation Counsel

- (c) To the Company:
Strathmore Huntley Group, LLC
127 Stolp Avenue
Syracuse, NY 13207

The Municipality, Agency, and Company may, by notice given hereunder to each of the others, designate any further or different addresses to which the subsequent notices, certificates or other communications to them shall be sent.

Section 5.05. Binding Effect

This Agreement shall inure to the benefit of, and shall be binding upon the Municipality, Agency, and Company, and their respective successors and assigns.

Section 5.06. Severability

If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion so adjudged invalid, illegal or unenforceable shall be deemed separate, distinct and independent and the remainder of this Agreement shall be and remain in full force and effect and shall not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

Section 5.07. Counterparts

This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.08. Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York. Venue of any action or proceeding brought hereunder shall be in the State or Federal Courts located in Onondaga County, New York.

Section 5.09. Assignment

This Agreement may not be assigned by the Company without the prior written consent of the Municipality and Agency.

[No Further Text – Signature Pages Follows]

IN WITNESS WHEREOF, the Municipality, Agency, and Company have caused this Agreement to be executed in their respective names on the date first above written.

Attest

CITY OF SYRACUSE

By: *John P. Copanas*
John P. Copanas, City Clerk

By: *Stephanie A. Miner*
Stephanie A. Miner, Mayor

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

On this 12th day of May, 2015, before me personally came Stephanie A. Miner, Mayor of the City of Syracuse, with whom I am personally acquainted, who, being by me duly sworn, did depose and say: that she resides in the City of Syracuse, New York; that she is Mayor of the City of Syracuse, the corporation described in and which executed the within instrument; and that she signed said instrument as Mayor of said City of Syracuse by like authority.

Christine E. Enright
Notary Public

CHRISTINE ENRIGHT
Notary Public in the State of New York
Qualified in Onondaga County
No. 01EN5039029
My Commission Expires 2/13/2019

**CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY**

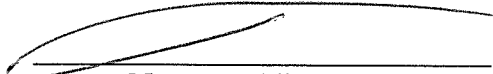
By:



William M. Ryan, Chairman

STATE OF NEW YORK)
COUNTY OF ONONDAGA) ss:

On the 18 day of May, 2015, before me the undersigned, a Notary Public in and for said state, personally appeared William M. Ryan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or he person upon behalf of which the individual acted, executed the instrument.



Notary Public

THOMAS RAYMOND BABILON
Notary Public in the State of New York
Qualified in Onondaga County
No. 01BA6091431
My Commission Expires 4/28/19

STRATHMORE HUNTLEY GROUP, LLC

By: Brenda Colella
Brenda Colella, Member

STATE OF NEW YORK)
COUNTY OF ONONDAGA) ss:

On the 21st day of May, in the year 2015, before me the undersigned, a notary public in and for said state, personally appeared Brenda Colella, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or he person upon behalf of which the individual acted, executed the instrument.

Lori L. McRobbie
Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 2018

**ACKNOWLEDGEMENT BY
STRATHMORE HUNTLEY GROUP, LLC**

Strathmore Huntley Group, LLC, (the “Company”) hereby acknowledges receipt and review of this Agreement, and consents to, and approves of, the terms and provisions contained herein.

IN WITNESS WHEREOF, the Company has caused this Acknowledgment to be executed in its name by its duly authorized representative, dated as of May 1, 2015.

STRATHMORE HUNTLEY GROUP, LLC

BY: Brenda Colella
Brenda Colella, Member

STATE OF NEW YORK)
COUNTY OF ONONDAGA) ss:

On the 21st day of May, in the year 2015, before me the undersigned, a notary public in and for said state, personally appeared Brenda Colella, Member, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or he person upon behalf of which the individual acted, executed the instrument.

Lori L. McRobbie
Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 2018

EXHIBIT "A"

PILOT SCHEDULE

STRATHMORE HUNTLEY GROUP LLC PILOT Schedule		
Year	Assessment	Payment
1	$\$255,000 \times \text{tax rate}^*$	-
2	$\$255,000 \times \text{tax rate}$	-
3	$\$255,000 \times \text{tax rate}$	-
4	$\$255,000 \times \text{tax rate}$	-
5	$\$255,000 \times \text{tax rate}$	-
6	$\$255,000 \times \text{tax rate}$	-
7	$\$255,000 \times \text{tax rate}$	-
8	$[(\text{full assessment} - \$255,000) \times .25] + (\$255,000 \times \text{tax rate})$	-
9	$[(\text{full assessment} - \$255,000) \times .50] + (\$255,000 \times \text{tax rate})$	-
10	$[(\text{full assessment} - \$255,000) \times .75] + (\$255,000 \times \text{tax rate})$	-

*tax rate = Combined Syracuse City, County, School District and Water District Real Property Tax Rate in effect for each year, or portion thereof, covered by the Agreement

EXHIBIT "B"

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, known and distinguished as Lots Nos. 113, 114 and 115 of the Stolp Addition, according to a map thereof made by Rhesa Griffin, C.E. and filed in the Onondaga County Clerk's Office on October 2, 1890.

13



NYS DEPARTMENT OF TAXATION & FINANCE
OFFICE OF REAL PROPERTY TAX SERVICES

RP-412-a (1/95)

INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

RECEIVED
MAY 20 2015
DEPT. OF TAXATION & FINANCE
PROPERTY ASSESSMENT

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name City of Syracuse Industrial Development Ag
Street 333 West Washington Street
City Syracuse
Telephone no. Day (315) 473-3275
Evening () N/A
Contact Benjamin Walsh
Title Executive Director

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)
Name Strathmore Huntley Group, LLC
Street 127 Stolp Ave
City Syracuse
Telephone no. Day (315) 308-0590
Evening () N/A
Contact Brenda Colella
Title Member

3. DESCRIPTION OF PARCEL

- a. Assessment roll description (tax map no./roll year) (087.-12-04.0) and (087.-12-03.0) 2015
- b. Street address 409 and 419-21 Stolp Ave
- c. City, Town or Village Syracuse
- d. School District Syracuse
- e. County Onondaga
- f. Current assessment \$272,800
- g. Deed to IDA (date recorded; liber and page) N/A lease lease back transaction

4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)

- a. Brief description (include property use) Project consists of the rehabilitation of a four story 42 unit apartment building
- b. Type of construction Brick, Mortar, wood
- c. Square footage 24,270
- d. Total cost \$2,777,670.00
- e. Date construction commenced 5/2015
- f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA) June 30, 2026

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION

(Attach copy of the agreement or extract of the terms relating to the project).

- a. Formula for payment See attached PILOT Agreement

- b. Projected expiration date of agreement June 30, 2026

c. Municipal corporations to which payments will be made

	Yes	No
County _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town/City _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Village _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
School District _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>

d. Person or entity responsible for payment

Name Strathmore Huntley Group, LLC
 Title _____
 Address 127 Stolp Ave
Syracuse, NY 13207

e. Is the IDA the owner of the property? Yes No (check one)
If "No" identify owner and explain IDA rights or interest in an attached statement.

Telephone _____

6. Is the property receiving or has the property ever received any other exemption from real property taxation? (check one) Yes No

If yes, list the statutory exemption reference and assessment roll year on which granted:
exemption _____ assessment roll year _____

7. A copy of this application, including all attachments, has been mailed or delivered on 5/21/15 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

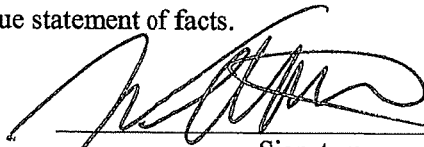
CERTIFICATION

I, William M. Ryan, Chair _____ of _____

Name _____ Title _____
City of Syracuse Industrial Development Agency hereby certify that the information
 Organization _____

on this application and accompanying papers constitutes a true statement of facts.

5/27/15
Date


Signature

FOR USE BY ASSESSOR

1. Date application filed _____

2. Applicable taxable status date _____

3a. Agreement (or extract) date _____

3b. Projected exemption expiration (year) _____

4. Assessed valuation of parcel in first year of exemption \$ _____

5. Special assessments and special as valorem levies for which the parcel is liable:

Date

Assessor's signature

14

City of Syracuse

CITY CLERK'S OFFICE

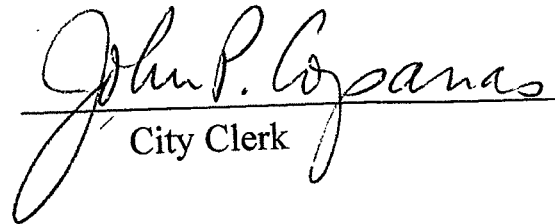
I, JOHN P. COPANAS, City Clerk of the City of Syracuse, New York do hereby certify that the attached is a true copy of an ORDINANCE:

Adopted by the Common Council on

January 28, 2013

Signed by the Mayor on

January 30, 2013


City Clerk

TO:

Mayor
Assessment Commissioner
Aviation Commissioner
Board of Elections
Bureau of Accounts
Citizen Review Board
City Auditor
City School District
Code Enforcement
Neighborhood and Business Development
Finance Commissioner
Corporation Counsel
United States Congressperson
Governor of New York State
New York State Senate
New York State Assembly
New York State Senator
Onondaga County Legislature

Management & Budget Director
Parks & Recreation Commissioner
Personnel & Labor Relations Dir.
Police Chief
Public Works Commissioner
Public Works/Bookkeeper
Purchase Department
Real Estate Division
Research Director
Water Department
Zoning Administration
United States Senator
Department of Engineering
Finance/Treasury
Finance (Water Bureau)
Fire Chief
Grants Management Director
Board of Education

ORDINANCE AUTHORIZING AN AGREEMENT BETWEEN THE CITY OF SYRACUSE, THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY, AND STRATHMORE HUNTLEY GROUP, LLC FOR ANNUAL PAYMENTS IN LIEU OF TAXES WITH RESPECT TO THE PROPERTIES LOCATED AT 409 STOLP AVENUE AND 419-421 STOLP AVENUE, SYRACUSE, NEW YORK

BE IT ORDAINED, that the Mayor, on behalf of the City of Syracuse, be and she is hereby authorized to enter into a Payment in Lieu of Tax Agreement (the "Agreement") with the City of Syracuse Industrial Development Agency ("SIDA") and Strathmore Huntley Group, LLC (the "Company"), covering the properties located at 409 Stolp Avenue and 419-421 Stolp Avenue, Syracuse, New York; at which the Company proposes to rehabilitate a 55,000 square foot historic apartment building to create 42 residential units and an adjacent 4,465 square foot parking garage; with payments in lieu of taxes under the Agreement to be calculated pursuant to the PILOT schedule attached as Exhibit "A"; and

BE IT FURTHER ORDAINED, that such agreement shall contain those terms and conditions that shall be determined by the Corporation Counsel to be in the best interest of the City of Syracuse and that payments made thereunder will be shared with Onondaga County in the same proportion that present real property tax revenues are shared.

Exhibit "A"

Strathmore Huntley Group, LLC. PILOT Schedule		
Year	Assessment	Payment
1	\$255,000 x tax rate*	-
2	\$255,000 x tax rate	-
3	\$255,000 x tax rate	-
4	\$255,000 x tax rate	-
5	\$255,000 x tax rate	-
6	\$255,000 x tax rate	-
7	\$255,000 x tax rate	-
8	[(full assessment - \$255,000) x .25] + (\$255,000 x tax rate)	-
9	[(full assessment - \$255,000) x .50] + (\$255,000 x tax rate)	-
10	[(full assessment - \$255,000) x .75] + (\$255,000 x tax rate)	-

*tax rate = Combined Syracuse City, County, School District and Water District Real Property Tax Rate in effect for each year, or portion thereof, covered by the Agreement

15

McRobbie, Lori L.

From: Anthony D'Elia [anthony@centolellalaw.com]
Sent: Tuesday, May 26, 2015 3:01 PM
To: Katzoff, Susan R.; McRobbie, Lori L.
Cc: Christopher A. Andreucci; Babilon, Thomas R.; Kevin Overton
Subject: SIDA/SEDCO/OCDC to Strathmore Huntley - RECORDING INFO

Here is the recording information as received from Chicago a moment ago:

The following documents were recorded today (5/26/15) at the indicated times and locations in regards to the above referenced matter. Please let me know if I can be of further assistance.

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Memo of Agency Lease	5325/447 at 2:30pm
Collateral Mortgage	17750/1 at 2:32pm
Assignment of Rents and Leases	17750/21 at 2:33pm
UCC	2015-00371 at 2:34pm
SEDCO Mortgage	17750/34 at 2:36pm
Building Loan Agreement	2015LB50 at 2:37pm
Notice of Lending	2015LN35 at 2:37pm
Intercreditor Agreement	17750/40 at 2:40pm

Thanks,
Casey

Casey J. Woods
Abstractor
100 Madison Street, Suite 1910
Syracuse, NY 13202
casey.woods@ctt.com
Mobile: 315.593.5274
Office: 315.422.1869
Fax: 315.474.0109



CHICAGO TITLE

Simply the best choice in the market for real estate transactions.

Anthony J. D'Elia
CENTOLELLA LYNN D'ELIA & TEMES LLC



100 Madison Street | Tower I, Suite 1905 | Syracuse, New York 13202
Tel: 315.476.1010 | Fax: 315.476.1134 | Email: ANTHONY@CENTOLELLALAW.COM
DIRECT DIAL: (315) 766-2122

CONFIDENTIALITY STATEMENT

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, YOU ARE HEREBY NOTIFIED that any dissemination, distribution or copying of this communication is strictly prohibited. If you are not the intended recipient of this message, please destroy any printed version and delete this email. In addition, this firm does not accept service of papers by email or facsimile transmission.

MORTGAGE

This Mortgage (the "Mortgage") made as of May 21, 2015 between the Mortgagors STRATHMORE HUNTLEY GROUP, LLC, a limited liability company organized under the laws of the State of New York, having an office at (hereinafter "Mortgagor"), and the CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY, a New York Industrial Development Agency having an office at 333 West Washington Street, Syracuse, NY 13202 (hereinafter the "Agency") and the Mortgagee SYRACUSE ECONOMIC DEVELOPMENT CORPORATION, (hereinafter "*Mortgagee*"), whose office is located at 333 West Washington Street, Suite 130, Syracuse, New York 13202.

Definitions: the terms "Agency Lease", "Company Lease" and "PILOT Agreement" and "Unassigned Rights" as used throughout this agreement shall have the following definitions:

"Agency Lease" means the Agency Lease Agreement dated as of May 1, 2015, by and between the Agency and the Mortgagor, as the same may be amended or supplemented from time to time.

"Company Lease" means the Company Lease Agreement dated as of May 1, 2015 from the Mortgagor to the Agency, as the same may be amended or supplemented from time to time.

"PILOT Agreement" means the Payment in Lieu of Taxes Agreement dated as of May 1, 2015 among the City of Syracuse, New York, the Agency and the Mortgagor, as amended or supplemented from time to time.

"Unassigned Rights" means the unassigned rights of the Agency as defined in the Agency Lease.

Mortgagor promises and agrees as follows:

Transfer of rights in the Property:

1. The Mortgagor and Agency hereby mortgage to the Mortgagee all of their respective rights title and interest in the Property described in the Mortgage, except for the Agency's Unassigned Rights. Mortgagor can lose the property for failure to keep the promises in this Mortgage.

Underlying debt:

2. This Mortgage is made to secure a Debt of the Mortgagor to the Mortgagee for TWO-HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$225,000.00), payable with interest according to a Promissory Note having the same date as this Mortgage (the "Promissory Note").

Property Mortgaged:

3. The Property mortgaged (the "Property") is:

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, known and distinguished as Lots Nos. 113, 114 and 115 of the Stolp Addition, according to a map thereof made by Rhesa Griffin, C.E. and filed in the Onondaga County Clerk's Office on October 2, 1890.

Payment:

4. Mortgagor will pay the debt as promised in the Promissory Note according to its terms.

Insurance:

5. Mortgagor will keep the buildings on the Property insured against loss by fire and other risks included in the standard form of extended coverage insurance. The amount shall be approved by Mortgagee but shall not be required to exceed full replacement value of the buildings. Mortgagor will assign and deliver the policies to Mortgagee. The policies shall contain the standard New York Mortgagee clause in the name of the Mortgagee. Within 30 days after notice and demand Mortgagor must insure the Property against any other risk reasonably required by Mortgagee.

Mortgagor shall request an insurance carrier to give Mortgagee thirty (30) days advance written notice of any change in or termination of the insurance policy maintained under Paragraph 5 of this Mortgage.

Maintenance:

6. Mortgagor will keep the Property in reasonably good repair.

No sale:

7. The Mortgagor may not, without the consent of Mortgagee, sell the Property or any part of it, unless the Debt is paid in full.

Taxes, etc.:

8. Mortgagor will pay all taxes, any payments in lieu of taxes, assessments, sewer rents or water rates by the date they are due. Mortgagor must show receipts for these payments within 10 days of Mortgagee's demand for them.

Mortgagee's right to cure:

9. Mortgagor authorizes Mortgagee to make payments necessary to correct a default of Mortgagor under Paragraphs 5 and 8 of the Mortgage. Payments made by Mortgagee together with interest at the rate provide in the Promissory Note from the date paid until the date of repayment shall be added to the debt and secured by this Mortgage. Mortgagor shall make repayment with interest within 10 days after demand.

Statement of amount due:

10. Within five days after request in person or within ten days after request by mail, Mortgagor shall give to Mortgagee a signed statement of the amount due on this Mortgage and whether there are any offsets or defenses against the Debt.

Title:

11. Mortgagor warrants the title to the Property. Mortgagor is responsible for any costs or losses of the Mortgagee if an interest in the Property is claimed by others.

Lien Law Section 13:

12. Mortgagor will receive the advances secured by this Mortgage and will hold the right to receive the advances as a trust fund. The advances will be applied first for the purpose of paying the cost of improvement. Mortgagor will apply the advances first to the payment of the cost of improvement before using any of the totals of the advances for any other purpose.

Default:

13. In the event Borrower fails to comply with the terms of the Promissory Note, Building Loan Agreement, Further Assurance Agreement, all being dated the date hereof, or any other related documents evidencing or securing the Debt and executed contemporaneously with this Mortgage, or fails to pay the principal and interest on the Debt when due, Borrower shall have thirty (30) days following receipt by Borrower of a written notice from Mortgagee of said default, to cure said default.

Any Notice of any default shall be given by certified mail, and addressed to: STRATHMORE HUNTLEY GROUP, LLC, 127 Stolp Avenue, Syracuse, NY 13207, or to such other address as Borrower may hereafter designate. Thereafter, if Mortgagor fails to cure said default, Mortgagee may declare the full amount of the Debt to be due and payable immediately for any default.

Subordination:

14. This Mortgage shall share a co-position with a mortgage given by Mortgagor and Agency to the Onondaga County Civic Development Corporation to secure a loan in the amount of two-hundred and twenty-five thousand dollars (\$225,000.00) being dated May ~~21st~~, 2015 and filed in the Onondaga County Clerk's Office on May ____, 2015 in Book of Mortgages _____ at page _____. This Mortgage shall be subordinate to a Mortgage given by Mortgagor to Mortgagee to secure a loan in the amount of One Hundred Thousand Dollars (\$100,000) being dated November 6, 2014 and filed in the Onondaga County Clerk's Office on November 7, 2014 in Book of Mortgages 17618 at page 215, and a Mortgage to be given by Mortgagor and Agency to the Community Preservation Corporation to secure the amount of One Million Five Hundred Thousand Dollars (\$1,500,000.00) and to be filed in Onondaga County Clerk's Office.

Foreclosure:

15. If Mortgagor defaults under this Mortgage and the Property is to be sold at a foreclosure sale, the Property may be sold in one parcel.

16. In any action or proceeding to foreclose this Mortgage or to recover or collect the indebtedness secured by it or to enforce any of the Mortgagor's rights under this Mortgage or the Note it secures, the Mortgagee shall be entitled to recover, in addition to statutory costs and allowances, all costs Mortgagee incurs including, but not limited to, reasonable attorneys' fees and all other disbursements and expenses incurred by Mortgagee in that action. All sums paid by the Mortgagee for the expense of such an action or proceeding to foreclose or otherwise to enforce the Mortgagee's rights under this Mortgage or the Promissory Note it secures, shall be paid by the Mortgagor, together with interest at the rate of interest set forth in the Promissory Note and any such sum and the interest on it shall be a lien on the mortgaged premises, prior to any right, title to, interest in or claim upon the mortgaged premises attaching or accruing subsequent to the lien of this Mortgage, and shall be deemed to be secured by this Mortgage.

Receiver:

17. If Mortgagee sues to foreclose the Mortgage, Mortgagee shall have the right to have a receiver appointed to take control of the Property.

Applicable law:

18. Mortgagee shall have all the rights set forth in Section 254 of the New York Real Property Law in addition to Mortgagee's rights set forth in this Mortgage, even if the rights are different from each other. This Mortgage, and any and all claims made hereunder, shall be governed by the laws of the State of New York.

Notices:

19. Notices, demands or requests may be in writing and may be delivered in person or sent by mail.

No oral changes:

20. This Mortgage cannot be modified or terminated except in writing executed by all of the parties hereto.

Who is bound:

21. If there are more than one Mortgagor each shall be separately liable. The words "Mortgagor" and "Mortgagee" shall include their heirs, executors, administrators, successors, and assigns. If there are more than one Mortgagor or Mortgagee the words "Mortgagor" and "Mortgagee" used in this Mortgage includes them. For the purposes of clarity, the Agency shall not be deemed to be included as within the definition of "Mortgagor".

Mortgagor's obligations to comply with Company Lease, the Agency Lease and the PILOT agreement:

22. Mortgagor shall: (i) pay the all other sums of money due and payable at any time and from time to time under the Company Lease, the Agency Lease and the PILOT Agreement as and when such sums become due and payable, but in any event before the expiration of any grace period provided in the Company Lease, the Agency Lease and/or PILOT Agreement for the payment of any such sum, and (ii) at all times fully perform, observe and comply with all other terms, covenants and conditions of the Company Lease, Agency Lease and the PILOT Agreement to be performed, observed or complied with by Mortgagor as lessor under the Company Lease and lessee under the Agency Lease, as applicable, and as a party to the PILOT Agreement. If the Company Lease, the Agency Lease and/or PILOT Agreement does not provide for a grace period for the payment of a sum of money, Mortgagor shall make the payment on or before the date on which the payment becomes due and payable. Mortgagor shall deliver evidence of the payment to Mortgagee within ten (10) days after receipt of a written request from Mortgagee for evidence of the payment.

Agency Executing at the Direction of Mortgagor:

23. The Mortgagor directs the Agency to execute and deliver this Mortgage to the Mortgagee, and further agrees to indemnify the Agency (and its members, officers, directors, agents, servants and employees) for all fees and costs incurred in connection with the execution, delivery, recording, performing and enforcing of this Mortgage, including but not limited to reasonable attorney's fees.

Additional Subordination Provisions:

24. Notwithstanding anything herein to the contrary, Mortgagee by accepting this Mortgage acknowledges and agrees that the rights of Mortgagee hereunder shall be subordinate to the rights of the Agency to receive payments in lieu of taxes pursuant to the PILOT Agreement and that such payments in lieu of taxes to be made by Mortgagor to the Agency shall have the same force, priority and effect as a real property tax lien under New York State law against the Mortgaged Property.

Hold Harmless:

25. The Mortgagor acknowledges and reiterates the provisions and obligations of the Mortgagor pursuant to Sections 8.2 and 11.11 of the Agency Lease as if fully set forth herein and hereby agrees that such provisions shall be applicable to this Mortgage

Miscellaneous Provision:

26. The Mortgagor and the Mortgagee hereto, and by accepting this Mortgage, acknowledge that the Agency is executing this Mortgage solely to subject its interest in the Property, if any, to this Mortgage. Notwithstanding anything herein to the contrary, the Mortgagee acknowledges and agrees that their sole recourse against the Agency for any default hereunder shall be with respect to the Agency's interest in the Property.

Signatures:

The Mortgagor and Agency have signed this Mortgage as of the date at the top of the first page.

STRATHMORE HUNTLEY GROUP, LLC

By: Brenda Colella
Brenda Colella, Member

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: William M. Ryan
William M. Ryan, Chairman

STATE OF NEW YORK)
COUNTY OF ONONDAGA)

On the 21 day of May, 2015, before me, the undersigned, a notary public in and for said State, personally appeared Brenda Colella, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

ANTHONY J. D'ELIA
Notary Public in the State of New York
Qualified in Onondaga County
No. 02DE5056520
My Commission Expires March 4, 2018
Notary Public

STATE OF NEW YORK)
COUNTY OF ONONDAGA)

On the 18 day of May, 2015, before me, the undersigned, a notary public in and for said State, personally appeared William M. Ryan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

THOMAS RAYMOND BABILON
Notary Public in the State of New York
Qualified in Onondaga County
No. 01BA6091431
My Commission Expires 4/28/19

Notary Public
Notary Public

16

McRobbie, Lori L.

From: Anthony D'Elia [anthony@centolellalaw.com]
Sent: Tuesday, May 26, 2015 3:01 PM
To: Katzoff, Susan R.; McRobbie, Lori L.
Cc: Christopher A. Andreucci; Babilon, Thomas R.; Kevin Overton
Subject: SIDA/SEDCO/OCDC to Strathmore Huntley - RECORDING INFO

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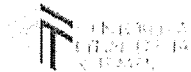
Thanks,
Casey

Casey J. Woods
Abstractor
100 Madison Street, Suite 1910
Syracuse, NY 13202
casey.woods@ctt.com
Mobile: 315.593.5274
Office: 315 422 1869
Fax: 315 474 0109

 **CHICAGO TITLE**

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Anthony J. D'Elia
CENTOLELLA LYNN D'ELIA & TEMES LLC



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DIRECT DIAL: (315) 766-2122

CONFIDENTIALITY STATEMENT

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**COLLATERAL MORTGAGE,
ASSIGNMENT OF RENTS AND SECURITY AGREEMENT**

THIS COLLATERAL MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (“Mortgage”) is made effective as of the ___ day of May, 2015, by and among by and among **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, having an office at 333 West Washington Street, Suite 130, Syracuse, New York 13202 (the “Agency”), **STRATHMORE HUNTLEY GROUP, LLC**, a New York limited liability corporation having a principal office at 127 Stolp Avenue, Syracuse, New York 13207 (the “Company” and collectively with the Agency, the “Mortgagor”), and **ONONDAGA CIVIC DEVELOPMENT CORPORATION**, a New York not-for-profit local development corporation having its principal place of business at 333 W. Washington Street, Syracuse, New York 13202 (the “Mortgagee”).

WITNESSETH to secure the payment of an indebtedness in the principal sum of **Two-Hundred Twenty Five Thousand and 00/100 Dollars (\$225,000.00)**, lawful money of the United States, together with interest thereon, to be paid according to a certain **Promissory Note** (the “Note”) of even date herewith in the original principal amount of \$225,000.00 and interest made and delivered by the Company to Mortgagee, Company and Agency, as applicable, hereby mortgages unto Mortgagee, as continuing and collateral security for the payment of any and all indebtedness, liabilities and obligations now existing or which may hereafter arise by reason of said Note all Loan Documents executed and delivered in connection with the Note, and this Mortgage, or any renewals, extensions, modifications or substitutions of said Note, said Loan Documents or this Mortgage (collectively the “Indebtedness”), the Premises (as hereinafter defined) described on the attached Schedule A, excluding therefrom, the Agency’s Unassigned Rights as that term is defined in the Agency Lease Agreement dated as of May 1, 2015, by and between the Agency and the Company (the “Agency Lease”);

This Mortgage is intended to be a third mortgage, third and subordinate to that certain first mortgage given by Mortgagor to The Community Preservation Corporation to secure the outstanding principal indebtedness of \$1,500,000.00 and that certain second mortgage given by Mortgagor to the City of Syracuse HOME Program to secure the outstanding principal indebtedness of \$288,000.00. A default under the superior mortgages shall be deemed a default under this Mortgage.

TOGETHER with all buildings, structures and other improvements now or hereafter erected, constructed or situated upon said Premises (as hereinafter defined), and all fixtures and personal property now or hereafter affixed to, or used in connection with said Premises (as hereinafter defined), including, but not limited to, furnaces and attachments, radiators, hot water tanks and heaters, piping, laundry equipment, tubs and dryers, air-conditioning equipment, compressors, elevators, motors, dynamos, incinerators, compactors, sump pumps, gas and oil burners, coal stokers, fire preventive apparatus, plumbing, electrical and gas fixtures, stoves, ranges, refrigerators, freezers, kitchen cabinets, linoleum, carpets, curtain rods, blinds and

window shades, doors, storm windows, screens and awnings, appliances, plants and shrubbery and any and all replacements thereof and additions thereto, all of which shall be deemed to be and remain and form a part of said Premises and are covered by the lien of this Mortgage (said premises, buildings, structures, other improvements, fixtures and personal property being collectively referred to in this Mortgage as the "Premises");

TOGETHER with all strips and gores of land adjoining or abutting the Premises;

TOGETHER with all right, title and interest of Mortgagor in and to all streets, alleys, highways, waterways and public places open or proposed in front of, running through or adjoining the Premises, and all easements and rights of way, public and private, now or hereafter used in connection with the Premises;

TOGETHER with all tenements, hereditaments and appurtenances and all the estate and rights of Mortgagor in and to the Premises;

TOGETHER with all awards heretofore or hereafter made by any federal, state, county, municipal or other governmental authority, or by whomsoever made in any condemnation or eminent domain proceedings whatsoever, to the present or subsequent owners of the Premises or any portion thereof, for the acquisition for public purposes of the Premises or any portion thereof or any interest therein or any use thereof, or for consequential damages on account thereof, including, but not limited to, any award for any change of grade of streets affecting the Premises or any portion thereof and any award for any damage to the Premises or any portion thereof or any interest therein or any use thereof.

EXCEPTING, THEREFROM the Unassigned Rights.

AGENCY HEREBY COVENANTS WITH THE MORTGAGEE AS FOLLOWS

1. AGENCY AUTHORIZATION

The Agency hereby represents and warrants that it is duly authorized under the laws of the State of New York, to execute and deliver this Mortgage and any document in connection with this Mortgage to which the Agency is a party to and to pledge and encumber the Premises in the manner and to the extent herein set forth; and that all action on the part of the Agency for the execution and delivery of this Mortgage and the other documents to which the Agency is a party have been duly and effectively taken.

COMPANY HEREBY COVENANTS WITH THE MORTGAGEE AS FOLLOWS:

1. INSURANCE.

Company shall maintain fire and casualty insurance with reputable insurers or self-insurers for its Premises in such amount equal to Two Hundred Twenty Five Thousand 00/100 Dollars (\$225,000.00). Mortgagee shall be added as a loss payee. Copies of all policies of insurance or certificates thereof (or other evidence thereof satisfactory to Mortgagee) shall be made available to Mortgagee on or before the date hereof.

2. ALTERATIONS, DEMOLITION OR REMOVAL.

other documents and instruments connected herewith or therewith, and in any documents supplemental thereto (collectively, the "Agency Documents") shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency and not of any member, director, officer, agent, servant or employee of the Agency in his individual capacity, and no recourse under or upon any obligation, covenant or agreement in the Agency Documents contained or otherwise based upon or in respect of the Agency Documents, or for any claim based hereon or thereon or otherwise in respect hereof or thereof, shall be had against any past, present or future member, director, officer, agent, servant or employee, as such, of the Agency or of any successor entity or political subdivision or any person executing any of the Agency Documents on behalf of the Agency, either directly or through the Agency or any successor entity or political subdivision or any person so executing any of the Agency Documents on behalf of the Agency, it being expressly understood that the Mortgage and the Agency Documents, are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, director, officer, agent, servant or employee of the Agency or of any successor entity or political subdivision or any person so executing any of the Agency Documents on behalf of the Agency because of the creation of the indebtedness thereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Agency Documents or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, director, officer, agent, servant or employee because of the creation of the indebtedness authorized by the Agency Documents, or under or by reason of the obligations, covenants or agreements contained in the Agency Documents or implied therefrom, are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution by the Agency of the Agency Documents.

(b) The obligations and agreements of the Agency contained herein and therein shall not constitute or give rise to an obligation of the State of New York or the City of Syracuse, New York, and neither the State of New York nor the City of Syracuse, New York shall be liable hereon or thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from the revenues of the Agency derived and to be derived from the Premises and the other Agency Documents (except for revenues derived by the Agency with respect to the Unassigned Rights).

(c) No order or decree of specific performance with respect to any of the obligations of the Agency hereunder shall be sought or enforced against the Agency unless (1) the party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and thirty (30) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than thirty days, shall have failed to institute and diligently pursue action to cause compliance with such request within such ten day period) or failed to respond within such notice period, (2) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it

will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses, and (3) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, directors, officers, agents (other than the Company), servants or employees shall be subject to potential liability, the party seeking such order or decree shall (a) agree to indemnify, defend and hold harmless the Agency and its members, directors, officers, agents (other than the Company), servants and employees against any liability incurred as a result of its compliance with such demand, and (b) if requested by the Agency, furnish to the Agency satisfactory security to protect the Agency and its members, directors, officers, agents (other than the Company), servants and employees against all liability expected to be incurred as a result of compliance with such request. Any failure to provide the indemnity and/or security required in this Section 28(c) shall not affect the full force and effect of an Event of Default hereunder.

(d) "Unassigned Rights" shall have the meaning ascribed thereto in the Agency Lease.

(e) This Mortgage is executed by the Agency solely for the purpose of subjecting its interest in the Premises, and in the event of a default, the holder of this Mortgage shall look, only with respect to the Agency, solely to the mortgaged Premises described in this Mortgage in satisfaction of the indebtedness evidenced under the Note and will not seek or obtain any deficiency or personal judgment against the Agency or any members or officers thereof except such judgment or decree as may be necessary to foreclose its interest in the mortgaged Premises as pledged hereunder and all other property mortgaged, pledged, conveyed or assigned to secure payment under the Note.

30. COMPANY'S OBLIGATIONS AND ACKNOWLEDGMENTS WITH RESPECT TO THE AGENCY

(a) Company shall: (i) pay the all other sums of money due and payable at any time and from time to time under the Agency Lease and the Company Lease as and when such sums become due and payable, but in any event before the expiration of any grace period provided in the Agency Lease or the Company Lease, for the payment of any such sum; and (ii) at all times fully perform, observe and comply with all other terms, covenants and conditions of the Agency Lease and the Company Lease to be performed, observed or complied with by Company as lessor under the Company Lease and lessee under the Agency Lease. If the Agency Lease and/or Company Lease do not provide for a grace period for the payment of a sum of money, Company shall make the payment on or before the date on which the payment becomes due and payable. Company shall deliver evidence of the payment to Mortgagee within ten (10) days after receipt of a written request from Mortgagee for evidence of the payment.

(b) The Company directs the Agency to execute and deliver this Mortgage to the Mortgagee, and further agrees to indemnify the Agency (and its members, officers, directors, agents, servants and employees) for all fees and costs incurred in connection

with the execution, delivery, recording, performing and enforcing of this Mortgage, including but not limited to attorney's fees and costs.

(c) The Company hereby acknowledges that the terms of the Company Lease and the Agency Lease, are in full force and effect, including but not limited to the "Hold Harmless Provisions" contained in Section 8.2 of the Agency Lease and incorporates same in this instrument and makes same applicable hereto as if fully set forth herein.

[No further text on this page. Signature page to follow.]

SCHEDULE "A"

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, known and distinguished as Lots Nos. 113, 114 and 115 of the Stolp Addition, according to a map thereof made by Rhesa Griffin, C.E., and filed in the Onondaga County Clerk's Office October 2, 1890.

Being City of Syracuse addresses and Tax Parcel Id numbers:

1. 409 Stolp Avenue; 087.-12-04.0 (*Lots 113-114*) and
2. 419-21 Stolp Avenue; 087.-12-03.0 (*Lot 115*).

MORTGAGOR

STRATHMORE HUNTLEY GROUP, LLC

By: Bre Cole
Brenda Colella
Authorized Member

STATE OF NEW YORK)
) ss:
COUNTY OF ONONDAGA)

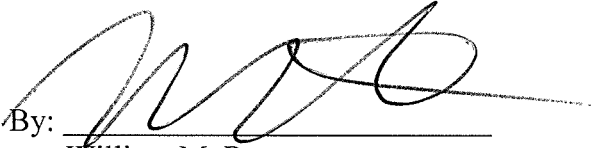
On the 21 day of May, in the year 2015 before me, the undersigned, a Notary Public in and for said state, personally appeared **BRENDA COLELLA**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.

Christopher A. Andreucci
Notary Public

CHRISTOPHER A. ANDREUCCI
Notary Public, State of New York
Registration #: 02AN6142631
Qualified in Monroe County
Certificate Filed in Monroe County
Commission Expires: 03/20/20 15

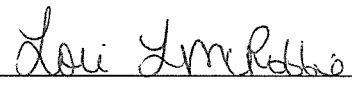
MORTGAGOR

**CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
William M. Ryan
Chairman

STATE OF NEW YORK)
) ss:
COUNTY OF ONONDAGA)


On the 20th day of May, in the year 2015 before me, the undersigned, a Notary Public in and for said state, personally appeared **WILLIAM M. RYAN**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.


Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 18

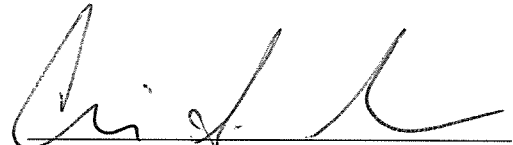
MORTGAGEE

ONONDAGA CIVIC DEVELOPMENT CORPORATION

By: 
Julie A. Cerio, President/CEO

STATE OF NEW YORK)
) ss:
COUNTY OF ONONDAGA)

On the 21 day of May, in the year 2015 before me, the undersigned, a Notary Public in and for said state, personally appeared **JULIE A. CERIO**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.


Notary Public

Please Record and Return to:
Christopher A. Andreucci, Esq.
Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534

CHRISTOPHER A. ANDREUCCI
Notary Public, State of New York
Registration #: 02AN6142631
Qualified in Monroe County
Certificate Filed in Monroe County
Commission Expires: 03/20/20 **LS**

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McRobbie, Lori L.

From: Anthony D'Elia [anthony@centolellalaw.com]
Sent: Tuesday, May 26, 2015 3:01 PM
To: Katzoff, Susan R.; McRobbie, Lori L.
Cc: Christopher A. Andreucci; Babilon, Thomas R.; Kevin Overton
Subject: SIDA/SEDCO/OCDC to Strathmore Huntley - RECORDING INFO

Here is the recording information as received from Chicago a moment ago:

The following documents were recorded today (5/26/15) at the indicated times and locations in regards to the above referenced matter. Please let me know if I can be of further assistance.

Memo of Company Lease	5325/442 at 2:29pm
Memo of Agency Lease	5325/447 at 2:30pm
Collateral Mortgage	17750/1 at 2:32pm
Assignment of Rents and Leases	17750/21 at 2:33pm
UCC	2015-00371 at 2:34pm
SEDCO Mortgage	17750/34 at 2:36pm
Building Loan Agreement	2015LB50 at 2:37pm
Notice of Lending	2015LN35 at 2:37pm
Intercreditor Agreement	17750/40 at 2:40pm

Thanks,
Casey

Casey J. Woods
Abstractor
100 Madison Street, Suite 1910
Syracuse, NY 13202
casey.woods@ctt.com
Mobile: 315.593.5274
Office: 315.422.1869
Fax: 315.474.0109



CHICAGO TITLE

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CONDITIONAL ASSIGNMENT OF RENTS AND LEASES

THIS SETS FORTH A CONDITIONAL ASSIGNMENT OF RENTS AND LEASES made the ___ day of May 2015 (this “Assignment” or this “Agreement”) by and among **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, having an office at 233 East Washing Street, Syracuse, New York 13202 (the “Agency”), **STRATHMORE HUNTLEY GROUP, LLC**, a New York limited liability corporation having a principal office at 127 Stolp Avenue, Syracuse, New York 13207 (the “Company” and collectively with the Agency, the “Assignor”), to **ONONDAGA CIVIC DEVELOPMENT CORPORATION**, a New York not-for-profit local development corporation having its principal place of business at 333 W. Washington Street, Syracuse, New York 13202 (the “Assignee”).

W I T N E S S E T H:

That in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by Assignee to Assignor, receipt of which is hereby acknowledged, Assignor hereby GRANTS, TRANSFERS and ASSIGNS to the Assignee all of the Assignor's right, title and interest in and to:

I. Any and all Leases whether oral or written, whether now existing or hereafter arising, however, specifically excepting therefrom the Company Lease Agreement and the Agency Lease Agreement, each dated as of May 1, 2015 and each by and between the Company and the Agency, (collectively the “**Leases**”) entered into covering or relating to space in the buildings and improvements constructed on or made to the property (the “**Premises**”) described on the annexed **Schedule A**; and

II. All rents, income and profits arising from the Leases and any extension of renewals of them and together with all rents, income and profits for the use and occupation of the Premises described in the Leases or in that certain Collateral Mortgage, Assignment of Rents and Security Agreement, dated May 21, 2015 made by Agency and Company in favor of Assignee (the “**Mortgage**”) hereinafter referred to and all security deposits held pursuant to such Leases. (The term “**Leases**” whenever used in this Assignment shall also include any subleases, rental or occupancy agreements, whether oral or written, of any and or all of the Premises).

THIS ASSIGNMENT is made for the purpose of securing:

A. The payment of an indebtedness in the aggregate principal sum of **\$225,000.00** with interest according to and evidenced by that certain Note made by the Company in favor of the Assignee (the “**Note**”) as secured that the Mortgage, together with any and all

modifications, extensions, consolidations, refundings, replacements and substitutions thereof, which Mortgage is on that certain real property and improvements thereon located in the City of Syracuse, County of Onondaga and State of New York owned by Company.

B. Payment of all other sums with interest becoming due and payable to the Assignee under the provisions of this Assignment, the Note, the Mortgage and all other documents related thereto (collectively, the "Loan Documents").

C. The performance and discharge of each and every obligation covenant and agreement of the Assignor contained in the Loan Documents.

THE COMPANY WARRANTS that the Company is the sole owner of the property described on **Schedule A**.

THE COMPANY COVENANTS with the Assignee to observe and perform all the obligations imposed upon it under the Leases and not to do or permit to be done anything to impair the security thereof; not to collect any of the rent, income and profits arising or accruing under said Leases or from the Premises described in the Mortgage more than thirty (30) days in advance of the time when the rent shall become due; not to execute any other assignment of Company's interests in the Leases or assignment of rents arising or accruing from the Leases or from the Premises described in the Mortgage; not to subordinate the Leases to any mortgage or other encumbrance or permit, consent or agree to such subordination without Assignee's prior written consent; not to alter, modify or change the terms of Leases or give any consent or exercise any option required or permitted by such terms without the prior written consent of Assignee, or cancel or terminate the Leases, or accept a surrender of the Leases, or convey or transfer or suffer or permit a conveyance or transfer of the Premises demised thereby or of any interest in them so as to effect directly or indirectly, proximately or remotely a merger of the estates and rights of, or a termination or diminution of the obligations of, the lessees thereunder; not to consent to any assignment of the Leases, except when in accordance with their terms, without the prior written consent of the Assignee; at the Assignee's request to assign and transfer to the Assignee any and all subsequent Leases upon all or any part of the Premises described in the Leases or the Mortgage and to execute and deliver at the request of the Assignee all such further assurances and assignments in the Premises as the Assignee shall from time to time require.

THIS AGREEMENT is made on the following terms, covenants and conditions:

1. So long as there shall exist no default by the Company in the payment of the principal sum, interest or other charge secured hereby or in the performance of any obligation, covenant or agreement in the Loan Documents on the part of the Company to be performed, continuing beyond all applicable notice, cure or grace period, the Company shall have the right to collect at the time of, but not prior to, the date provided for the payment thereof, all rents, income and profits arising under the Leases or from the Premises and to retain, use and enjoy the same.

2. Upon or at any time after default in the payment of the principal sum, interest and indebtedness secured hereby or in the performance of any obligation, covenant or agreement in this Assignment or in the Loan Documents on the part of the Company to be performed, continuing beyond all applicable notice, cure or grace period, the Assignee without in any way waiving such default may, at its option, without notice and without regard to the adequacy of the security for the principal sum, interest and indebtedness secured hereby, either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, take possession of the Premises described in the Leases and/or Mortgage and have, hold, manage, lease and operate the same on such terms and for such period of time as the Assignee may deem proper and either with or without taking possession of the Premises in its own name, demand, sue for or otherwise collect and receive all rents, income and profits of said Premises, including those past due and unpaid with full power to make from time to time all alterations, renovations, repairs or replacements to them as may seem proper to the Assignee and to apply such rents, income and profits or sum to the payment of:

(a) All expenses of managing the Premises, including without being limited thereto, the salaries, fees and wages of a managing agent and such other employees as the Assignee may deem necessary or desirable and all expenses of operating and maintaining the Premises, including, without being limited thereto, all taxes, charges, claims, assessments, water rents, sewer rents and any other liens, and premiums for all insurance which the Assignee may deem necessary or desirable, and the cost of all alterations, renovations, repairs or replacements, and all expenses incident to taking and retaining possession of the Premises; and

(b) The principal sum, interest and indebtedness secured hereby, together with all costs and reasonable attorneys' fees, in such order of priority as to any of the items mentioned in this paragraph 2 as the Assignee in its sole discretion may determine, any statute, law, custom or use to the contrary notwithstanding. The exercise by the Assignee of the option granted in this paragraph 2 and the collection of the rents, income, profits or sums and their application as provided above shall not be considered a waiver of any default by the Company under the Loan Documents or under the Leases. It is not the intention of the parties that any entry by Assignee upon the Premises under the terms of this Assignment shall constitute the Assignee as "mortgagee in possession" in contemplation of law, except at the option of Assignee.

3. No security deposited by the tenants with the Company under the terms of the Leases assigned has been transferred to Assignee who assumes no liability for any security so deposited provided, however, that upon default, Assignee may at its option demand the transfer of the security and assume responsibility therefor.

4. If the Company receives notice that it has breached any covenant or defaulted in the terms of any of the Leases, the Company will promptly notify Assignee in writing, and will give Assignee reasonable opportunity to investigate, and Assignee shall have the right but not the responsibility to cure any default, and if possible, to correct the default or other breach and otherwise to protect its rights.

5. The Assignee shall not be liable for any loss sustained by the Company resulting from the Assignee's failure to let the Premises after default or from any other act or omission of the Assignee in managing the Premises after default unless the loss is caused by the willful misconduct and bad faith of the Assignee. Nor shall the Assignee be obligated to perform or discharge nor does the Assignee hereby undertake to perform or discharge any obligation, duty or liability under the Leases, or under or by reason of this Assignment and the Company shall, and does hereby agree, to indemnify the Assignee for, and to hold the Assignee harmless from, any and all liability, loss or damage which may or might be incurred under the Leases, or under or by reason of this Assignment and from any and all claims and demands whatsoever which may be asserted against the Assignee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should the Assignee incur any such liability under the Leases, or under or by reason of this Assignment or in defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees shall be secured hereby and the Company shall reimburse the Assignee therefore immediately upon demand and upon the failure of the Company so to do the Assignee may, at its option, declare all sums secured hereby immediately due and payable. And it is further understood that this Assignment shall not operate to place responsibility for the control, care, management or repair of the Premises upon the Assignee, nor for the carrying out of any of the terms and conditions of the Leases; nor shall it operate to make the Assignee responsible or liable for any waste committed on the Premises by the tenants of any other parties, or for any dangerous or defective condition of the Premises, or for any negligence in the management, upkeep, repair or control of said Premises resulting in loss or injury or death to any tenant, licensee, employee or stranger.

6. Upon payment in full of the principal sum, interest and indebtedness secured hereby, this Assignment shall become and be void and of no effect but the affidavit, certificate, letter or statement of any officer, agent or attorney of the Assignee showing any part of the principal, interest or indebtedness to remain unpaid shall be and constitute conclusive evidence of the validity, effectiveness and continuing force of this Assignment and any person may, and is hereby authorized to, rely on it. The Company hereby authorizes and directs the lessees named in the Leases or any other or future lessee or occupant of the Premises described therein or in the Mortgage, upon receipt from the Assignee of written notice to the effect that a default exists under the Mortgage, the Note, or under this Assignment to pay over to the Assignee all rents, income and profits or sums arising or accruing under the Loan Documents and to continue so to do until otherwise notified by the Assignee.

7. The holder of the Note may take or release other security for the payment of the principal sum, interest and indebtedness, may release any party primarily or secondarily liable therefor and may apply any other security held by it to the satisfaction of the principal sum, interest or indebtedness without prejudice to any of its rights under this Assignment.

8. The provisions of the Mortgage shall govern with respect to the disposition of the proceeds of insurance and condemnation or eminent domain awards.

9. The term “Leases”, or “the Leases” as used in this Assignment means the Leases hereby assigned and any extension or renewal of them and any lease subsequently executed during the term of this Assignment covering the Premises described on Schedule A annexed.

10. Nothing contained in this Assignment and no act done or omitted by the Assignee pursuant to the powers and rights granted it in this Assignment shall be deemed to be a waiver by the holder of the Note of its rights and remedies under the Loan Documents, and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by the holder of the Note under the terms of the Loan Documents. The right of the holder of the Note to collect the principal sum, interest and indebtedness and to enforce any other security therefor, held by it may be exercised by the holder of the Note either prior to, simultaneously with, or subsequent to any action taken by Assignee hereunder.

11. Assignee may assign Assignee’s interest in the Leases hereby assigned to any subsequent holder of the Mortgage or to any party who acquires title to the Premises in foreclosure. Assignee shall provide written notice of any such assignment to Assignor. No assignee of the landlord’s interest in said Leases after a foreclosure of the Mortgage shall be liable to account to Assignor for any rents or income thereafter collected.

12. In the event that any tenant under any of the Leases hereby assigned should become the subject of any proceeding under the Federal Bankruptcy Code or any other federal, state or local statute which provides for the possible termination or rejection of the Leases assigned hereby or that any such tenant should otherwise terminate its lease, Assignor covenants and agrees that: (a) in the event that any of the Leases are so rejected or terminated, no damages settlement shall be made without the prior written consent of the Assignee; (b) any check in payment of damages for rejection or termination of any such Lease will be made payable to both the Assignee and Company; and (c) Assignor hereby assigns any such payment to the Assignee and further covenants and agrees that upon request of the Assignee, it will duly endorse to the order of the Assignee any such check, the proceeds of which will be applied to any portion of the indebtedness secured by this Assignment in such manner as the Assignee may elect.

13. The provisions hereof shall be construed in accordance with the laws of the State of New York. This Assignment shall bind Assignor, their successors and assigns. This Assignment may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

14. This Assignment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

15. (a) All covenants, stipulations, promises agreements and obligations of the Agency contained in this Assignment and in any other document executed by the Agency and in the other documents connected herewith or therewith, and in any documents supplemental thereto (collectively, the “Agency Documents”) shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency and not of any member, director, officer, agent, servant or

employee of the Agency in his individual capacity, and no recourse under or upon any obligation, covenant or agreement in the Agency Documents contained or otherwise based upon or in respect of the Agency Documents, or for any claim based hereon or thereon or otherwise in respect hereof or thereof, shall be had against any past, present or future member, director, officer, agent, servant or employee, as such, of the Agency or of any successor entity or political subdivision or any person executing any of the Agency Documents on behalf of the Agency, either directly or through the Agency or any successor entity or political subdivision or any person so executing any of the Agency Documents on behalf of the Agency, it being expressly understood that the Loan Documents and Agency Documents are solely corporate obligations, and that no personal liability whatever shall attach to, or is or shall be incurred by, any such member, director, officer, agent, servant or employee of the Agency or of any successor entity or political subdivision or any person so executing any of the Agency Documents on behalf of the Agency because of the creation of the indebtedness thereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Agency Documents or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, director, officer, agent, servant or employee because of the creation of the indebtedness authorized by the Agency Documents, or under or by reason of the obligations, covenants or agreements contained in the Agency Documents or implied therefrom, are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution by the Agency of the Agency Documents.

(b) The obligations and agreements of the Agency contained herein and therein shall not constitute or give rise to an obligation of the State of New York or the City of Syracuse, New York, and neither the State of New York nor the City of Syracuse, New York shall be liable hereon or thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency payable solely from the revenues of the Agency derived and to be derived from this Assignment and the other Agency Documents (except for revenues derived by the Agency with respect to the Unassigned Rights, as that term is defined under the Agency Lease).

(c) No order or decree of specific performance with respect to any of the obligations of the Agency hereunder shall be sought or enforced against the Agency unless (1) the party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and thirty (30) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than thirty days, shall have failed to institute and diligently pursue action to cause compliance with such request within such ten day period) or failed to respond within such notice period, (2) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses and (3) if the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, directors, officers, agents (other than the Company), servants or employees shall be subject to potential liability, the party seeking such order or decree shall (a) agree to indemnify, defend and hold harmless the Agency and its members,

directors, officers, agents (other than the Company), servants and employees against any liability incurred as a result of its compliance with such demand, and (b) if requested by the Agency, furnish to the Agency satisfactory security to protect the Agency and its members, directors, officers, agents (other than the Company), servants and employees against all liability expected to be incurred as a result of compliance with such request. Any failure to provide the indemnity and/or security required in this Section shall not affect the full force and effect of an Event of Default hereunder.

(d) This Assignment is executed by the Agency solely for the purpose of subjecting its interest in the Premises, and in the event of a default, the holder of this Assignment shall look, only with respect to the Agency, solely to the mortgaged Premises described in this Assignment in satisfaction of the indebtedness evidenced under the Note and will not seek or obtain any deficiency or personal judgment against the Agency or any members or officers thereof except such judgment or decree as may be necessary to foreclose its interest in the mortgaged Premises as pledged hereunder and all other property mortgaged, pledged, conveyed or assigned to secure payment under the Note.

16. (a) Company shall: (i) pay the all other sums of money due and payable at any time and from time to time under the Agency Lease and the Company Lease as and when such sums become due and payable, but in any event before the expiration of any grace period provided in the Agency Lease or the Company Lease, for the payment of any such sum; and (ii) at all times fully perform, observe and comply with all other terms, covenants and conditions of the Agency Lease and the Company Lease to be performed, observed or complied with by Company as lessor under the Company Lease and lessee under the Agency Lease. If the Agency Lease and/or Company Lease do not provide for a grace period for the payment of a sum of money, Company shall make the payment on or before the date on which the payment becomes due and payable. Company shall deliver evidence of the payment to Mortgagee within ten (10) days after receipt of a written request from Mortgagee for evidence of the payment.

(b) The Company directs the Agency to execute and deliver this Assignment to the Assignee, and further agrees to indemnify the Agency (and its members, officers, directors, agents, servants and employees) for all fees and costs incurred in connection with the execution, delivery, recording, performing and enforcing of this Assignment, including but not limited to attorney's fees and costs.

(c) The Company hereby acknowledges that the terms of the Company Lease and the Agency Lease, are in full force and effect, including but not limited to the "Hold Harmless Provisions" contained in Section 8.2 of the Agency Lease and incorporates same in this instrument and makes same applicable hereto as if fully set forth herein.


THIS ASSIGNMENT shall inure to the benefit of the Assignee and all holders of the Note and Mortgage and shall be binding upon the Assignor, their respective successors and assigns and all lessees, tenants, subtenants and their assigns and all occupants and subsequent owners of the mortgaged Premises.

[Signatures appear on next page]

[Signature Page to Conditional Assignment of Rents and Leases]

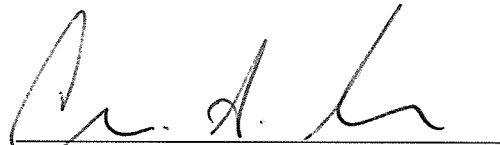
EXECUTED as of the date above written.

STRATHMORE HUNTLEY GROUP, LLC

By: 
Brenda Colella
Authorized Member

STATE OF NEW YORK)
) ss:
COUNTY OF ONONDAGA)

On the 21 day of May, in the year 2015 before me, the undersigned, a Notary Public in and for said state, personally appeared **BRENDA COLELLA**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.




Notary Public

CHRISTOPHER A. ANDREUCCI
Notary Public, State of New York
Registration #: 02AN6142631
Qualified in Monroe County
Certificate Filed in Monroe County
Commission Expires: 03/20/20 18

[Signature Page to Conditional Assignment of Rents and Leases]

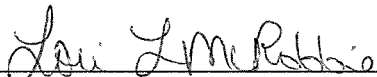
EXECUTED as of the date above written.

**CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
William M. Ryan
Chairman

STATE OF NEW YORK)
) ss:
COUNTY OF ONONDAGA)

On the 20th day of May, in the year 2015 before me, the undersigned, a Notary Public in and for said state, personally appeared **WILLIAM M. RYAN**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.

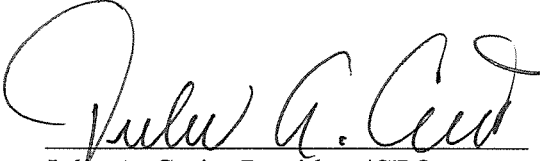

Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 15

[Signature Page to Conditional Assignment of Rents and Leases]

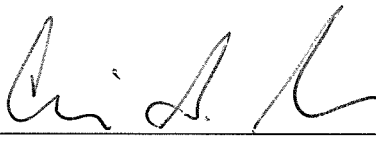
EXECUTED as of the date above written.

ONONDAGA CIVIC DEVELOPMENT CORPORATION

By: 
Julie A. Cerio, President/CEO

STATE OF NEW YORK)
) ss:
COUNTY OF ONONDAGA)

On the 21 day of May, in the year 2015 before me, the undersigned, a Notary Public in and for said state, personally appeared **JULIE A. CERIO**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.



Notary Public

Please Record and Return to:
[Kevin Overton], Esq.
Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534

CHRISTOPHER A. ANDREUCCI
Notary Public, State of New York
Registration #: 02AN6142631
Qualified in Monroe County
Certificate Filed in Monroe County
Commission Expires: 03/20/20 18

SCHEDULE A
Legal Description

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, known and distinguished as Lots Numbered One Hundred Thirteen (113); One Hundred Fourteen (114), and One Hundred Fifteen (115), of the Stolp Addition, according to a map thereof made by Rhesa Griffin, C.E., and filed in the Onondaga County Clerk's Office October 2, 1890.

409 Stolp Avenue: 087.-12-04.0

419-421 Stolp Avenue: 087.-12-03.0

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McRobbie, Lori L.

From: Anthony D'Elia [anthony@centolellalaw.com]
Sent: Tuesday, May 26, 2015 3:01 PM
To: Katzoff, Susan R.; McRobbie, Lori L.
Cc: Christopher A. Andreucci; Babilon, Thomas R.; Kevin Overton
Subject: SIDA/SEDCO/OCDC to Strathmore Huntley - RECORDING INFO

Here is the recording information as received from Chicago a moment ago:

The following documents were recorded today (5/26/15) at the indicated times and locations in regards to the above referenced matter. Please let me know if I can be of further assistance.

Memo of Company Lease	5325/442 at 2:29pm
Memo of Agency Lease	5325/447 at 2:30pm
Collateral Mortgage	17750/1 at 2:32pm
Assignment of Rents and Leases	17750/21 at 2:33pm
UCC	2015-00371 at 2:34pm
SEDCO Mortgage	17750/34 at 2:36pm
Building Loan Agreement	2015LB50 at 2:37pm
Notice of Lending	2015LN35 at 2:37pm
Intercreditor Agreement	17750/40 at 2:40pm

Thanks,
Casey

Casey J. Woods
Abstractor
100 Madison Street, Suite 1910
Syracuse, NY 13202
casey.woods@ctt.com
Mobile: 315.593.5274
Office: 315.422.1869
Fax: 315.474.0109



CHICAGO TITLE

Simply the best choice in the market for real estate transactions.

Anthony J. D'Elia
CENTOLELLA LYNN D'ELIA & TEMES LLC



100 Madison Street | Tower I, Suite 1905 | Syracuse, New York 13202
Tel: 315.476.1010 | Fax: 315.476.1134 | Email: ANTHONY@CENTOLELLALAW.COM
DIRECT DIAL: (315) 766-2122

CONFIDENTIALITY STATEMENT

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, YOU ARE HEREBY NOTIFIED that any dissemination, distribution or copying of this communication is strictly prohibited. If you are not the intended recipient of this message, please destroy any printed version and delete this email. In addition, this firm does not accept service of papers by email or facsimile transmission.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Amy Abbink (585) 419-8744

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Amy Abbink
 Harris Beach PLLC
 99 Garnsey Road
 Pittsford, NY 14534**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME Strathmore Huntley Group, LLC						
OR	1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS 127 Stolp Avenue			CITY Syracuse	STATE NY	POSTAL CODE 13207	COUNTRY USA
1d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION Limited Liability Co.	1f. JURISDICTION OF ORGANIZATION New York	1g. ORGANIZATIONAL ID #, if any <input checked="" type="checkbox"/> NONE		

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME						
OR	2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY
2d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE		

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME Onondaga Civic Development Corporation						
OR	3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS 333 W. Washington Street			CITY Syracuse	STATE NY	POSTAL CODE 13202	COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

Please see Schedule A attached hereto and made a part hereof

5. ALTERNATIVE DESIGNATION [if applicable]:	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. <input checked="" type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS - Attach Addendum [if applicable]	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional]		All Debtors		Debtor 1	Debtor 2

8. OPTIONAL FILER REFERENCE DATA

243940 - Under Loan Agreement / OCDC - COUNTY

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME Strathmore Huntley Group, LLC			
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:
FILE: COUNTY - Loan Agreement

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME					
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
11d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE	

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME					
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

14. Description of real estate:

**409 Stolp Avenue
City of Syracuse
Onondaga County, New York
s/b/l: 087.-12-04.0**

**419-421 Stolp Avenue
City of Syracuse
Onondaga County, New York
s/b/l: 087.12-03.0**

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

**Strathmore Huntley Group, LLC
127 Stolp Avenue
Syracuse, New York 13207**

17. Check only if applicable and check only one box.
Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.
 Debtor is a TRANSMITTING UTILITY
 Filed in connection with a Manufactured-Home Transaction — effective 30 years
 Filed in connection with a Public-Finance Transaction — effective 30 years

Debtor:
Strathmore Huntley Group, LLC
127 Stolp Avenue
Syracuse, New York 13207

Secured Party:
Onondaga Civic Development Corporation
333 W. Washington Street
Syracuse, New York 13202

Schedule A
Collateral

- A. That certain Collateral Mortgage, Assignment of Rents and Security Agreement, dated May 21, 2015, providing for a mortgage lien of the Premises, as more fully set for on **Schedule B** attached hereto, as well as a security interest in rents and any and all tangible property connected thereto, securing all indebtedness in the amount of Two Hundred Twenty-Five Thousand and 00/100 Dollars (\$225,000.00) in favor of Secured Party; and
- B. That certain Membership Interest Pledge Agreement, dated May 21, 2015, in which the managing members of the Debtor (Margaret Carillo-Sheridan, Brenda Colella, Garth Coviello and John Lacey) pledge their interests in Debtor in favor of Secured Party; and
- C. That certain Guaranty, dated May 21, 2015, executed by Margaret Carillo-Sheridan, Brenda Colella, Garth Coviello and John Lacey in favor of the Secured Party.

This collateral has been pledged by Debtor to Secured Party under that certain Loan Agreement, dated May 21, 2015 (the "Loan Agreement") by and between the Debtor and the Secured Party, a copy of which Loan Agreement is on file with the Debtor and Secured Party. Capitalized terms used in this collateral description are, unless otherwise defined, used as defined in the Loan Agreement.

Schedule B
Premises

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, known and distinguished as Lots Numbered One Hundred Thirteen (113); One Hundred Fourteen (114), and One Hundred Fifteen (115), of the Stolp Addition, according to a map thereof made by Rhesa Griffin, C.E., and filed in the Onondaga County Clerk's Office October 2, 1890.

409 Stolp Avenue: 087.-12-04.0

419-421 Stolp Avenue: 087.-12-03.0

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**GENERAL CERTIFICATE OF THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

This certificate is made in connection with the execution by the City of Syracuse Industrial Development Agency (the "**Agency**") of the Company Lease, the Agency Lease, the Mortgage, the PILOT Agreement and any other document now or hereafter executed by the Agency (collectively, the "**Agency Documents**") with respect to a project (the "**Project**") undertaken at the request of Strathmore Huntley Group, LLC (the "**Company**") consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the "**Land**"); (ii) the rehabilitation and renovation of approximately 42 affordable market-rate apartments units with approximately 80-85% subject to income restrictions at 115% of the area median income with the balance approximately 15-20% of the units subject to income restrictions at 80% of the area median income (the "**Facility**"); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the "**Equipment**", and together with the Land and the Facility, the "**Project Facility**"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the "**Financial Assistance**"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement.

Capitalized terms used herein which are not otherwise defined herein and which are defined in the Agency Lease Agreement dated as of May 1, 2015 (the "**Agency Lease**"), between the Agency and the Company, and shall have the meanings ascribed to such terms in the Agency Lease except that, for purposes of this certificate, (A) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this certificate and not as of any future date, and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate and not as of any future date or to any successor or assign.

I, the undersigned Chairman of the Agency, Do Hereby Certify:

1. I am an officer of the Agency and am duly authorized to execute and deliver this certificate in the name of the Agency.

2. The Agency is an industrial development agency duly established under Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "**State**"), as amended (the "**Enabling Act**") and Chapter 641 of the Laws of 1979 of the State (said Chapter with the Enabling Act, the "**Act**") (a certified copy of Chapter 641 of the Laws of 1979 of the State is attached hereto as **Exhibit "A"**), and it is a corporate governmental agency constituting a public benefit corporation of the State.

3. The Act empowers the Agency, among other things, to acquire, construct reconstruct, lease, improve, maintain, equip, sell and dispose of land and any building or other improvement, and all real and personal property, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, recreation or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the City of Syracuse and the State and to improve their standard of living. The Act further authorizes the Agency to lease any and all of its facilities on such terms and conditions as it deems advisable, to acquire, construct, lease, improve, and equip one or more projects as defined in the Act, to mortgage any or all of its facilities and to pledge the revenues and receipts from the sale or transfer of its facilities.

4. The Agency has full legal power and authority to own its property, conduct its business and execute, deliver, and perform its obligations under the Agency Documents and has taken all actions and obtained all approvals required in connection therewith by the Act and any other applicable laws and regulations, and no legislation has been enacted affecting the powers or authority of the Agency to execute and deliver the Agency Documents, affecting the financing of the Project, or affecting the validity thereof or of the Agency Documents, or contesting the existence and powers of the Agency or the appointment of the members and officers of the Agency to their respective offices.

5. Pursuant to the Act, the governing body of the City of Syracuse, New York, for whose benefit the Agency was established, duly filed or caused to be filed within six (6) months after the effective date of Chapter 641 of the Laws of 1979 of the State in the office of the Secretary of State of the State the Certificate of Establishment of the Agency pursuant to Section 926 of the New York General Municipal Law. The Certificate of Establishment of the Agency described in the preceding sentence also named the members and officers of the Agency as appointed by the Mayor of the City of Syracuse. Attached hereto as **Exhibit "B"** are certified copies of said Certificates of Establishment and copies of the Certificates of Appointment relating to all of the current members of the Agency, who are:

William M. Ryan	Chairman
M. Catherine Richardson	Vice Chairman
Steven Thompson	Secretary
Donald Schoenwald	Treasurer
Pamela Hunter	Member

6. Attached hereto as **Exhibit "C"** is a true, correct, and complete copy of the by-laws of the Agency, together with all amendments thereto or modifications thereof; and said by-laws as so amended and modified are in full force and effect in accordance with their terms as of the date of this certificate.

7. That a resolution determining that the acquisition, reconstruction, renovation and equipping of the Project constitutes a Project and describing the financial assistance in connection therewith and authorizing a public hearing (the “**Public Hearing Resolution**”) was adopted by the Agency on December 18, 2012 and remains in full force and effect and has not been rescinded, repealed or modified. A copy of the Public Hearing Resolution is attached hereto at **Exhibit “D.”**

8. Attached hereto as **Exhibit “E”** is proof of publication of a notice of the public hearing with respect to the Project (the “**Public Hearing Notice**”), required pursuant to Section 859-a of the Act and held on January 24, 2013, and proof of mailing of notice thereof pursuant to Section 859-a of the Act to the chief executive officers of the affected tax jurisdictions (as defined in Section 854(16) of the Act) on July 23, 2013.

9. That a resolution classifying the Project as an Unlisted Action pursuant to SEQRA, declaring the Agency Lead Agency for the purposes of an uncoordinated review thereunder and determining that the Project will not have a significant effect on the environment (the “**SEQRA Resolution**”) was adopted by the Agency on January 24, 2013 and remains in full force and effect and has not been rescinded, repealed or modified. A copy of the SEQRA Resolution is attached hereto at **Exhibit “F.”**

10. That a resolution approving the undertaking of the acquisition, reconstruction, renovation and equipping of the Project, appointing the Company as agent of the Agency for the purpose of the acquisition, reconstruction, renovation and equipping of the Project, and authorizing the execution and delivery of an agreement between the Agency and the Company (the “**Inducement Resolution**”) was adopted by the Agency on January 24, 2013 and remains in full force and effect and has not been rescinded, repealed or modified. A copy of the Inducement Resolution is attached hereto at **Exhibit “G.”**

11. That a resolution approving a payment in lieu of tax schedule and authoring the execution and delivery of certain documents by the Agency in connection with the Project was adopted by the Agency on January 24, 2013 (the “**PILOT Resolution**”) and remains in full force and effect and has not been rescinded, repealed or modified. A copy of the PILOT Resolution is attached hereto at **Exhibit “H”**.

12. That a resolution authorizing the execution and delivery of certain documents by the Agency in connection with the Project was adopted by the Agency on August 13, 2013 (the “**Final Approving Resolution**”) and remains in full force and effect and has not been rescinded, repealed or modified. A copy of the Final Approving Resolution is attached hereto at **Exhibit “I”**.

13. That a resolution approving the extension of the Agency Agreement between the Agency and the Company until October 24, 2015 and making certain other findings was adopted by the Agency on March 5, 2015 (the “**Approving Resolution**”) and remains in full force and effect and has not been rescinded, repealed or modified. A copy of the Approving Resolution is attached hereto at **Exhibit “J”**.

14. The execution, delivery and performance of all Agency Documents, certificates and documents required to be executed, delivered and performed by the Agency in order to carry out, give effect to and consummate the transactions contemplated by the Agency Documents have been duly authorized by all necessary action of the Agency, and the Agency Documents have been duly authorized, executed and delivered. The Agency Documents are in full force and effect on and as of the date hereof, and no authority or proceeding for the execution, delivery or performance of the Agency Documents has been materially amended, repealed, revoked or rescinded; and no event or circumstance has occurred or exists which constitutes, or with the giving of notice or the passage of time would constitute, a default on the part of the Agency under the Agency Documents.

15. The execution, delivery, and performance of the Agency Documents, the consummation of the transactions therein contemplated and compliance with the provisions of each do not and will not: (a) violate the Act or the by-laws of the Agency; (b) require consent (which has not heretofore been received) under or result in a breach or default of any credit agreement, purchase agreement, indenture, deed of trust, commitment, guaranty, lease, or other agreement or instrument to which the Agency is a party or by which the Agency may be bound or affected; or (c) conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction, or decree of any government, governmental instrumentality, or court, domestic or foreign, having jurisdiction over the Agency or any of its Property.

16. The Agency has not received written notice that any event of default has occurred and is continuing, or that any event has occurred which with the lapse of time or the giving of notice or both would constitute an event of default by any party to the Agency Documents.

17. There is no action, suit, proceeding or investigation at law or in equity, before or by any court, public board or body of the United States of America or the State of New York, pending or, to the best of my knowledge, threatened against or affecting the Agency (or to my knowledge any basis therefor): (a) wherein an unfavorable decision or finding would adversely affect (i) the Inducement Resolution, the Final Approving Resolution, the Company Lease, the Agency Lease or the other Agency Documents; or (ii) the existence or organization of the Agency; or (iii) restrain or enjoin the financing, acquisition or construction of the Project or the performance by the Agency of the Agency Documents; or (b) in any manner questioning the proceedings or authority of the financing of the Project, or affecting the validity thereof or of the Agency Documents, or contesting the existence and powers of the Agency or the appointment of the directors and officers of the Agency to their respective offices.

18. May 21, 2015 has been duly designated as the date for the Closing.

19. The Agency has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date.

20. In accordance with the Act, the Agency has determined:

(a) to assist the Company's acquisition, reconstruction, renovation and equipping of the Project Facility;

(b) to grant the Financial Assistance to the Company;

(c) to designate the Company as the Agency's agent for the acquisition, reconstruction, renovation and equipping of the Project Facility and to authorize the Company to appoint additional agents; and

(d) to assign its interest in the Company Lease and the Agency Lease (except the Agency's Unassigned Rights) to the Mortgagee(s) and grant the Mortgagee(s) a security interest in the Agency's leasehold interest in the Project Facility.

21. That I did officially cause all certificates necessary for the financing and included in the Official Transcript of Closing, to be executed, as required, in the name of the Agency by the signing of each of such certificates with the signature of the (Vice) Chairman of the Agency.

22. That I did officially cause the following Agency Documents to be executed in the name of the Agency by the signing of each of such Agency Documents with the signature of the William M. Ryan, Chairman of the Agency:

(a) a Company Lease from the Company to the Agency pursuant to which the Company agrees to lease the Land and the Facility to the Agency;

(b) an Agency Lease from the Agency to the Company pursuant to which the Agency agrees to sublease the Project Facility to the Company; and

(c) the Mortgage(s) pursuant to which the Mortgagee(s) has been granted a security interest in the Project Facility.

23. No member, officer or employee of the Agency having power to: (i) negotiate, prepare, authorize or approve any of the Agency Documents; (ii) audit bills or claims under any of the Agency Documents; or (iii) appoint an officer or employee who has any of the powers or duties set forth in (i) or (ii):

(a) directly or indirectly owns any stock of the Company;


(b) is a partner, director or employee of the Company;

(c) is related to the Company within the meaning of Section 800.3(a) of the New York General Municipal Law.

No member, officer, or employee of the Agency has publicly disclosed, in a writing included as part of the official minutes of the Agency, any Interest (as defined in Section 800.3 of the New York General Municipal Law), direct or indirect, in the Developer.

WITNESS, as of the 1st day of May, 2015.

**CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY**

By: 

William M. Ryan, Chairman

EXHIBIT "A"

**CHAPTER 641 OF THE LAWS OF 1979
OF THE STATE OF NEW YORK**

LAWS OF NEW YORK, 1979

CHAPTER 641

AN ACT to amend the general municipal law, in relation to creating and establishing for the city of Syracuse industrial development agency and, providing for its functions and duties

Became a law July 11, 1979, with the approval of the Governor. Passed on Home Rule request pursuant to Article IX, section 2 (b) (2) of the Constitution, by a majority vote, three-fifths being present.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The general municipal law is amended by adding a new section nine hundred twenty-six to read as follows:

§ 926. *City of Syracuse industrial development agency. (a) For the benefit of the city of Syracuse and the inhabitants thereof, an industrial development agency, to be known as the CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY, is hereby established for the accomplishment of any or all of the purposes specified in title one of article eighteen-A of this chapter. It shall constitute a body corporate and politic, and be perpetual in duration. It shall consist of five members who shall be appointed by the mayor of the city of Syracuse and its chairman shall be designated by such mayor. It shall have the powers and duties now or hereafter conferred by title one of article eighteen-A of this chapter upon industrial development agencies. It shall organize in a manner prescribed by and be subject to the provisions of title one of article eighteen-A of this chapter. The agency, its members, officers and employees, and its operations and activities shall in all respects be governed by the provisions of title one of article eighteen-A of this chapter.*

(b) The city shall have the power to make, or contract to make grants or loans, including but not limited to grants or loans of money, to the agency in such amounts, upon such terms and conditions and for such period or periods of time as in the judgment of the city and the agency are necessary or appropriate for the accomplishment of any of the purposes of the agency.

§ 2. This act shall take effect immediately.

EXHIBIT "B"

**AGENCY'S CERTIFICATE OF ESTABLISHMENT
AND
CERTIFICATES OF APPOINTMENT OF CURRENT MEMBERS**

CERTIFICATE OF THE CITY OF SYRACUSE
INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law, Lee Alexander, Mayor of the City of Syracuse, certifies as follows:

- 1) The name of the industrial development agency herein is the City of Syracuse Industrial Development Agency.
- 2) Chapter 641 of the Laws of 1979, the special act of the New York State Legislature establishing the City of Syracuse Industrial Development Agency, was adopted by the New York State Legislature on June 16, 1979 and signed by the Governor on July 18, 1979.
- 3) The names of the Chairman and the Members, respectively, of the City of Syracuse Industrial Development Agency and their terms of office are as follows:

(a)	Frank L. Canino	Chairman
	David M. Garber	Member
	David S. Michel	Member
	Erwin G. Schultz	Member
	Irwin L. Davis	Member

- (b) The term of office of the Chairman and of the Members of the City of Syracuse Industrial Development Agency is at the pleasure of the Mayor and continues until a successor is appointed and has qualified.

- 4) The facts establishing the need for the creation of a City of Syracuse Industrial Development Agency are as follows:

Expansion of its industrial-commercial base is essential to the City of Syracuse, especially in a time of mounting economic pressures. To achieve this goal of expansion, the City has designed a comprehensive economic development program, requiring an Industrial Development Agency.

The existing potential for economic development will be augmented by the financial incentives of an Industrial Development Agency. Various City agencies and departments, such as the Department of Community Development and the Office of Federal and State Aid Coordination will interface with the Syracuse Industrial Development Agency to strengthen the business and industrial climate of the community.

Access to the Department of Community Development will make available to the Syracuse Industrial Development Agency an array of staff assistance, technical expertise, and various other development services. The City's Office of Federal and State Aid Coordination will provide assistance to it in locating, analyzing, and obtaining various forms of federal and state assistance and participation.

STATE OF NEW YORK
DEPARTMENT OF STATE


FILED JUL 20 1979

Bill Paterson

Governor of State

The Syracuse Industrial Development Agency, in combination with, and utilizing these and other resources, will greatly enhance the City's ability to compete for, and successfully attract, the commercial and industrial enterprises necessary for continued economic health and growth.

July 20, 1979


Lee Alexander
Mayor

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED JUL 20 1979


Secretary of State

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CITY OF SYRACUSE
DEPARTMENT OF LAW



OFFICE OF THE MAYOR

Stephanie A. Miner, Mayor

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DEPARTMENT OF STATE

CERTIFICATE OF APPOINTMENT TO THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Stephanie A. Miner, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a Member and officer of the City of Syracuse Industrial Development Agency:

Mr. William Ryan

- Member/Chairman

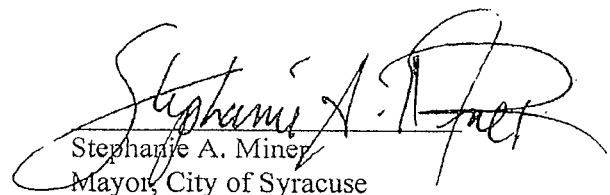
The following Member and Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Member or Officer of said Agency:

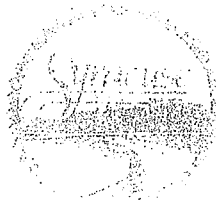
Mr. Irwin Davis

-Member/Chairman

No Member or Officer of the City of Syracuse Industrial development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of January 15, 2010.


Stephanie A. Miner
Mayor, City of Syracuse



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OFFICE OF THE MAYOR

DEPARTMENT OF STATE

Stephanie A. Miner

CERTIFICATE OF APPOINTMENT TO THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

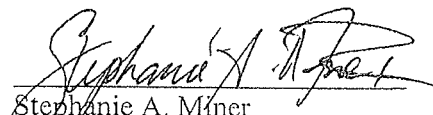
Pursuant to Article 18-A of the General Municipal Law of the State of New York,
Stephanie A. Miner, Mayor of the City of Syracuse, hereby certifies the appointment of
the following person as a ~~Member~~ ^{AN OFFICER} of the City of Syracuse Industrial Development
Agency:

M. Catherine Richardson

- Member/Vice Chair

No Member or Officer of the City of Syracuse Industrial development Agency shall
receive any compensation for the discharge of their duties as Member or Officer of the
Agency, but shall be entitled to necessary expenses incurred in the discharge of their
duties as such Member or Officer.

The appointment herein set forth shall be effective as of February 12, 2010.


Stephanie A. Miner
Mayor, City of Syracuse



OFFICE OF THE MAYOR

Stephanie A. Miner, Mayor

CERTIFICATE OF APPOINTMENT TO THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Stephanie A. Miner, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a Member of the City of Syracuse Industrial Development Agency:

Mr. Donald Schoenwald

- Member

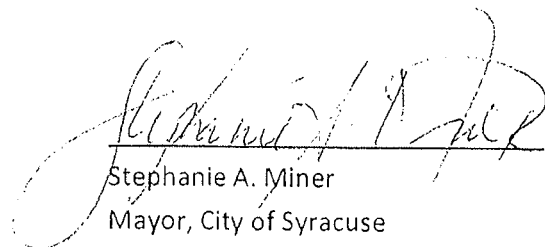
The following Member and Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Member or Officer of said Agency:

Mr. Kenneth Mokrzycki

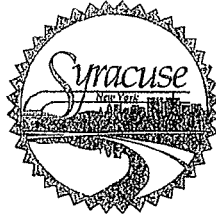
- Member

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of March 1, 2011.



Stephanie A. Miner
Mayor, City of Syracuse



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DEPARTMENT OF STATE

OFFICE OF THE MAYOR

Stephanie A. Miner, Mayor

CERTIFICATE OF APPOINTMENT TO THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Stephanie A. Miner, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a Member of the City of Syracuse Industrial Development Agency:

Ms. Pamela J. Hunter

- Member

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of July 5, 2012.

A large, stylized handwritten signature in black ink, appearing to read "Stephanie A. Miner".

Stephanie A. Miner
Mayor, City of Syracuse

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DEPARTMENT OF LAW



OFFICE OF THE MAYOR

Stephanie A. Miner, Mayor

**CERTIFICATE OF APPOINTMENT TO THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Stephanie A. Miner, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a Member of the City of Syracuse Industrial Development Agency:

Mr. Steve Thompson

- Member/Secretary

The following Member and Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Member or Officer of said Agency:

Mr. John Gamage

- Member/Secretary

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of January 6, 2014.

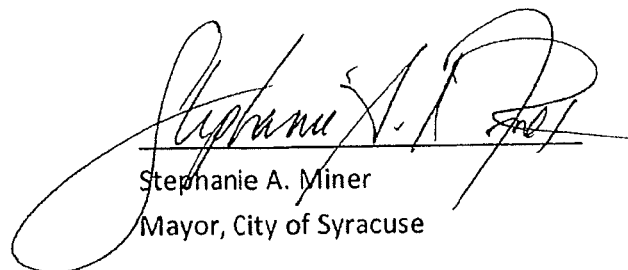

Stephanie A. Miner
Mayor, City of Syracuse

EXHIBIT "C"

AGENCY'S BY-LAWS

**BY-LAWS OF
THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
(as amended August 18, 2009)**

Article I

THE AGENCY

Section 1. Name

The name of the agency shall be "City of Syracuse Industrial Development Agency", and it shall be referred to in these by-laws as the Agency.

Section 2. Seal

The seal of the Agency shall be in such form as may be determined by the members of the Agency.

Section 3. Office

The principal office of the Agency shall be located in the City of Syracuse, New York, County of Onondaga, and State of New York. The Agency may have such other offices at such other places as the members of the Agency may, from time to time, designate by resolution.

Article II

MEMBERS

Section 1. Members

(a) There shall be five members of the Agency. All references in these by-laws to members shall be references to Members of the Agency. The persons designated in the certificates of appointment filed in the office of the Secretary of State as members of the Agency and their successors in office and such other persons as may, from time to time, be appointed as

Members of the Agency by the Mayor of the City of Syracuse, or by special act of the Legislature, shall constitute all the members.

(b) Members shall hold office at the pleasure of the Mayor and shall continue to hold office until his or her successor is appointed and has qualified. The Mayor may remove any Member at his discretion, with or without cause.

(c) Upon the resignation or removal of a Member, a successor shall be selected by the Mayor.

(d) Members may resign at any time by giving written notice to the Mayor and to the Chairman of the Agency. Unless otherwise specified in the notice the resignation shall take effect upon receipt of the notice by the Chairman or the Mayor. Acceptance of the resignation shall not be necessary to make it effective.

Section 2. Meeting of the Members

(a) The Annual Meeting of the members shall be held on such date or dates as shall be fixed, from time to time, by the Members of the Agency. The first Annual Meeting of Members shall be held on a date within twelve (12) months after the filing of the Certificate of the Agency with the Secretary of State as required by General Municipal Law §856 (1) (a). Each successive Annual Meeting of Members shall be held on a date not more than twelve (12) months following the preceding Annual Meeting of Members.

(b) Regular meetings of the Agency may be held at such time and place as, from time to time, may be determined by the Members.

(c) Upon the written request of the Mayor, the Chairman or two (2) Members of the Agency, the Chairman of the Agency shall call a special meeting of the Members. Special meetings may be held on such date or dates as may be fixed in the call for such special meetings.

The call for a special meeting may be personally delivered to each Member of the Agency or may be mailed to the business or home address of such Member. A waiver of notice may be signed by any Member failing to receive a proper notice.

Section 3. Procedure at Meetings of Members

(a) The Chairman shall preside over the meetings of the Agency. In the absence of the Chairman, the Vice-Chairman shall preside. In the absence of both the Chairman and Vice-Chairman, any Member directed by the Chairman may preside.

(b) At all meetings of Members, a majority of the Members of the Agency shall constitute a quorum for the purpose of transacting business. If less than a quorum is present for any meeting, the Members then present may adjourn the meeting to such other time or until a quorum is present. Except to the extent provided for by law, all actions shall be by a majority of the votes cast, provided that the majority of the votes cast shall be at least equal to a quorum.

(c) When determined by the Agency that a matter pending before it is confidential in nature, it may, upon motion, establish an executive session and exclude any non-member from such session.

(d) Order of business

At all meetings of the Agency, the following shall be the order of business:

- (1) Roll Call;
- (2) Proof of Notice of Meeting;
- (3) Reading and approval of the minutes of the previous meeting;
- (4) bills and communications;
- (5) Report of the Treasurer;
- (6) Reports of Committees;

- (7) Unfinished business;
- (8) New business;
- (9) Adjournment.

The order of business may be altered or suspended at any meeting by the Members of the Agency.

(e) All resolutions shall be in writing and shall be recorded in the journal of the proceedings of the Agency.

Article III

OFFICERS AND PERSONNEL

Section 1. Officers

The officers of the Agency shall be Chairman or Co-Chairman, Vice-Chairman, Secretary and Treasurer and such other offices as may be prescribed, from time to time, by the Agency. The Chairman or Co-Chairman and other officers shall be appointed by the Mayor of the City of Syracuse and may be removed with or without cause at his discretion. Each officer shall be a Member of the Agency during his or her term of office.

Section 2. Chairman or Co-Chairmen

The Chairman shall be chief executive officer of the Agency, and shall serve as an ex officio member of all duly constituted committees, shall supervise the general management and the affairs of the Agency, and shall carry out the orders and resolutions of the Agency. Except as otherwise authorized by resolution of the Agency, the Chairman shall execute (manually and by facsimile signature) all agreements, contracts, deeds, bonds, notes or other evidence of indebtedness and any other instruments of the Agency on behalf of the Agency. The Mayor may from time to time appoint two Co-Chairmen in place of the Chairman. During their term of office the Co-

Chairmen shall share equally the duties, rights, powers and responsibilities of the Chairman. The action of either Co-Chairman or execution (manually or by facsimile signature) by either Co-Chairman of any agreement, contract, deed, bond, note or other evidence of indebtedness or any other instrument of the Agency on behalf of the Agency shall have the same force and effect as such action or execution by the Chairman.

Section 3. Vice-Chairman

The Vice-Chairman shall have all the powers and functions of the Chairman or Co-Chairmen in the absence or disability of the Chairman or Co-Chairmen, as the case may be. The Vice-Chairman shall perform such other duties as the Members of the Agency shall prescribe or as delegated by the Chairman or Co-Chairmen.

Section 4. Secretary

The Secretary shall keep the minutes of the Agency, shall have the custody of the seal of the Agency and shall affix and attest the same to documents when duly authorized by the Agency, shall attest to the giving or serving of all notices of the Agency, shall have charge of such books and papers as the Members of the Agency may order, shall attest to such correspondence as may be assigned, and shall perform all the duties incidental to his office.

Section 5. Treasurer

The Treasurer shall have the care and custody of all the funds and securities of the Agency, shall deposit such funds in the name of the Agency, in such bank or trust company as the members of the Agency may elect, shall sign such instrument as may require the Treasurer's signature, but only with the approval of the Chairman or Co-Chairman, as the case may be, shall at all reasonable times exhibit the books and accounts of the Agency to the Mayor or any Member of

the Agency, and at the end of each fiscal year shall present an annual report setting forth in full the financial condition of the Agency.

Section 6. Additional Personnel

The Agency, with the consent of the Mayor, may appoint an Administrative or Executive Director to supervise the administration of the business and affairs of the Agency, subject to the direction of the Agency. The Agency may, from time to time, employ such other personnel as it deems necessary to execute its powers, duties and functions as prescribed by the New York State Industrial Development Agency Act (General Municipal Law, Article 18-A), as amended, and all other laws of the State of New York applicable thereto.

Section 7. Compensation of Chairman, Co-Chairmen, Members, Officers, and Other Personnel

The Chairman, Co-Chairmen, Members and Officers shall receive no compensation for their services but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of their duties. The compensation of other personnel, including the Administrative Director, shall be determined by the Members of the Agency.

Article IV

AMENDMENTS

Section 1. Amendments to By-Laws

These by-laws may be amended or revised, from time to time, by a two-third (2/3) vote of the Agency, but no such amendment or revision shall be adopted unless written notice of the proposed action shall have been given by mail to each Member and the Mayor at least ten (10) days prior to the date of the meeting at which it is proposed that such action be taken; provided, however,

that this provision and other provisions relating to the appointment, renewal and terms of office of Members and officers may be amended only with the prior written approval of the Mayor.

Article V

MISCELLANEOUS

Section 1. Sureties and Bonds

In case the Agency shall so require, any officer, employee or agent of the Agency shall execute to the Agency a bond in such sum and with such surety or sureties as the Agency may direct, conditioned upon the faithful performance of his or her duties to the Agency and including responsibility for negligence and for the accounting for all property, funds or securities of the Agency which may come into the hands of the officer, employee or agent.

Section 2. Indemnification

(a) Upon compliance by a Member or Officer of the Agency (including a former Member or Officer, the estate of a Member or Officer or a judicially appointed personal representative thereof) (referred to in this Section 2 collectively as “Member”) with the provisions of subdivision (i) of this Section 2, the Agency shall provide for the defense of the Member in any civil action or proceeding, state or federal, arising out of any alleged act or omission which occurred or allegedly occurred while the Member was acting within the scope of the public employment or duties of such Member. This duty to provide for a defense shall not arise where such civil action or proceeding is brought by or at the behest of the Agency.

(b) Subject to the conditions set forth in paragraph (a) of this subdivision, the Member shall be entitled to be represented by private counsel of the Member’s choice in any civil action or proceeding whenever the chief legal officer of the Agency or other counsel designated by the

Agency determines that a conflict of interest exists, or whenever a court, upon appropriate motion or otherwise by a special proceeding, determines that a conflict of interest exists and that the Member is entitled to be represented by counsel of the Member's choice, provided, however, that the chief legal officer or other counsel designated by the Agency may require, as a condition to payment of the fees and expenses of such representation, that appropriate groups of such Members be represented by the same counsel. Reasonable attorneys' fees and litigation expenses shall be paid by the Agency to such private counsel from time to time during the pendency of the civil action or proceeding with the approval of a majority of the Members of the Agency eligible to vote thereon.

(c) Any dispute with respect to representation of multiple Members by a single counsel or the amount of litigation expenses or the reasonableness of attorneys' fees shall be resolved by the court upon motion or by way of a special proceeding.

(d) Where the Member delivers process and a written request for a defense to the Agency under subdivision (i) of this Section 2, the Agency shall take the necessary steps on behalf of the Member to avoid entry of a default judgment pending resolution of any question pertaining to the obligation to provide for a defense.

(e) The Agency shall indemnify and save harmless its Members in the amount of any judgment obtained against such Members in a State or Federal court, or in the amount of any settlement of a claim, provided that the act or omission from which such judgment or claim arose occurred while the Member was acting within the scope of the Member's public employment or duties; provided further that in the case of a settlement, the duty to indemnify and save harmless shall be conditioned upon the approval of the amount of settlement by a majority of the Members of the Agency eligible to vote thereon.

(f) Except as otherwise provided by law, the duty to indemnify and save harmless prescribed by this Section 2 shall not arise where the injury or damage resulted from intentional wrongdoing or recklessness on the part of the Member seeking indemnification.

(g) Nothing in this subdivision shall authorize the Agency to indemnify or save harmless any Member with respect to punitive or exemplary damages, fines or penalties; provided, however, that the Agency shall indemnify and save harmless its Members in the amount of any costs, attorneys' fees, damages, fines or penalties which may be imposed by reason of an adjudication that the Member, acting within the scope of the Member's public employment or duties, has, without willfulness or intent on the Member's part, violated a prior order, judgment, consent decree or stipulation of settlement entered in any court of the State or of the United States.

(h) Upon entry of a final judgment against the Member, or upon the settlement of the claim, the Member shall serve a copy of such judgment or settlement, personally or by certified or registered mail within thirty (30) days of the date of entry or settlement, upon the Chairman and the chief administrative officer of the Agency; and if not inconsistent with the provisions of this Section 2, the amount of such judgment or settlement shall be paid by the Agency.

(i) The duty to defend or indemnify and save harmless prescribed by this Section 2 shall be conditioned upon: (i) delivery by the Member to the Chairman of the Agency and the chief legal officer of the Agency or to its chief administrative officer of a written request to provide for such Member's defense together with the original or a copy of any summons, complaint, process, notice, demand or pleading within ten (10) days after the Member is served with such document, and (ii) the full cooperation of the Member in the defense of such action or

proceeding and in defense of any action or proceeding against the Agency based upon the same act or omission, and in the prosecution of any appeal.

(j) The benefits of this Section shall inure only to Members as defined in subdivision (a) of this Section 2 and shall not enlarge or diminish the rights of any other party.

(k) This Section 2 shall not in any way affect the obligation of any claimant to give notice to the Agency under Section 10 of the Court of Claims Act, Section 880 of the General Municipal Law, or any other provision of law.

(l) The Agency is hereby authorized and empowered to purchase insurance from any insurance company created by or under the laws of the State, or authorized by law to transact business in the State, against any liability imposed by the provisions of this Section 2, or to act as a self-insurer with respect thereto. The provisions of this Section 2 shall not be construed to impair, alter, limit or modify the rights and obligations of any insurer under any policy of insurance.

(m) All payments made under the terms of this Section 2, whether for insurance or otherwise, shall be deemed to be for a public purpose and shall be audited and paid in the same manner as other public charges.

(n) Except as otherwise specifically provided in this Section 2, the provisions of this Section 2 shall not be construed in any way to impair, alter, limit, modify, abrogate or restrict any immunity to liability available to or conferred upon any Member of the Agency by, in accordance with, or by reason of, any other provision of State or Federal statutory or common law. The benefits under this Section 2 shall supplement, and be available in addition to, defense or indemnification protection conferred by any law or enactment. This Section 2 is intended to confer upon Members of the Agency all of the benefits of Section 18 of the Public Officers Law

and to impose upon the Agency liability for costs incurred under the provisions hereof and thereof.

Section 3. Fiscal Year

The fiscal year of the Agency shall be fixed by the Members, subject to the applicable law.

Section 4. Powers of the Agency

The Agency shall have all the powers of an Industrial Development Agency authorized by Article 18-A of the General Municipal Law and shall have the power to do all things necessary or convenient to carry out its purposes and exercise the powers authorized herein.

EXHIBIT "D"

PUBLIC HEARING RESOLUTION

RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on December 18, 2012, at 8:30 o'clock a.m. in the Common Council's Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

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

PRESENT: William Ryan, M. Catherine Richardson, Esq., Donald Schoenwald, Esq., John Gamage, Pamela Hunter

THE FOLLOWING PERSONS WERE ALSO PRESENT: Staff Present: Ben Walsh, Meghan Gaffey, Esq., Susan R. Katzoff, Esq., Judith DeLaney, Gregory Streeter, Debra Ramsey-Burns; Others Present: John Laicey, Brenda Colella, Garth Coviello, John Sidd, Esq., Rebecca Klossner, Wendy Reese, Paul Driscoll; Media: Rick Moriarty.

The following resolution was offered by Pamela Hunter and seconded by Donald Schoenwald:

RESOLUTION DETERMINING THAT THE ACQUISITION, REHABILITATION, RENOVATION AND EQUIPPING OF A CERTAIN PROJECT AT THE REQUEST OF THE COMPANY CONSTITUTES A PROJECT AND DESCRIBING THE FINANCIAL ASSISTANCE IN CONNECTION THEREWITH AND AUTHORIZING A PUBLIC HEARING

WHEREAS, the City of Syracuse 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 641 of the Laws of 1979 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, for the purpose of promoting 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

WHEREAS, by application dated October 9, 2012 (the "**Application**"), Strathmore Huntley Group, LLC, a New York limited liability company, or an entity to be formed (the "**Company**"), has requested that the Agency undertake a project (the "**Project**") consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the "**Land**"); (ii) the rehabilitation and renovation of approximately 42 market-rate apartments units for use as affordable market-rate apartments (the "**Facility**"); (ii) the acquisition

and installation thereon of furniture, fixtures and equipment (collectively the “*Equipment*”, and together with the Land and the Facility, the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the “*Financial Assistance*”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease 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 with respect to the environmental impact of any “action” (as said quoted term is defined in SEQRA) to be taken by the Agency and the approval of the Project constitutes such an action; and

WHEREAS, the Agency has not yet made a determination under SEQRA;

WHEREAS, the Agency has not approved undertaking the Project or granting the Financial Assistance;

WHEREAS, the grant of Financial Assistance to the Project is subject to the Agency finding after a public hearing pursuant to Section 859-a of the Act that the Project will serve the public purposes of the Act by promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State or increasing the overall number of permanent, private sector jobs in the State; and

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency, as follows:

(1) Based upon the representations made by the Company to the Agency, the Agency makes the following findings and determinations:

(A) The Project constitutes a “project” within the meaning of the Act; and

(B) The Financial Assistance contemplated with respect to the Project consists of assistance in the form of exemptions from mortgage recording tax and sales and use taxation.

(2) The Agency hereby directs that pursuant to Section 859-a of the Act, a public hearing with respect to the Project and Financial Assistance shall be scheduled with notice thereof published, and such notice, as applicable, shall further be sent to affected tax jurisdictions within which the Project is located.

(3) The Secretary 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.

(4) 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.

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>
William Ryan	X	
M. Catherine Richardson	X	
Donald Schoenwald	X	
John Gamage	X	
Pamela Hunter	X	

The foregoing resolution was thereupon declared duly adopted.

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

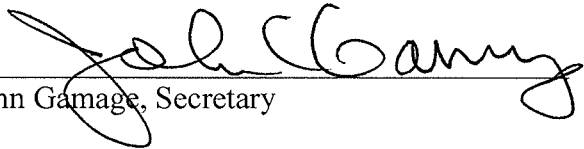
I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “*Agency*”) held on December 18, 2012, with the original thereof on file in my office, and that the same (including all exhibits) 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.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 21 day of December, 2012.

City of Syracuse Industrial Development Agency



John Gamage, Secretary

(S E A L)

EXHIBIT “E”

**NOTICE OF PUBLIC HEARING WITH EVIDENCE OF PUBLICATION AND COPIES
OF LETTERS TO AFFECTED TAX JURISDICTIONS PURSUANT TO SECTIONS
859-a OF THE ACT**

The Post-Standard

PROOF OF PUBLICATION

State of New York, County of Onondaga ss. Pamela Gallagher, of the City of Syracuse, in said County, being duly sworn, doth depose and says: this person is the Principal Clerk in the office of THE POST-STANDARD, a public newspaper, published in the City of Syracuse, Onondaga County, New York and that the notice, is an accurate and true copy of the ad as printed in said newspaper, was printed and published in the regular edition and issue of said newspaper on the following days, viz.:

Advertiser: HISCOCK & BARCLAY LLP

Reference #: 0000420241

PO #: billing matter #3060266

Product: Post-Standard-Full Run

Start Date: 01/12/2013

End Date: 01/12/2013

Insertions: 1

Run Dates: 01/12/2013


Pamela Gallagher
Principal Clerk
Subscribed and Sworn to before me, this 01/12/2013

LAURA M. SCALES
Notary Public, State of New York
No. 015SC6210783
Qualified in Onondaga County
My Commission Expires: ~~8/31/13~~



NOTARY PUBLIC, ONONDAGA COUNTY, NY Commission Expires

NOTICE OF PUBLIC HEARING NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 859-a of the New York General Municipal Law, will be held by the City of Syracuse Industrial Development Agency (the "Agency") on the 24th day of January, 2013, at 9:00 o'clock a.m., local time, at 233 East Washington Street, Common Council Chambers, City Hall, Syracuse, New York, in connection with the following matter:

Huntley Strainmore Group, LLC, a New York limited liability company, or a similar entity to be formed (the "Company"), has requested that the Agency undertake a project (the "Project") consisting of: (A) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the "Land"); (B) the rehabilitation and renovation of approximately 42 apartment units for use as affordable market-rate apartments (the "Facility"); (C) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the "Equipment", and together with the Land and the Facility, the "Project Facility"); (D) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the "Financial Assistance"); (E) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (F) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement. The Company shall be the initial owner or operator of the Project Facility.

1/11/2013 1:10:54PM

Agency will at the above-stated time and place hear all persons with views with respect to the proposed Financial Assistance to the Company, the proposed owner or location of the Project Facility, and/or the nature of the Project. A copy of the application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the office of the Agency located at 333 West Washington Street, Suite 130, Syracuse, New York. Dated: January 9, 2013. CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 859-a of the New York General Municipal Law, will be held by the City of Syracuse Industrial Development Agency (the "Agency") on the 24th day of January, 2013, at 9:00 o'clock a.m., local time, at 233 East Washington Street, Common Council Chambers, City Hall, Syracuse, New York, in connection with the following matter:

Strathmore Huntley Group, LLC, a New York limited liability company, or a similar entity to be formed (the "Company"), has requested that the Agency undertake a project (the "Project") consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the "Land"); (ii) the rehabilitation and renovation of approximately 42 apartment units for use as affordable market-rate apartments (the "Facility"); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the "Equipment", and together with the Land and the Facility, the "Project Facility"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the "Financial Assistance"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement.

The Company shall be the initial owner or operator of the Project Facility.

The Agency will at the above-stated time and place hear all persons with views with respect to the proposed Financial Assistance to the Company, the proposed owner or location of the Project Facility, and/or the nature of the Project.

A copy of the application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the office of the Agency located at 333 West Washington Street, Suite 130, Syracuse, New York.

Dated: January 9, 2013

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

HISCOCK & BARCLAY^{LLP}

Susan R. Katzoff
Partner

January 10, 2013

**BY HAND DELIVERY and
CERTIFIED MAIL**

Honorable Stephanie A. Miner
Mayor, City of Syracuse
City Hall
233 East Washington Street
Syracuse, New York 13202

**BY HAND DELIVERY and
CERTIFIED MAIL**

Honorable Joanne M. Mahoney
County Executive, Onondaga County
John Mulroy Civic Center, 14th Floor
421 Montgomery Street
Syracuse, New York 13202

Re: City of Syracuse Industrial Development Agency
Strathmore Huntley Group, LLC – Huntley Building Renovation Project

Dear Mayor and County Executive:

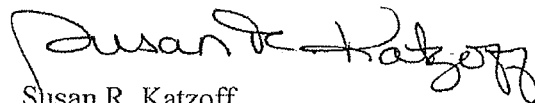
Enclosed herewith please find a Notice of Public Hearing in relation to the above-referenced project. The proposed project (the “**Project**”) consists of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the “**Land**”); (ii) the rehabilitation and renovation of approximately 42 apartment units for use as affordable market-rate apartments (the “**Facility**”); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the “**Equipment**”, and together with the Land and the Facility, the “**Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the “**Financial Assistance**”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement.

Honorable Stephanie A. Miner
Honorable Joanne M. Mahoney
January 10, 2013
Page 3

General Municipal Law Section 859-a requires that notice of the Public Hearing be given to the chief executive officer of each affected tax jurisdiction in which the Project is located.

As stated in the notice, the public hearing is scheduled for **January 24, 2013** at 9:00 a.m. in the Common Council Chambers at City Hall.

Very truly yours,



Susan R. Katzoff

SRK/llm
Enclosure

cc: William Ryan, City of Syracuse Industrial Development Agency (w/Enclosure)
Meghan Gaffey, Esq., City of Syracuse (w/Enclosure)
Ben Walsh, City of Syracuse (w/Enclosure)

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Honorable Stephanie A. Miner
 Mayor, City of Syracuse
 233 East Washington Street
 Syracuse, New York 13202

2. Article Number
 (Transfer from service label)

7008 1300 0000 1722 6108

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *M. Miner* Agent Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

7008 1300 0000 1721 9841

U.S. Postal Service™
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OFFICIAL USE

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

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 Street Apt. No. or PO Box No.
 County Executive
 City, State, ZIP+4

PS Form 3800, August 2005 See Reverse for Instructions

7008 1300 0000 1722 6108

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here

Sent To
 Street Apt. No. or PO Box No.
 Mayor
 City, State, ZIP+4

PS Form 3800, August 2005 See Reverse for Instructions

EXHIBIT "F"

SEQRA RESOLUTION

SEQRA RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on January 24, 2013 at 9:00 o'clock a.m., in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

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

PRESENT: William Ryan, John Gamage, Pamela Hunter, Donald Schoenwald, Esq.

ABSENT: M. Catherine Richardson, Esq. (excused)

THE FOLLOWING PERSONS WERE ALSO PRESENT: **Staff:** Ben Walsh, Meghan Gaffey, Esq., Debra Ramsey-Burns, Susan Katzoff, Esq., Greg Streeter, Judith DeLaney; **Others:** John Lacey, Brenda Colella, Garth Coviello, Wendy Reese, Kerry Quaglia, Crystal Cosenhiro, Nicole Samolis, Kevin Samolis, Bruce Osterman, Brenda Colella, John Lacey, Marty Masterpole.

The following resolution was offered by Donald Schoenwald and seconded by John Gamage:

RESOLUTION CLASSIFYING A CERTAIN PROJECT AS AN UNLISTED ACTION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT, DECLARING THE AGENCY LEAD AGENCY FOR PURPOSES OF AN UNCOORDINATED REVIEW THEREUNDER AND DETERMINING THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT

WHEREAS, the City of Syracuse 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 641 of the Laws of 1979 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, Strathmore Huntley Group, LLC, a New York limited liability company, or

a similar entity to be formed (the “**Company**”), has requested by application dated October 9, 2012 (the “**Application**”) that the Agency undertake a project (the “**Project**”) consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the “**Land**”); (ii) the rehabilitation and renovation of approximately 42 apartment units for use as affordable market-rate apartments (the “**Facility**”); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the “**Equipment**”, and together with the Land and the Facility, the “**Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the “**Financial Assistance**”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition 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 with respect to the environmental impact of any “action” (as defined by SEQRA) to be taken by the Agency and the Project constitutes such an action; and

WHEREAS, to aid the Agency in determining whether the preliminary agreement of the Agency to undertake the Project may have a significant adverse impact upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form (the “**EAF**”), a copy of which is on file at the office of the Agency; and

WHEREAS, the Agency has examined and reviewed the EAF in order to classify the Project and make a determination as to the potential significance of the Project pursuant to SEQRA; and

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency, as follows:

(1) Based upon an examination of the EAF and additional project-related materials prepared by the Company, the criteria contained in 6 NYCRR §617.7(c), and based further upon the Agency’s knowledge of the area surrounding the Project Facility, all the representations made by the Company in connection with the Project, and such further investigation of the Project and its environmental effects as the Agency has deemed appropriate, the Agency makes the following findings and determinations with respect to the Project pursuant to SEQRA:

(a) The Project consists of the components described above in the second **WHEREAS** clause of this resolution;

(b) The Project constitutes an “Unlisted Action” (as said quoted term is defined

in SEQRA);

(c) The Agency declares itself “Lead Agency” (as said quoted term is defined in SEQRA) with respect to an uncoordinated review of the Project pursuant to SEQRA;

(d) The Project will not have a significant effect on the environment, and the Agency hereby issues a negative declaration for the Project pursuant to SEQRA, attached hereto as *Exhibit A*, which shall be filed in the office of the Agency in a file that is readily accessible to the public.

(2) 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.

(3) This Resolution shall take effect immediately. The Secretary 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.

(4) The Agency hereby authorizes Agency staff to take all further actions deemed necessary and appropriate to fulfill the Agency’s responsibilities under SEQRA.

(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 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.

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

	AYE	NAY
William Ryan	X	
Donald Schoenwald	X	
John Gamage	X	
Pamela Hunter	X	

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “*Agency*”) held on January 24, 2013, with the original thereof on file in my office, and that the same (including all exhibits) 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.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 27 day of March, 2013.

City of Syracuse Industrial Development Agency



John Gamage, Secretary

(S E A L)

EXHIBIT "A"
NEGATIVE DECLARATION

Reasons Supporting This Determination:

(See 617.7(a)-(c) for requirements of this determination; see 617.7(d) for Conditioned Negative Declaration)

This determination is based upon an examination of the EAF and, the criteria contained in 6 NYCRR §617.7(c), and based further upon the Agency's knowledge of the area, and such further investigation of the action and its environmental effects as the Agency has deemed appropriate.

If Conditioned Negative Declaration, provide on attachment the specific mitigation measures imposed, and identify comment period (not less than 30 days from date of publication in the ENB)

For Further Information:

Contact Person: Ben Walsh, Deputy Commissioner

Address: Office of Neighborhood & Business Development
City of Syracuse
333 W. Washington St., Suite 130
Syracuse, NY 13202

Telephone Number: (315) 448-8028

For Type I Actions and Conditioned Negative Declarations, a Copy of this Notice is sent to:

Department of Environmental Conservation, 625 Broadway, Albany, New York 12233-1750

Chief Executive Officer

Any person requesting a copy

All involved agencies

Applicant (if any)

Environmental Notice Bulletin, 625 Broadway, Albany, NY 12233-1750

EXHIBIT "G"

INDUCEMENT RESOLUTION

INDUCEMENT RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on January 24, 2013 at 9:00 o'clock a.m., in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

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

PRESENT: William Ryan, John Gamage, Pamela Hunter, Donald Schoenwald, Esq.

ABSENT: M. Catherine Richardson, Esq. (excused)

THE FOLLOWING PERSONS WERE ALSO PRESENT: **Staff:** Ben Walsh, Meghan Gaffey, Esq., Debra Ramsey-Burns, Susan Katzoff, Esq., Greg Streeter, Judith DeLaney; **Others:** John Lacey, Brenda Colella, Garth Coviello, Wendy Reese, Kerry Quaglia, Crystal Cosenhiro, Nicole Samolis, Kevin Samolis, Bruce Osterman, Brenda Colella, John Lacey, Marty Masterpole.

The following resolution was offered by Donald Schoenwald and seconded by John Gamage:

**RESOLUTION UNDERTAKING THE ACQUISITION,
RENOVATION AND EQUIPPING OF A CERTAIN
PROJECT, APPOINTING THE COMPANY AS AGENT
OF THE AGENCY FOR THE PURPOSE OF THE
ACQUISITION, RENOVATION AND EQUIPPING OF
THE PROJECT FACILITY AND AUTHORIZING THE
EXECUTION AND DELIVERY OF AN AGREEMENT
BETWEEN THE AGENCY AND THE COMPANY**

WHEREAS, the City of Syracuse 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 641 of the Laws of 1979 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, Strathmore Huntley Group, LLC, a New York limited liability company, or a similar entity to be formed (the “**Company**”), by application dated October 9, 2012 (the “**Application**”), requested the Agency undertake a project (the “**Project**”) consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the “**Land**”); (ii) the rehabilitation and renovation of approximately 42 market-rate apartments units for use as affordable market-rate apartments (the “**Facility**”); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the “**Equipment**”, and together with the Land and the Facility, the “**Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the “**Financial Assistance**”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, as part of the Financial Assistance, the Company requested the Agency consider a payment in lieu of tax (“**PILOT**”) schedule in accordance with the Agency’s Uniform Tax Exemption Policy (“**UTEF**”) established pursuant to General Municipal Law Section 874(4). The Agency has not yet resolved to grant the PILOT as part of the requested Financial Assistance; 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 Project constitutes such an action; and

WHEREAS, to aid the Agency in determining whether the Project may have a significant impact upon the environment, the Company has prepared and submitted to the Agency an Short Environmental Assessment Form (the “**EAF**”), a copy of which is on file at the office of the Agency; and

WHEREAS, the Agency examined the EAF in order to classify the Project and determined that the Project constitutes an “Unlisted Action” as defined under SEQRA; and

WHEREAS, by resolution adopted January 24, 2013 (the “**SEQRA Resolution**”), the Agency determined that the Project will not have a significant adverse effect on the environment and issued a negative declaration; and

WHEREAS, the Agency conducted a public hearing with respect to the Project and the

proposed Financial Assistance on January 24, 2013 pursuant to Section 859-a of the Act, notice of which was published on January 12, 2013 in the Post-Standard, a newspaper of general circulation in the City of Syracuse, New York and given to the chief executive officers of the affected tax jurisdictions by letter dated January 10, 2013; 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;

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 and retain the Project Facility in the City of Syracuse, (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) undertaking the Project will promote, create and/or preserve permanent and/or temporary private sector jobs in the State, reduce blight and promote the general prosperity and economic welfare of the inhabitants of the City of Syracuse in furtherance of the purposes of the Act.

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency, as follows:

(1) Based upon the representations made by the Company to the Agency, the Agency hereby makes the following findings and determinations:

(A) The Project consists of an “Unlisted” action under SEQRA and therefore no further review is required; and

(B) The Project constitutes a “project” within the meaning of the Act; and

(C) The acquisition of an interest in the Project Facility by the Agency and the designation of the Company as the Agency’s agent for completion of the Project will be an inducement to the Company to renovate, reconstruct, equip and operate the Project Facility in the City of Syracuse, thereby promoting, creating and/or preserving job opportunities, general prosperity and economic welfare of the inhabitants of the City of Syracuse in furtherance of the purposes of the Act; and

(D) 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;

(E) Undertaking the Project will serve the public purposes of the Act by preserving and/or creating private sector jobs in the City of Syracuse and the State.

(2) Subject to the conditions set forth in Section 4.02 of the Agreement (hereinafter defined), the Agency will (i) acquire an interest in the Project Facility pursuant to a sublease agreement (the “*Lease*”) to be entered into between the Company and the Agency; (ii) sublease the Project Facility to the Company pursuant to a (sub)sublease agreement to be entered into between the Agency and the Company; (iii) grant the Financial Assistance; and (iv) execute and deliver all other certificates and documents necessary or appropriate for the grant of the approved Financial Assistance or requested by the Company or its commercial lender(s) in connection with financing for the Project.

(3) The form and substance of the proposed agreement (in the form and on the terms and conditions as presented at this meeting and attached hereto as Exhibit “A”) (the “*Agreement*”) between the Agency and the Company setting forth the preliminary undertakings of the Agency and the Company with respect to the Project Facility are hereby approved. The Chairman or Vice Chairman 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 Chairman or Vice Chairman shall approve. The execution thereof by the Chairman or Vice Chairman shall constitute conclusive evidence of such approval.

(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 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.

(5) Subject to the due execution and delivery by the Company of the Agreement, the Company is appointed the true and lawful agent of the Agency to proceed with 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 4 shall not be effective until the Agreement referred to in Section 3 hereof is duly executed and delivered by the Company.

(6) The Secretary of the Agency is hereby authorized 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.

(7) This Resolution shall take effect immediately. 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.

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

	AYE	NAY
William Ryan	X	
Donald Schoenwald	X	
John Gamage	X	
Pamela Hunter	X	

The foregoing Resolution was thereupon declared duly adopted.

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

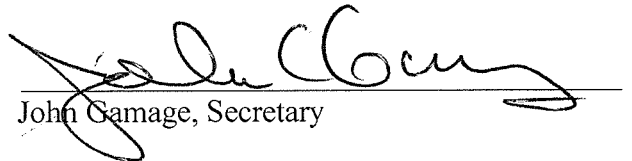
I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “*Agency*”) held on January 24, 2013, with the original thereof on file in my office, and that the same (including all exhibits) 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.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 27 day of March, 2013.

City of Syracuse Industrial Development Agency



John Gamage, Secretary

(S E A L)

EXHIBIT "A"

AGENCY/COMPANY AGREEMENT

THIS AGREEMENT is between **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY** (the "**Agency**"), with an office at 333 West Washington Street, Suite 130, Syracuse, New York 13202, and **STRATHMORE HUNTLEY GROUP, LLC** (the "**Company**"), with a business office at 127 Stolp Avenue, Syracuse, New York 13207.

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, and Chapter 641 of the Laws of 1979 of the State (collectively, the "**Act**") to designate an agent for constructing, reconstructing 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 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 has requested that the Agency undertake a project (the "**Project**") consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the "**Land**"); (ii) the rehabilitation and renovation of approximately 42 market-rate apartments units for use as affordable market-rate apartments (the "**Facility**"); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the "**Equipment**", and together with the Land and the Facility, the "**Project Facility**"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the "**Financial Assistance**"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition 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.

1.04. The Company hereby represents to the Agency that the designation of the Company as the Agency's agent for the renovation and equipping of the Project Facility (i) will

be an inducement to it to renovate, reconstruct and equip the Project Facility in the City of Syracuse (the “*City*”); (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 reduce blight.

1.05. The Agency has determined that the acquisition of a controlling interest in, and the renovation 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 January 24, 2013, 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, renovation and equipping of the Project Facility.

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

Article 2. Undertakings on the Part of the Agency. Based upon the statement, 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 renovating and equipping 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) designating the Company the Agency’s agent for renovation and equipping of the Project Facility, 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 Section 4.02 hereof, the Company may proceed with the renovation and equipping of the Project Facility.

2.05. Subject to Section 4.02 hereof, the Company is appointed the true and lawful agent of the Agency (i) for the renovation and equipping of the Project Facility and (ii) 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 renovation and equipping 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 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, and renovation and equipping 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 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, renovation and equipping 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 Facility, 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 defense and indemnities provided for in this Article 3 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, facts, 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.

(e) The Company shall provide and carry worker's compensation and disability insurance as required by law and comprehensive liability insurance with such coverages (including without limitation, owner's protective for the benefit of the Agency 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 of insurance in form satisfactory to the Agency evidencing such insurance.

(f) The Company shall apply and diligently pursue all approvals, permits and consents from the State of New York, the City, the City Planning Commission and any other governmental authority which approvals, permits and consents are required under applicable law for the development, renovation 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.

(g) The Company shall complete the Local Access Agreement contained at Appendix I of the City of Syracuse Industrial Development Agency Financial Assistance Application and agrees that to the extent practicable utilize local contractors and suppliers for the renovation, construction and equipping of the Project Facility. For purposes of this Agency Agreement, the term "**Local**" shall mean Onondaga, Oswego, Madison and Oneida Counties. The Company agrees that such Local contractors shall be provided the opportunity to bid on contracts related to the Project Facility.

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, renovation, 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; 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 or otherwise, 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 the requirements of Section 220 of the Labor Law of the State of New York, as amended.

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 or 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.

Article 4. General Provisions.

4.01. This Agreement shall be superseded in its entirety by the Lease Documents (as defined in the Resolution) and other documents executed in connection therewith.

4.02. It is understood and agreed by the Agency and the Company that the execution of the Lease Documents and related Agency documents and grant of Financial Assistance are subject to (i) obtaining all necessary governmental approvals, permits and consents of any and all governmental authorities as are required for development, renovation and construction of the Project and related site improvements; and (ii) payment by the Company of the Agency fee and Agency's counsel fees.

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, 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.

4.04. If for any reason the Lease Documents are not executed and delivered by the Company and the Agency on or before **January 24, 2014**, the provisions of this Agreement (other than the provisions of Articles 3.01, 3.02, 3.05 and 4.03 above, 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, renovation and equipping of the Project Facility;

(b) The Company shall assume and be responsible for any contracts for renovation 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 and counsel for the Agency incurred in connection with the Project Facility and will pay the fees of counsel for the Agency for legal services relating to the Project Facility or the proposed financing thereof.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the _____ day of _____, 2013.

CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Name: _____
Title: _____

STRATHMORE HUNTLEY GROUP, LLC

By: _____
Name: _____
Title: _____

EXHIBIT "H"

PILOT RESOLUTION

PILOT RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on January 24, 2013 at 9:00 o'clock a.m., in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

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

PRESENT: William Ryan, John Gamage, Pamela Hunter, Donald Schoenwald, Esq.

ABSENT: M. Catherine Richardson, Esq. (excused)

THE FOLLOWING PERSONS WERE ALSO PRESENT: **Staff:** Ben Walsh, Meghan Gaffey, Esq., Debra Ramsey-Burns, Susan Katzoff, Esq., Greg Streeter, Judith DeLaney; **Others:** John Lacey, Brenda Colella, Garth Coviello, Wendy Reese, Kerry Quaglia, Crystal Cosenhiro, Nicole Samolis, Kevin Samolis, Bruce Osterman, Brenda Colella, John Lacey, Marty Masterpole.

The following resolution was offered by John Gamage and seconded by Donald Schoenwald:

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 City of Syracuse 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 641 of the Laws of 1979 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, by application dated on or about October 9, 2012 (the “*Application*”), the Strathmore Huntley Group, LLC, a New York limited liability company or an entity to be formed (the “*Company*”), requested that the Agency undertake a project (the “*Project*”) consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the “*Land*”); (ii) the rehabilitation and renovation of approximately 42 market-rate apartments units for use as affordable market-rate apartments (the “*Facility*”); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the “*Equipment*”, and together with the Land and the Facility, the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the “*Financial Assistance*”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition 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, to aid the Agency in determining whether the preliminary agreement of the Agency to undertake the Project may have a significant impact upon the environment, the Company has prepared and submitted to the Agency an Environmental Assessment Form (the “*EAF*”), a copy of which is on file at the office of the Agency; and

WHEREAS, on January 24, 2013 the Agency adopted a resolution classifying the Project as an “Unlisted Action”, determining that the Project will not have a significant effect on the environment and preparation of an Environmental Impact Statement is not required, and authorizing the execution of a negative declaration (the “*SEQRA Resolution*”) and a resolution taking official action toward the acquisition, renovation and equipping of the Project (the “*Inducement Resolution*”); and

WHEREAS, as part of the Financial Assistance, the Company requested the Agency consider a payment in lieu of tax schedule (“*PILOT*”), as more fully described on **Exhibit “A”** attached hereto, which schedule conforms with the Agency’s Uniform Tax Exemption Policy (“*UTEP*”) established pursuant to General Municipal Law Section 874(4); and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that the proposed PILOT, as part of the Financial Assistance (i) will induce the Company to develop the Project Facility in the City of Syracuse, and (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 promote, create and/or preserve permanent and/or temporary private sector jobs in the State, reduce blight and promote the general prosperity and economic welfare of the inhabitants of the City of Syracuse in furtherance of the purposes of the Act;

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency, as follows:

(1) 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, the Agency hereby approves and the (Vice) Chairman and Secretary, acting individually, are each authorized to execute and deliver a payment in lieu of tax agreement (“*PILOT Agreement*”) providing for the payment schedule attached as **Exhibit “A”** hereto.

(2) The Agency will, subject to, and in accordance with all resolutions adopted by the Agency in conjunction with this Project, execute and deliver a PILOT Agreement in such form and substance as shall be consistent with such adopted resolutions and approved by the Chairman or Vice Chairman of the Agency upon the advice of counsel to the Agency.

(3) The Chairman, Vice Chairman and any authorized representative 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 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 this resolution.

(4) 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.

(5) The Secretary of the Agency is hereby authorized 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.

(6) The execution of the PILOT Agreement is conditioned upon, among other things: (i) the execution by the Company of the Agency Agreement (as that term is defined in the Agency's Inducement Resolution dated even date herewith with respect to this Project); (ii) the passage by the Agency of a Final Resolution relative to this Project; (iii) the Agency and the Company's execution of the necessary lease documents providing the Agency with an interest in the Project Facility; and (iv) the payment by the Company of all of the Agency's fees and costs associated with the Project Facility, including but not limited to attorneys fees.

(7) The resolution shall take effect immediately.

(8) 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.

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

	AYE	NAY
William Ryan	X	
Donald Schoenwald	X	
John Gamage	X	
Pamela Hunter	X	

The foregoing resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “**Agency**”) held on January 24, 2013, with the original thereof on file in my office, and that the same (including any and all exhibits) 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.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 24th day of January, 2013.

City of Syracuse Industrial Development Agency


John Gamage, Secretary

(S E A L)

EXHIBIT "A"

PROPOSED PILOT SCHEDULE

Strathmore Huntley Group, LLC. PILOT Schedule		
Year	Assessment	Payment
1	$\$255,000 \times \text{tax rate}^*$	-
2	$\$255,000 \times \text{tax rate}$	-
3	$\$255,000 \times \text{tax rate}$	-
4	$\$255,000 \times \text{tax rate}$	-
5	$\$255,000 \times \text{tax rate}$	-
6	$\$255,000 \times \text{tax rate}$	-
7	$\$255,000 \times \text{tax rate}$	-
8	$[(\text{full assessment} - \$255,000) \times .25] + (\$255,000 \times \text{tax rate})$	-
9	$[(\text{full assessment} - \$255,000) \times .50] + (\$255,000 \times \text{tax rate})$	-
10	$[(\text{full assessment} - \$255,000) \times .75] + (\$255,000 \times \text{tax rate})$	-

*tax rate = Combined Syracuse City, County, School District and Water District Real Property Tax Rate in effect for each year, or portion thereof, covered by the Agreement

EXHIBIT "I"

FINAL APPROVING RESOLUTION

FINAL APPROVING RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on January 24, 2013, at 9:00 o'clock a.m., in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

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

PRESENT: William Ryan, John Gamage, Pamela Hunter, Donald Schoenwald, Esq.

ABSENT: M. Catherine Richardson, Esq. (excused)

THE FOLLOWING PERSONS WERE ALSO PRESENT: **Staff:** Ben Walsh, Meghan Gaffey, Esq., Debra Ramsey-Burns, Susan Katzoff, Esq., Greg Streeter, Judith DeLaney; **Others:** John Lacey, Brenda Colella, Garth Coviello, Wendy Reese, Kerry Quaglia, Crystal Cosenhiro, Nicole Samolis, Kevin Samolis, Bruce Osterman, Brenda Colella, John Lacey, Marty Masterpole.

The following resolution was offered by Donald Schoenwald and seconded by Pamela Hunter:

RESOLUTION 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 City of Syracuse 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 641 of the Laws of 1979 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, for the purpose of promoting 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

WHEREAS, Strathmore Huntley Group, LLC, a New York limited liability company, or an entity to be formed (the "**Company**"), submitted an application (the "**Application**") to the Agency on or about October 9, 2012, a copy of which is on file at the office of the Agency, requesting that the Agency undertake a project (the "**Project**") consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the

“*Land*”); (ii) the rehabilitation and renovation of approximately 42 market-rate apartments units for use as affordable market-rate apartments (the “*Facility*”); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the “*Equipment*”, and together with the Land and the Facility, the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the “*Financial Assistance*”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on January 24, 2013 pursuant to Section 859-a of the Act, notice of which was published on January 12, 2013 in the Post-Standard, a newspaper of general circulation in the City of Syracuse, New York and given to the chief executive officers of the affected tax jurisdictions by letter dated January 10, 2013; and

WHEREAS, the Agency adopted a resolution on January 24, 2013 (the “*SEQRA Resolution*”) entitled

RESOLUTION CLASSIFYING A CERTAIN PROJECT AS AN UNLISTED ACTION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT, DECLARING THE AGENCY LEAD AGENCY FOR PURPOSES OF AN UNCOORDINATED REVIEW THEREUNDER AND DETERMINING THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT

WHEREAS, the Agency adopted a resolution on January 24, 2013 (the “*Inducement Resolution*”) entitled

RESOLUTION UNDERTAKING THE ACQUISITION, RENOVATION AND EQUIPPING OF A CERTAIN PROJECT, APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, RENOVATION AND EQUIPPING OF THE PROJECT FACILITY, 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; and

WHEREAS, the Agency adopted a resolution on January 24, 2013 (the “*PILOT Resolution*” and together with the SEQRA Resolution and the Inducement Resolution, the “*Resolutions*”) 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

WHEREAS, the Agency has considered the policy, purposes and requirements of the Act in making its determinations with respect to undertaking the Project and granting the Financial Assistance;

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency, as follows:

Section 1. Based upon the representations made by the Company to the Agency and after consideration of the comments received at the public hearing, if any, the Agency hereby confirms all of its prior Resolutions and all other action with respect to the Project and Financial Assistance taken by the Agency, and makes the following findings and determinations:

(a) The acquisition of a controlling interest in the Project Facility by the Agency, the granting of the Financial Assistance and the designation of the Company as the Agency’s agent for completion of the Project will be an inducement to, and permit, the Company to develop and operate the Project Facility in the City of Syracuse, thus serving the public purposes of Article 18-A of the General Municipal Law of New York State by promoting and preserving the job opportunities, general prosperity, health and economic welfare of the inhabitants of the City of Syracuse (the “*City*”) in furtherance of the purposes of the Act.

(b) 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.

(c) The commitment of the Agency to provide Financial Assistance to the Company will enable the Company to reconstruct, improve and equip the Project Facility.

(d) The Project Facility constitutes a “project” within the meaning of the Act.

(e) It is desirable and in the public interest for the Agency to grant Financial Assistance in connection with the Project.

Section 2. 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. The Project will serve the public purposes of Article 18-A of the General Municipal Law of the State of New York by promoting, creating and/or preserving private sector jobs and reducing blight.

Section 3. 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 4. Subject to the conditions set forth in Section 4.02 of the Agreement (as defined in the Inducement Resolution), the Agency will (A) acquire a controlling interest in the Project Facility, (B) lease the Project Facility from the Company pursuant to a lease agreement between the Agency and the Company and sublease the Project Facility to the Company, pursuant to a sublease agreement, (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), and pledging and assigning to such lender(s) certain rights and remedies of the Agency under the sublease agreement by the execution and delivery of a Pledge and Assignment, and (D) execute and deliver a PILOT Agreement, all in such form and substance as shall be substantially the same as approved by the Agency for other similar transactions and consistent with this Resolution.

Section 5. The Chairman, Vice Chairman and any authorized representative 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 in Section 4 of this resolution 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 in Section 4 of this resolution 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.

Section 6. The Agency's participation in any of the documents referenced herein, or the granting of the approved Financial Assistance, is contingent upon counsel for the Agency's review and the Chairman or Vice Chairman's approval of, all documents requested or required by the Agency in connection with the Project Facility, as well as the Company's execution of the Agreement (as defined in the Inducement Resolution) and all other documents required by the Agency to effectuate the intent of this Resolution and as required in similar transactions.

Section 7. 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 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 8. Counsel to the Agency is hereby authorized to work with the Company and others to prepare, for submission to the Agency, all documents necessary to effect the undertaking of the Project and the grant of Financial Assistance in connection with the Project.

Section 9. The approvals provided for herein are contingent upon the Company's payment of all of the Agency's fees and costs, including but not limited to attorneys fees.

Section 10. The Secretary of the Agency is hereby authorized and may distribute copies of this Resolution and do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 11. This Resolution shall take effect immediately. 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.

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

	AYE	NAY
William Ryan	X	
Donald Schoenwald	X	
John Gamage	X	
Pamela Hunter	X	

The foregoing Resolution was thereupon declared duly adopted.

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


I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “*Agency*”) held on January 24, 2013, with the original thereof on file in my office, and that the same (including all exhibits) 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.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency this 27 day of March, 2013.

City of Syracuse Industrial Development Agency



John Gamage, Secretary

(S E A L)

EXHIBIT "J"

APPROVING RESOLUTION

APPROVING RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on March 5, 2015 at 8:30 o'clock a.m., in the City/County Economic Development Office, 333 West Washington Street, Suite 130, Syracuse, New York.

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

PRESENT: William Ryan, Pamela Hunter, Steven Thompson, Donald Schoenwald, Esq.

EXCUSED: Catherine Richardson, Esq. (participated via telephone conference)

THE FOLLOWING PERSONS WERE ALSO PRESENT: **Staff Present:** Ben Walsh, Judith DeLaney, Debra Ramsey-Burns, John Vavonese, Thomas Babilon, Esq., Susan Katzoff, Esq.; **Others Present:** Aggie Lane, Barry Lentz, James Trasher, James Ranalli, Jr., Jared Hutter, Richard Engel, Esq, Mike Lisson, Jen Seitter, Robert Smith, Esq., Rebecca Livingood, Brian Rojer, Michael Edelm, Raymond Chera

The following Resolution was offered by Donald Schoenwald and seconded by Pamela Hunter:

RESOLUTION APPROVING AN EXTENSION OF THE AGENCY AGREEMENT BETWEEN THE AGENCY AND THE COMPANY UNTIL OCTOBER 24, 2015, AND MAKING CERTAIN OTHER FINDINGS.

WHEREAS, the City of Syracuse 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 (the "**Enabling Act**"), together with Section 926 of the General Municipal Law, as amended (said Section and the Enabling Act, collectively referred to as, 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, by resolution adopted January 24, 2013 (the “*Inducement Resolution*”), at the request of Strathmore Huntley Group, LLC, a New York limited liability company, or an entity to be formed (the “*Company*”), the Agency induced and approved a (the “*Project*”) consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the “*Land*”); (ii) the rehabilitation and renovation of approximately 42 market-rate apartments units for use as affordable market-rate apartments (the “*Facility*”); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the “*Equipment*”, and together with the Land and the Facility, the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the “*Financial Assistance*”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, pursuant to the Inducement Resolution, the Agency appointed the Company as its agent for purposes of completing the Project and the parties entered into an Agency Agreement, as set forth at Exhibit “A” to the Inducement Resolution (the “*Agency Agreement*”), which expired on January 24, 2014; and

WHEREAS, the Company advised that it was unexpectedly delayed in obtaining financing but is now in a position to finalize same and is requesting that the Agency retroactively grant an extension of the Agency Agreement from the date of its original expiration to October 24, 2015 in order to allow the Company time to finalize the financing associated with the Project and close on the transaction with the Agency; and

WHEREAS, following the adoption of the Inducement Resolution, certain provisions of the Act were amended with respect to, among other things, the granting and reporting of certain exemptions from sales tax.

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency as follows:

(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, 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.

(2) Based upon the representations made by the Company to the Agency, the Agency hereby makes the following findings and determinations:

(a) The amount of State and local sales and use tax exemption benefits comprising the Financial Assistance approved by the Agency shall not exceed \$93,917.95. 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 the Company's appointment as agent of the Agency for purposes of rehabilitating, renovating and equipping the Project Facility and to receiving or benefiting from an exemption from New York State sales and use tax exemptions benefits.

(b) The Company may utilize, and is hereby authorized to appoint^[1], a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, "**Additional Agents**") to proceed with the renovation and equipping 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 Transactional 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**") 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.

(c) As a condition precedent to the extension of the Agency Agreement, the Company shall execute and deliver an amended Agency Agreement (the "**Amended Agreement**") and any and all other documents required by the Agency in connection with the extension and to carry out the intent of this Resolution.

(d) Subject to the terms of this Resolution, the execution of the Amended Agreement retroactively through and including October 24, 2015, is hereby approved, provided that there is no event of default existing under the current Agency Agreement and subject to the execution and delivery of the Amended Agreement.

(e) The Agency is authorized to execute and deliver the Amended Agreement and all other documents necessary to effectuate the intent of this Resolution. The Chairman or Vice Chairman of the Agency are each hereby authorized, on behalf of the Agency, to execute and

^[1] Additional Agents must be specifically appointed as an agent of the Agency in order to avail themselves of the IDA sales and use tax exemption for any and all purchases or rentals of construction materials, equipment, tools and supplies that do not become part of the Project Facility. Additional Agents who purchase construction materials, equipment and/or supplies that become part of the Project Facility need not be specifically appointed as an agent of the Agency.

deliver the Amended 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 Chairman or Vice Chairman shall approve. The execution thereof by the Chairman or Vice Chairman shall constitute conclusive evidence of such approval.

(f) The Company is hereby authorized to appoint Additional Agents to proceed with the Project, all with the same powers and the same validity as if they Agency were acting in its own behalf, in accordance with the terms of this Resolution and the Amended Agreement.

(g) 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 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.

(h) As a condition precedent to the execution and delivery of the Amended Agreement and related documents, the Company shall be responsible for and tender all fees associated with the Project and the Amended Agreement and related extension, including but not limited to any Agency fee, administrative fees and/or legal fees, regardless of whether the lease transaction contemplated by the parties ever closes.

(i) Counsel to the Agency is hereby authorized to work with the Company and others to prepare the Amended Agreement and any and all documents necessary to effect the intent of this Resolution.

(j) The Secretary 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.

(k) 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.

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>
William M. Ryan	X	
Donald Schoenwald	X	
Pamela Hunter	X	
Steven Thompson	X	

The foregoing resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “*Agency*”) held on March 5, 2015, with the original thereof on file in my office, and that the same (including all exhibits) 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.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

19TH **IN WITNESS WHEREOF**, I have set my hand and affixed the seal of the Agency this day of March, 2015.

**CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Steven P. Thompson, Secretary

(S E A L)

EXHIBIT "A"

AMENDED AGENCY AGREEMENT

THIS AMENDED AGENCY AGREEMENT is between CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY (the "*Agency*"), with an office at 333 West Washington Street, Suite 130, Syracuse, New York 13202, and STRATHMORE HUNTLEY GROUP, LLC (the "*Company*"), with a mailing address of 127 Stolp Avenue, Syracuse, New York 13207.

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, and Chapter 641 of the Laws of 1979 of the State (collectively, the "*Act*") to designate an agent for constructing 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 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. By application dated October 9, 2012, Strathmore Huntley Group, LLC, or an entity to be formed (the "*Company*"), requested the Agency undertake a project (the "*Project*") consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the "*Land*"); (ii) the rehabilitation and renovation of approximately 42 market-rate apartments units for use as affordable market-rate apartments (the "*Facility*"); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the "*Equipment*", and together with the Land and the Facility, the "*Project Facility*"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the "*Financial Assistance*"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement; and

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 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 renovation and equipping 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 renovate and equip the Project Facility in the City of Syracuse (the "***City***"); (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 Facility will promote, create and/or preserve private sector jobs in the State. The Company hereby further represents to the Agency that the Project Facility is not primarily used in making retail sales to customers who personally visit the Facility.

1.05. The Agency has determined that the acquisition of a controlling interest in, and the renovation 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 January 24, 2013, 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, renovation and equipping 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 \$93,917.95.

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 renovation and equipping the Project Facility, entering into contracts and doing all things requisite and proper for renovation and equipping the Project Facility.

Article 2. Undertakings on the Part of the Agency. Based upon the statement, 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 renovation and equipping 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) designation by the Company of Additional Agents for renovation and equipping of the Project Facility subject to the terms 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 3.06 and 4.02 hereof and in the Inducement Resolution, the Company may proceed with the renovation and equipping of the Project Facility and the utilization of and, as necessary the appointment of, Additional Agents.

2.05. Subject to the execution of the Lease Documents and Section 4.02 hereof, the Company is appointed the true and lawful agent of the Agency: (i) for the renovation and equipping of the Project Facility; and (ii) 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 renovation and equipping 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, and renovation and equipping 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, renovation and equipping 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 Facility, 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 apply and diligently pursue all approvals, permits and consents from the State of New York, the City, the City Planning Commission and any other governmental authority which approvals, permits and consents are required under applicable law for the development, renovation and equipping 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.

(h) The Company shall complete the Local Access Agreement contained at Appendix I of the City of Syracuse Industrial Development Agency Financial Assistance

Application and agrees to utilize, and cause its Additional Agents to utilize, local contractors and suppliers for the renovation and equipping of the Project unless a waiver is received from the Agency in writing. For purposes of this Agency Agreement, the term “*Local*” shall mean Onondaga, Oswego, Madison, Cayuga, Cortland and Oneida Counties. The Company agrees that such Local contractors shall be provided the opportunity to bid on contracts related to the Project Facility.

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, renovation 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 or otherwise, 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 the requirements of Section 220 of the Labor Law of the State of New York, as amended.

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 or 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, renovation and equipping of the Project Facility and advance such funds as may be necessary to accomplish such purposes. The Company may utilize, and was authorized to appoint¹, 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 Additional Agents must be specifically appointed as an agent of the Agency in order to avail themselves of the Agency’s sales and use tax exemption for any and all purchases or rentals of construction materials, equipment, tools and supplies that do not become part of the Project Facility. Additional Agents who purchase construction materials, equipment and/or supplies that become part of the Project Facility need not be specifically appointed as an agent of the Agency.

(1) A written, executed agreement, in form and substance acceptable to the Agency, from each appointed Additional Agent which provides for 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 Additional Agent; (ii) a commitment to utilize local contractors and suppliers for the renovation and equipping of the Project (“local” being defined in Section 3.01(h) hereof); (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 Agency and 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 the failure to comply with the foregoing will result in the loss of the exemption; and (v) 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 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 ratifies and confirms its obligations to pay an annual administrative reporting fee in accordance with the Agency’s fee schedule 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 policy and/or position, 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 and local sales tax exemption to which the Company was not entitled, which is in excess of the amount of the State and local 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 and local 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 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 **October 24, 2015**, 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, renovation and equipping of the Project Facility;

(b) The Company shall assume and be responsible for any contracts for the renovation 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 and counsel for the Agency incurred in connection with the Project Facility and will pay the fees of counsel for the Agency 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 into this Agreement as of the _____ day of _____, 2015.

**CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
William M. Ryan, Chairman

STRATHMORE HUNTLEY GROUP, LLC

By: _____
Name: _____
Title: _____

21

AFFIDAVIT RE: MORTGAGE TAX EXEMPTION

STATE OF NEW YORK)
) SS.
COUNTY OF ONONDAGA)

WILLIAM M. RYAN, being duly sworn, deposes and says:

He is Chairman of the City of Syracuse Industrial Development Agency (the “*Agency*”).

The Agency is an industrial development agency duly established under Title I of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, and Chapter 641 of the Laws of 1979 of the State (collectively, the “*Act*”), and it is a corporate governmental agency constituting a public benefit corporation of the State.

On or about January 24, 2013 the Agency adopted a resolution at the request of Strathmore Huntley Group, LLC (the “*Applicant*” and/or “*Company*”) agreeing to undertake a project (the “*Project*”) consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the “*Land*”); (ii) the rehabilitation and renovation of approximately 42 affordable market-rate apartments units with approximately 80-85% subject to income restrictions at 115% of the area median income with the balance approximately 15-20% of the units subject to income restrictions at 80% of the area median income (the “*Facility*”); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the “*Equipment*”, and together with the Land and the Facility, the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the “*Financial Assistance*”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement.

The Company and the Agency are mortgaging their respective interests in the improved real property described on **Exhibit “A”** to: (1) Onondaga Civic Development Corporation (“*Mortgagee 1*”), pursuant to a certain Collateral Mortgage, Assignment of Rents and Security Agreement dated May 21, 2015 in the amount of \$225,000 (“*Mortgage 1*”) and a Conditional Assignment of Rents and Leases dated May 21, 2015 (“*Assignment of Rents and Leases*”); and (2) Syracuse Economic Development Corporation (“*Mortgagee 2*”) pursuant to a certain Mortgage dated May 21, 2015 in the amount of \$225,000 (“*Mortgage 2*”). Mortgage 1 is pledged to secure a note given by the Company to Mortgagee 1. Mortgage 2 is pledged to secure a note given by the Company to Mortgagee 2.

Pursuant to Article 18-A of the New York General Municipal Law, the Agency is regarded as performing a governmental function and is generally not required to pay taxes or

assessments upon any property acquired by it or under its jurisdiction, control or supervision or upon its activities.


The Deponent submits that no mortgage tax should be imposed upon Mortgage 1, the Assignment of Leases and Rents and Mortgage 2, inasmuch as Mortgage 1, the Assignment of Leases and Rents and Mortgage 2 are being executed and delivered under the State authority creating the Agency, inasmuch as the use by the Agency of its powers to secure the payment of principal and interest on the loan is deemed by Article 18-A public purpose essential to the public interest, and inasmuch as both the New York State Department of Taxation and Finance and Counsel to the New York State Department of Taxation and Finance have expressed their opinion that the recording of similar documents by similar agencies organized under Article 18-A of the New York General Municipal Law are operations of said agencies entitled to exemption from the mortgage recording tax.

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**CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
William M. Ryan, Chairman

Subscribed and sworn to before me
this 20th day of May, 2015.


Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC505591
Commission Expires on Feb. 12, 20 18

SCHEDULE "A"

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, known and distinguished as Lots Nos. 113, 114 and 115 of the Stolp Addition, according to a map thereof made by Rhesa Griffin, C.E., and filed in the Onondaga County Clerk's Office October 2, 1890.

Being City of Syracuse addresses and Tax Parcel Id numbers:

1. 409 Stolp Avenue; 087.-12-04.0 (*Lots 113-114*) and
2. 419-21 Stolp Avenue; 087.-12-03.0 (*Lot 115*).

22

**GENERAL CERTIFICATE OF
STRATHMORE HUNTLEY GROUP, LLC**

This certificate is made in connection with the execution by Strathmore Huntley Group, LLC, a New York limited liability company (the “**Company**”) of the Company Lease, the Agency Lease, the Mortgages, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement and any other document now or hereafter executed by the Company in connection with the City of Syracuse Industrial Development Agency (the “**Agency**”) agreeing, at the Company’s request, to undertake a project (the “**Project**”) consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the “**Land**”); (ii) the rehabilitation and renovation of approximately 42 affordable market-rate apartments units with approximately 80-85% subject to income restrictions at 115% of the area median income with the balance approximately 15-20% of the units subject to income restrictions at 80% of the area median income (the “**Facility**”); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the “**Equipment**”, and together with the Land and the Facility, the “**Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the “**Financial Assistance**”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement.

The Project Facility is owned by the Company. The Company will lease the Land and Facility to the Agency pursuant to a Company Lease Agreement dated as of May 1, 2015 (the “**Company Lease**”) and transfer its interest in the Equipment to the Agency pursuant to a bill of sale dated as of May 1, 2015 (the “**Bill of Sale**”) and the Agency will sublease the Project Facility back to the Company pursuant to an Agency Lease Agreement dated as of May 1, 2015 (the “**Agency Lease**”).

Capitalized terms used herein which are not otherwise defined herein shall have the meanings ascribed to such terms in the Agency Lease, except that, for purposes of this certificate: (A) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this Certificate and not as of any future date; and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate and not as of any future date or to any successor or assign.

The undersigned does hereby certify as follows:

1. Attached hereto as **Exhibit “A”** is a true, correct and complete copy of the Articles of Organization of the Company and any amendments thereto filed with the New York State Secretary of State with proof of publication thereof attached thereto, which Articles (including any amendments) are in full force and effect on the date hereof.

2. Attached hereto as **Exhibit “B”** is a true, correct and complete copy of the Company’s Operating Agreement, and any amendments thereto, and such Operating Agreement, as may have been amended, is in full force and effect on the date hereof.

3. The Company is, and at all times will be, a limited liability company, duly organized, validly existing and in good standing under the laws of New York State and authorized and licensed under the laws of New York State to transact business as a business corporation for the purpose of owning and operating the Project Facility in New York State. Attached hereto as **Exhibit “C”** is a true and correct copy of a Certificate of Good Standing of the Company issued by the New York State Secretary of State.

4. The Company has full legal right, power and authority to execute and deliver the Company Documents and to consummate the transactions on the part of the Company contemplated by the Company Documents. The Company Documents have been duly authorized, executed, and delivered by the Managing Member on behalf of the Company and are in full force and effect as of the date hereof. Attached hereto as **Exhibit “D”** is a true, correct and complete copy of the authorizing resolution of the Managing Member of the Company (the “**Resolution**”) in respect of the execution, delivery and performance of the Company Documents.

5. The Company understands and agrees that, unless a written waiver is first obtained from the Agency, the Company and its Additional Agents shall utilize local labor, contractors and suppliers for the construction, renovation, reconstruction and equipping of the Project Facility. The term “**local**” shall mean Onondaga, Oswego, Madison, Cayuga, Cortland and Oneida Counties. The Company further understands and agrees that failure to comply with these local labor requirements may result in the revocation or recapture of benefits provided/approved to the Project by the Agency. In furtherance thereof, Appendix I to the Agency’s Application entitled “Local Access Agreement” has been completed and is attached hereto as **Exhibit “E”**.

6. The Company understands and agrees that it is the preference of the Agency that the Company provide opportunities for the purchase of goods and services from: (i) business enterprises located in the City; (ii) certified minority and or women-owned business enterprises; and (iii) business enterprises that employ residents of the City. The Company further understands and acknowledges that consideration will be given by the Agency to the Company’s efforts to comply, and compliance, with this objective at any time an extension of benefits is sought or involvement by the Agency with the Project is requested by the Company.

7. All consents, approvals, authorizations or orders of, notices to, or filings, registrations or declarations with, any court or governmental authority, board, agency, commission or body having jurisdiction which are required on behalf of the Company or for the execution and delivery by the Company of the Company Documents or the consummation on the part of the Company of the transactions contemplated thereby have been obtained.

8. After performing due diligence, there is no legal action, suit, proceeding, inquiry or investigation at law or in equity (before or by any court, agency, arbitrator, public board or

body or other entity or person) pending or threatened against or affecting the Company or, to the knowledge of the Company, any basis therefor (i) in any way affecting the organization, existence or good standing of the Company, (ii) contesting or materially affecting the validity or enforceability of the Company Documents, (iii) contesting the powers of the Company or its authority with respect to the Company Documents, (iv) contesting the authority of the Company to act on behalf of the Company or the authority of the representatives of the Company to act on behalf of the Company, (v) wherein an unfavorable decision, ruling or finding would have a material adverse effect on (A) the financial condition or operations of the Company, or (B) the consummation on the part of the Company of the transactions contemplated by any Company Documents.

9. The execution and delivery by the Company of the Company Documents and the consummation by the Company of the transactions contemplated thereby are not prohibited by, do not violate any provision of, and will not result in a breach of or default under: (i) the organizational documents of the Company; (ii) any applicable law, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental body or other requirement to which the Company is subject; or (iii) any contract, agreement, mortgage, lease, guaranty, commitment or other obligation or instrument to which the Company is a party or by which the Company or its properties is bound.

10. All information concerning the Project Facility and the Company submitted to the Agency and any Mortgagee by the Company is true and correct in all material respects and does not omit to state a material fact necessary to make the statements therein not misleading.

11. Assuming the valid authorization, execution and delivery of the Agency Lease and the other Company Documents by the other parties thereto, the Agency Lease and the other Company Documents are the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally or by the exercise of judicial discretion in accordance with general principles of equity. No default by the Company or, to the best of knowledge of the undersigned, no event of default on the part of any other party to the Company Documents has occurred or is continuing and no event has occurred which, with the giving of notice or passage of time or both, would be such an event of default. The Company has duly authorized the taking of and has taken all actions necessary to carry out and give effect to the transactions contemplated to be performed on its part by the Company Documents.

12. All permits (including building permits), licenses and authorizations necessary for the construction, ownership and operation of the Project in the manner contemplated by each of the Company Documents have been obtained or will be obtained, and said construction, ownership and operation will not, to the best knowledge of the Company, conflict with any zoning or similar ordinance applicable to the Project. To the best of the Company's knowledge, the Project conforms to all material environmental regulations.

13. There is no Event of Default or default on the part of the Company under the Company Lease, the Agency Lease, the Mortgages, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement or any other Company Document, and no event has

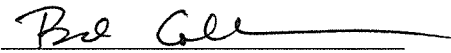
occurred and is continuing which, after notice or passage of time or both, would give rise to a default under any thereof.

14. The Company Lease, the Agency Lease, the Mortgages, the PILOT Agreement, the Environmental Compliance and Indemnification Agreement and the other Company Documents are in full force and effect and the Company has not assigned or pledged any of its rights under these documents.

15. The Company acknowledges and restates all of the obligations, representations and covenants in Sections 2.2, 8.12, 11.12 and 11.14 of the Agency Lease and incorporates same herein by reference as if fully set forth herein.

16. The Company further acknowledges its obligation under Section 8.5 of the Agency Lease to provide the additional information as set forth therein and agrees to same.

17. The authorized representatives of the Company who, pursuant to the Resolution, are authorized to execute the Company Documents and the office held by each person are as set forth below. The signature set opposite the name of such officer, if any, is a genuine specimen of such officer's signature:

<u>Name</u>	<u>Signature</u>	<u>Office/Title</u>
<u>Brenda Colella</u>	<u></u>	<u>Authorized Member</u>

IN WITNESS WHEREOF, I have set my hand and signature as officer of the Company as of May 1, 2015.

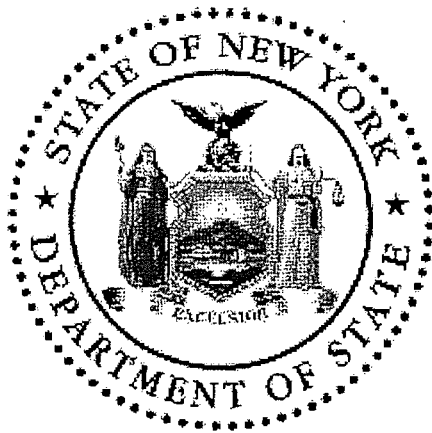
STRATHMORE HUNTLEY GROUP, LLC

By: 
Brenda Colella, Authorized Member

EXHIBIT "A"
ARTICLES OF ORGANIZATION

STATE OF NEW YORK
DEPARTMENT OF STATE

I hereby certify that the annexed copy for STRATHMORE HUNTLEY GROUP, LLC, File Number 100813000310 has been compared with the original document in the custody of the Secretary of State and that the same is true copy of said original.



WITNESS my hand and official seal of the
Department of State, at the City of Albany, on
April 24, 2015.

A handwritten signature in cursive script that reads "Anthony Giardina".

Anthony Giardina
Executive Deputy Secretary of State

Rev. 06/07

Authentication Number: 1504241007 To verify the authenticity of this document you may access the
Division of Corporations' Document Authentication Website at <http://ecorp.dos.ny.gov>

100813000310

**ARTICLES OF ORGANIZATION
of
STRATHMORE HUNTLEY GROUP, LLC**

Under Section 203 of the Limited Liability Company Law

FIRST: The name of the limited liability company is:

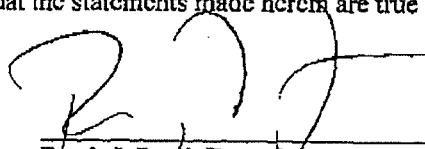
Strathmore Huntley Group, LLC

SECOND: The county within the state in which the office of the limited liability company is to be located is the County of Onondaga.

THIRD: The Secretary of State is designated as agent of the limited liability company upon whom process against it may be served. The post office address within this state to which the secretary of state shall mail a copy of any process served against him or her is: 6723 Towpath Road, P.O. Box 66, Syracuse, New York 13214.

FOURTH: The limited liability company is to be managed by its managers.

IN WITNESS WHEREOF, this certificate has been subscribed this 13th day of August, 2010, by the undersigned who affirms that the statements made herein are true under the penalties of perjury.



Frank J. Patyi, Esq., Organizer
Bond, Schoeneck & King, PLLC
One Lincoln Center
Syracuse, New York 13202

100813.000 310

BOND, SCHOENECK & KING - #42

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ARTICLES OF ORGANIZATION
OF
STRATHMORE HUNTLEY GROUP, LLC

Under Section 203 of the Limited Liability Company Law

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED AUG 13 2010

TAX \$ _____
BY: ICB

Matter No. 332886

Filed by: Frank J. Patyi
Bond, Schoeneck & King, PLLC
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EXHIBIT "B"
OPERATING AGREEMENT

AMENDED AND RESTATED OPERATING AGREEMENT

OF

STRATHMORE HUNTLEY GROUP, LLC

Dated as of August 15, 2010

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**AMENDED AND RESTATED OPERATING AGREEMENT OF
STRATHMORE HUNTLEY GROUP, LLC**

This Operating Agreement of Strathmore Huntley Group, LLC (this “**Agreement**”) is made and entered into as of August 15, 2010, by and among **Margaret Carrillo-Sheridan**, an individual residing at 146 Beverly Road, Syracuse, New York, **Brenda Colella**, an individual residing at 425 Roberts Avenue, Syracuse, New York, **Garth Coviello**, an individual residing at 127 Stolp Avenue, Syracuse, New York and **John Lacey**, an individual residing at 300 Stolp Avenue, Syracuse, New York, and any other person that subsequently becomes a party hereto by signing a signature page to this Agreement.

RECITALS

WHEREAS, the Company was subject to the terms of an Operating Agreement, effective as of August 13, 2010; and

WHEREAS, the parties, being all of the Members of the Company, desire to amend and restate the operating agreement and to conduct business as a limited liability company upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in exchange for the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, intending to be legally bound, the parties mutually agree as follows:

**ARTICLE I
DEFINITIONS**

The defined terms used in this Agreement (as indicated by the first letter of each word in the term being capitalized) shall, unless the context clearly requires otherwise, have the meanings specified in Exhibit A, or as may be specified elsewhere throughout this Agreement. The singular shall include the plural and the masculine gender shall include the feminine and neuter, as the context requires.

**ARTICLE II
FORMATION, TERM AND PURPOSES**

Section 2.1 Formation. The Company was organized by the filing of the Articles of Organization with the New York State Secretary of State pursuant to the provisions of the LLC Law on August 13, 2010.

Section 2.2 Name of the Company. The name of the Company is “Strathmore Huntley Group, LLC.”

Section 2.3 Principal Place of Business. The principal place of business and mailing address of the Company is 407-409 Stolp Avenue, Syracuse, New York 13207, or such other address as the Members may determine.

Section 2.4 Term. The term of the Company commenced upon the filing of the Articles of Organization and shall continue until it is terminated or dissolved pursuant to this Agreement.

Section 2.5 Purposes. The purpose of the Company shall be, whether directly or through one or more entities, to (i) acquire, own, lease, develop, encumber, and sell (at the time and under the terms and conditions determined by the Supermajority of the Members), the Property and any further property as determined by the Members, (ii) make and perform all contracts and other undertakings and to engage in all activities and transactions as may be necessary in order to carry out the foregoing; and/or (iii) conduct any other business which is permitted by law and is approved by the Supermajority of the Members ((i) - (iii) are collectively, the “**Purposes**”).

ARTICLE III **CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS**

Section 3.1 Capital Contribution. The Capital Contribution of each Member is listed on Exhibit B under the heading of “**Capital Contribution**” across from such Member’s name.

Section 3.2 Additional Capital. If the Company needs additional funds for its operations, as determined by the Supermajority of the Members, the Members shall make additional Capital Contributions (“**Additional Capital Contributions**”) at the time, in the amount and in the manner consented to by each Member and set forth in a Notice from the Company to the Members (the “**Contribution Notice**”); alternatively, the Members may cause the Company borrow money.

Section 3.3 Additional Capital Contributions. Additional Capital Contributions shall be made pro rata in accordance with the Members’ Membership Percentages. Additional Capital Contributions made by a Member shall be recorded on an amendment to Exhibit B as Additional Capital Contributions across from such Member’s name. If a Member makes an Additional Capital Contribution, he shall do so in accordance with the terms set forth in the Contribution Notice. To the extent a Member (the “**Defaulting Member**”) fails to make an Additional Capital Contribution (the “**Defaulting Contribution**”) within thirty (30) days after the time therefor as set forth in the Contribution Notice, the only penalty that may be imposed against the Defaulting Member is dilution as provided in Section 3.7. Additionally, one or more of the Members that are not Defaulting Members (the “**Non-Defaulting Members**”) may make the Default Contribution in proportion to their Membership Percentages or in any other proportion to which all of the Non-Defaulting Members making part of all of the Default Contribution mutually agree.

Section 3.4 Return of Capital. Except as provided in this Agreement, no Member shall have the right to (i) withdraw any part of his Capital Account, (ii) a return of his Capital Contributions, or (iii) receive property other than cash as a return of capital.

Section 3.5 Capital Accounts. The Company shall maintain for each Member a separate Capital Account in accordance with the principles of Regulation Section 1.704-1(b)(2)(iv), this Agreement and the rules set forth under the definition of “**Capital Account**” contained in Exhibit A. Unless otherwise approved to by the Members, the Capital Accounts shall not increase as a result of a Member contributing services to the Company.

Section 3.6 Transfer of Capital Accounts. In the event of the Transfer (excluding mortgaging or pledging a Membership Interest) of all or a portion of a Member’s Membership Interest, the transferee thereof shall succeed to the Capital Account and the Membership Percentage of the transferor Member as relates to the Transferred Membership Interest, unless otherwise approved to by the transferor Member and the transferee.

Section 3.7 Membership Percentages. The Members shall have the Membership Percentages set forth on Exhibit C. Immediately after a Transfer of a Membership Interest, the issuance of a Membership Interest, the redemption of part or all of a Membership Interest, and/or the imposition of a dilution penalty (described in Section 3.3), each Member’s Membership Percentage shall be restated and set forth on an amended and restated Exhibit C. The adjustment to the Membership Percentages shall be as follows:

(a) Issuances, Redemptions and Transfers. In the case of an issuance, redemption or other Transfer of a Membership Interest, the Membership Percentages shall be adjusted as provided by the applicable transaction.

(b) Other Adjustments. In all other cases, each Member’s Membership Percentage shall equal his total Capital Contributions divided by the aggregate Capital Contributions of all of the Members.

Section 3.8 Loans From Members. A Member, by Agreement with the Company, may make secured or unsecured loans on reasonable commercial terms to the Company to the extent the Company needs additional capital to fulfill its Purpose. A loan from a Member to the Company shall not be a Capital Contribution.

ARTICLE IV **ALLOCATIONS**

Section 4.1 Allocations. Subject to the Tax and Regulatory Allocations set forth in Exhibit D, Profits and Losses of the Company for each Fiscal Year shall be allocated among the Members pro rata in accordance with their Membership Percentages.

Section 4.2 Transfer of a Membership Interest. If a part or all of a Membership Interest is Transferred (excluding mortgaging or pledging a Membership Interest) during a Fiscal Year, that part of each item allocated pursuant to Section 4.1 with respect to such Membership Interest shall, in the discretion of the Members, either (i) be based on segmentation of the Fiscal Year between the transferor and the transferee (i.e., the interim closing of the books method as described in Regulation Section 1.706-1(c)(2)(ii)), or (ii) be allocated between the transferor and the transferee in proportion to the number of days in such Fiscal Year during which each owned such Membership Interest, as disclosed on the Company’s books and records.

ARTICLE V
DISTRIBUTIONS OF NET CASH

Section 5.1 General Distributions. Except liquidating distributions or as otherwise explicitly provided in this Agreement, for each Fiscal Year the Company may make distributions to the Members of the Net Cash at the time determined by the Members. Distributions of Net Cash pursuant to this Section shall be made to the Members pro rata in accordance with their Membership Percentages.

Section 5.2 Tax Distributions. Notwithstanding anything contained in this Article to the contrary, for each Fiscal Year, to the extent the Company has Net Cash, the Company shall, on or before each Estimated Tax Date make a tax distribution to the Members (the “**Tax Distribution**”). Each Tax Distribution to a Member for a calendar year shall equal the Tax Rate multiplied by one quarter of the Federal taxable income of the Company allocated to such Member pursuant to Section 4.1 in respect of the previous calendar year; provided, however, that the amount of the last Tax Distribution for a calendar year shall be increased by an amount equal to the Tax Rate multiplied by the difference between the taxable income of the Company allocated to such Member pursuant to Section 4.1 for such calendar year and the same for the previous calendar year. Any Tax Distribution to a Member shall constitute a distribution under Section 5.1. The amount of any Tax Distribution to a Member pursuant to this Section 5.2 shall be reduced by the amount of all distributions made to such Member since the commencement of such calendar year (except to the extent a distribution constitutes a Tax Distribution for a prior calendar year).

ARTICLE VI
MEMBERS

Section 6.1 Decisions by Members. Except as otherwise specifically provided elsewhere in this Agreement, all actions to be taken and decisions, determinations, agreements, approvals, acceptances or other consents to be made by the Members shall be made with the Consent of the Member(s) owning a majority of the Membership Percentages with each Member being entitled to cast one (1) vote (or fraction thereof) for each Membership Percentage (or fraction thereof) owned by such Member as of the date the vote is taken.

Section 6.2 Company Losses and Debts. Other than a Member’s liability to make his initial Capital Contribution as set forth in Section 3.1, a Member shall not be required to make any other Capital Contributions to the Company and a Member shall not be liable to any Person for any debts or liabilities of the Company.

Section 6.3 No Deficit Capital Account Balance Make Up. A Member with a deficit balance in his Capital Account at the time of the liquidation or dissolution of the Company or the liquidation of his Membership Interest shall have no obligation to restore such deficit balance and shall not be liable to the Company or to any Member therefor.

ARTICLE VII
MANAGEMENT OF THE COMPANY

Section 7.1 Member Management. The Company shall be managed by its Members. The Members (i) shall have full and complete authority, power and discretion to manage and control the business of the Company, and (ii) shall take all actions which may be necessary and/or appropriate for the continuation of the Company's valid existence as a limited liability company and for the maintenance and operation of its business and the fulfillment of the Purpose. The Members may appoint such officers as they deem necessary or desirable to carry on the business of the Company. Any person dealing with the Company may conclusively rely upon a certificate signed by the Members as to the identity of the Members and the authority of the Members to perform any act or execute and deliver any instrument for the Company.

Section 7.2 Actions by Supermajority Consent. Notwithstanding anything to the contrary in this Agreement, the approval of the Supermajority of the Members shall be required to approve the following decisions:

- (a) change the Company purpose;
- (b) make a capital call for Additional Capital Contributions;
- (c) hire an Affiliate of a Member to perform service for the Company (with such decision including any interested Members);
- (d) compensate a Member for providing services to the Company;
- (e) acquire by purchase, lease, or otherwise, any real or personal property, tangible or intangible, or enter into and/or execute any contract, on behalf of the Company that would obligate the Company to pay fees, rents, charges, and/or expenses in excess of \$5,000;
- (f) invest Company funds in other than savings accounts, certificates of deposit and/or low risk money markets;
- (g) borrow money in the name of the Company or use as collateral any Company property, singly or in the aggregate, with a value in excess of \$5,000 at any one time outstanding;
- (h) sell, exchange, lease, mortgage, pledge, or otherwise transfer any assets of the Company having a value, either singly or in the aggregate, in excess of \$5,000;
- (i) assign, pledge, transfer, release or compromise any debt owing to, or claim of, the Company in excess of \$5,000 except for full payment;
- (j) make, execute or deliver in the name of the Company any bond, trust deed, mortgage, indemnity bond, guaranty, surety bond or accommodation paper or accommodation endorsement, or pledge, grant a security interest in or otherwise encumber any properties or assets of the Company other than in the ordinary course of business or as may be created by operation of law;

- (k) approve Transfers of Membership Interests;
- (l) grant a specific or general release from any liability or obligation of a Member (with such decision excluding the Member subject to the release);
- (m) admit an Assignee as a Member;
- (n) admit an additional Member to the Company;
- (o) dissolve the Company (other than in the case of a sale of substantially of the Company's assets);
- (p) continue and not dissolve the Company after it has sold substantially all of the its assets; and
- (q) confess a judgment against the Company;
- (r) submit a Company claim or liability to arbitration or commence a legal action on its behalf;
- (s) commence any voluntary proceeding seeking liquidation, reorganization, readjustment or other relief under any bankruptcy, insolvency or similar law, or consent to a decree or order for the relief or the filing of a petition thereunder or to the appointment of a trustee, receiver or liquidator, or otherwise take any voluntary action in furtherance of the bankruptcy, reorganization, liquidation, dissolution or termination of the Company;
- (t) amend the Articles of Organization or this Agreement;
- (u) merge or consolidate with or into any entity or permit any entity to merge or consolidate with or into the Company, or enter into any joint venture, partnership or other business combination with any other entity;
- (v) loan money to any Member or employee of the Company or any Person related to or affiliated in any manner with any Member or employee of the Company; and
- (w) do any act that would make it impossible to carry on the ordinary business of the Company.

Section 7.3 Compensation. Except with the consent required by this Agreement, each Member shall perform his duties under this Agreement uncompensated, unless otherwise agreed to by the Members.

Section 7.4 Devotion of Time. Each Member shall devote to the affairs of the Company such minimum amount of time as is mutually agreed to by the Members.

Section 7.5 Standard of Care. Each Member shall perform his duties hereunder in good faith, with the degree of care that an ordinary prudent person in a like position would under similar circumstances, and in the best interests of the Members and the Company.

Section 7.6 Liability of Members. No Member shall be liable, responsible or accountable in damages or otherwise to any of the other Members or the Company for any act or omission performed in good faith, with the degree of care that an ordinary prudent person in a like position would under similar circumstances, and in the best interests of the Members and that Company.

Section 7.7 Indemnification. The Company shall indemnify and hold harmless each Member (each an “**Indemnitee**”) for all costs, losses, liabilities and damages paid or accrued by such Indemnitee in connection with the business of the Company or such Indemnitee’s acts or omissions with respect to the Company to the greatest extent permitted by applicable law, provided it is not determined by a court or an arbitration panel that such Indemnitee’s acts or omissions violated the standard of care; were in bad faith, or as a result of active and deliberate dishonesty and were material to such cause of action; or such Indemnitee personally gained a financial profit or other advantage to which he was not legally entitled. In addition, the Company shall advance costs to the Indemnitee for the defense of any proceeding relating to the foregoing; provided, such Indemnitee executes an agreement to repay the same should it be determined that such Indemnitee is not entitled to indemnification hereunder. The foregoing rights of indemnification shall not be exclusive of any other rights to which the Indemnitee may be entitled under applicable law. The Company may purchase directors and officers insurance to provide for the indemnification provided in this Section.

Section 7.8 Signatures. The signature of an individual authorized by the Members, for any transaction authorized by the Members pursuant to the terms of this Agreement, on any document or instrument, shall be sufficient and binding upon the Company as to third parties dealing with the Company, and any third party shall be entitled to rely on such signature as being the action of and binding on the Company.

ARTICLE VIII **MEETINGS, MINUTES, WRITTEN CONSENTS, ETC.**

Section 8.1 Meetings.

(a) Meetings. Any Member owning at least fifteen percent (15%) of the Membership Percentages may call a meeting of the Members. The meeting shall be called by providing the Members with at least five (5) days prior Notice of the date, time, place and purpose (which shall be limited to any business pertinent to the Company) of such meeting.

(b) Attendance, Time and Place of Meetings. The Members may attend a meeting of the Members in person or by conference telephone call or by any other means that allows the attendees to participate and simultaneously hear each other. All meetings of the Members shall be held at the principal office of the Company, and shall commence at 5 p.m., unless otherwise agreed to by the Members. All meetings of the Members shall be conducted in accordance with Robert’s Rules of Order unless otherwise provided herein or agreed to by the Members. A Member may waive Notice of a meeting of the Members and does waive such Notice by attending such meeting without protesting prior to its commencement the lack of Notice.

Section 8.2 Minutes of Meetings. At the discretion of the Members, minutes may be maintained for meetings of the Members. To the extent that minutes are taken, the minutes shall set forth the date and time of the meeting, the attendees, when the prior minutes were ratified, the issues discussed, the decisions which were made and any other matters or events that occurred at such meeting and are of significance.

Section 8.3 Decisions without a Meeting. When affirmatively signed and dated by the number of Members required to consent to a particular resolution (i.e., action) under this Agreement, a written consent setting forth such resolution shall be deemed to state the decision of the Members. A copy of each written consent of the Members shall be sent within a reasonable time to the Company and the Members after it is signed by the number of Members needed to consent to such resolution(s).

Section 8.4 Formalities. The failure of the Company or the Members to observe any formalities or requirements relating to the exercise of its or their powers or the management of its or their business or affairs under this Agreement or the LLC Law shall not be grounds for disregarding the existence of the Company as a limited liability company.

Section 8.5 Deadlock. In the event that the Members of the Company are so divided respecting the management of the Company's affairs that the votes required for action by the Members of the Company cannot be obtained, or in the event of a dispute between the Members arising out of or related to the terms of this Agreement, then the Members agree to attempt to resolve such deadlock or dispute by good faith discussions between themselves; provided, however, that in the event that there is a deadlock or dispute between the Members which cannot be resolved by good faith discussions between the Members within ten (10) days following written notice by either Member of such deadlock or dispute to the other Member, then the Members agree to appoint a mutually acceptable independent mediator within twenty (20) days following the expiration of the ten (10) day period described above to assist with and facilitate a resolution of such deadlock and dispute. If the Members are unable to agree upon a mediator within twenty (20) days, or if such dispute has not been resolved upon the expiration of an additional thirty (30) days following appointment of the mediator, then any Member or Members (the "**Offering Member**") may, by written notice within thirty (30) days thereafter, offer to the other Members (the "**Other Members**") the following options: (i) to sell to the Other Members all of the Membership Interest owned by the Offering Member at the price per Membership Interest set forth in the notice and such other terms as set forth in the offer (the "**Offer Price**"), or (ii) to purchase all of the Membership Interests owned by the Other Members at the same Offer Price per Membership Interest set forth in the notice. For a period of thirty (30) days after such notice, the Other Members shall have the right to elect either of the options set forth in clause (i) or (ii) above by delivering written notice of the election to the Offering Member. In the event that the Other Members shall refuse or fail to elect either option, the Offering Member shall have the right, for a period of ten (10) business days after such failure or refusal, to make such election by delivering written notice to the Other Members. After a Member shall have given appropriate notice of election, the purchase and sale shall be made at a closing within thirty (30) days following such election at the Offer Price set forth in the notice, and pursuant to the terms of payment set forth in Section 10.8 below. If no Member makes a timely offer to sell or purchase the other Members' Membership Interests as contemplated by this Section 8.5, any

Member may pursue resolution of the dispute in any manner permitted under this Agreement and applicable law.

ARTICLE IX
ACCOUNTING MATTERS; BANK ACCOUNTS; PROPERTY

Section 9.1 Accounting Matters.

(a) Books and Records. The Members shall maintain full and accurate books of account of the Company's business which shall be kept at the Company's principal office. The Members shall also maintain at the Company's principal office this Agreement and all amendments, including any updated Exhibits, a copy of the Articles of Organization, and a copy of all minutes of the meetings and written consents of the Members. Each Member (and their respective designated representatives) shall have access to and the right to inspect and copy the books and all other Company records, provided such inspection does not unreasonably disrupt the day-to-day operations of the Company. The Company shall use such Accounting Method as the Members shall determine. The Company will file income tax returns on a calendar year basis. At the close of each calendar year, an accounting shall be made of the operations for the year, which shall include the preparation of a balance sheet as at the close of the year and a statement of the operations of the Company for the year. Based on the determinations so made, the Company shall, within the time required (including extensions), file all necessary information returns. The Company will not be required to have its financial statements audited but any Member may have an audit of the Company's books and records and financial statements conducted provided that the Member making the request pay all out-of-pocket expenses incurred in connection therewith.

(b) Financial Reports. The Company shall furnish each Member, within sixty (60) days after the close of each Fiscal Year, with financial statements and the information required annually for each Member to report his share of Company items affecting such Member's federal income tax return.

(c) Basis Adjustments. In the event of a Transfer of part or all of a Member's Membership Interest (excluding mortgaging or pledging a Membership Interest) or in the event of the death of a Member, after consultation with the Company's attorneys and financial consultants, the Members may elect pursuant to Section 754 of the Code to adjust the basis of the Company assets. Each Member agrees to furnish the Company with all information necessary to give effect to this election.

(d) Other Elections. All other elections (other than the election provided for in Section 9.1(c)) required or permitted to be made or not made by the Company under the Code shall be made by the Members after consultation with the Company's attorneys and financial consultants. Each Member agrees to furnish the Company with all information necessary to give effect to the elections the Members decide to make under this Subsection.

Section 9.2 Bank Accounts. One or more accounts in the name of the Company or its nominee shall be maintained in such banks as shall from time to time be determined by the Members. All monies of the Company shall be deposited in one or more of the foregoing

accounts of the Company. Checks may be drawn thereon by the individual(s) designated by the Members; the Members may revoke any such designation and/or designate one or more other individuals at any time and for any reason.

Section 9.3 Title to Real and Personal Property. Title to real and personal property owned by the Company, or acquired with Company funds or by the pledging of the credit of the Company, (i) shall be acquired in the name of the Company and title to any property so acquired shall vest in the Company itself rather than in the Member or (ii) with the consent of the Members, may be held in the names of a Member or of a nominee of the Company. Any property held in the name of one or more Members or nominee shall be deemed to be owned by the Company and each record owner agrees upon Notice from the Company to duly convey title to any such property to the name of the Company for no further consideration.

ARTICLE X

TRANSFER OF MEMBERSHIP INTERESTS

Section 10.1 Prohibition on Transfers. Except as provided in this Article, a Member shall not Transfer any of his Membership Interest without the consent of a Supermajority of the Members (excluding the transferor Member). Each Member hereby acknowledges the reasonableness of the restrictions on Transfer imposed by this Agreement in view of the Company purposes and the relationship of the Members and agrees that the restrictions on Transfer contained herein shall be specifically enforceable. Any Transfer of part or all of a Membership Interest contrary to the provisions of this Article shall be null and void at the time it was made and shall constitute an “**Adverse Act.**” Additionally, each Person Transferring or attempting to Transfer any Membership Interest in contravention of this Agreement hereby agrees to indemnify the Company and the remaining Members against any and all losses, liabilities, damages and expenses, including, without limitation, tax liabilities or loss of tax benefits and reasonable attorneys’ fees, arising directly or indirectly out of any Transfer in violation of this Agreement.

Section 10.2 Permitted Transfers. Upon the death of a Member, the Transfer or assignment (in trust or otherwise) of a Member’s Membership Interest to (a) a transferee or assignee who is a related family member of the deceased Member or (b) a transferee or assignee trust where family members of the deceased Member are the only beneficiaries is expressly permitted without the consent of the Members. Such transferee or assignee shall be bound by all restrictions and obligations imposed on a Member or an assignee by this Agreement or by the LLC Law. Such transferee or assignee may be admitted as a Member only in accordance with this Section 10.

Section 10.3 Conditions to Permitted Transfers. A Transfer shall not be treated as a Permitted Transfer under Section 10.2 hereof unless and until the following conditions are satisfied:

(a) The transferor (or his personal representative, as the case may be) and the transferee shall execute and deliver to the Company such documents and instruments of conveyance as may be necessary or appropriate in the opinion of counsel to the Company to effect such Transfer and to confirm the agreement of the transferee to be bound by the provisions of this Section 10 and this Agreement. In the case of a Transfer of a Membership Interest at death or involuntarily by operation

of law, the Transfer shall be confirmed by presentation to the Company of legal evidence of such Transfer in form and substance satisfactory to counsel to the Company.

(b) The transferor (or his personal representative, as the case may be) and the transferee shall furnish the Company with the transferee's taxpayer identification number, sufficient information to determine the transferee's initial tax basis in the Membership Interest transferred, and any other information reasonably necessary to permit the Company to file all required federal and state tax returns and other legally required information statements or returns. Without limiting the generality of the foregoing, the Company shall not be required to make any distribution otherwise provided for in this Agreement with respect to any transferred Membership Interest until it has received such information.

(c) Either: (i) such Membership Interest shall be registered under the Securities Act of 1933, as amended, and any applicable state securities laws; or (ii) the transferor shall provide documents as may be necessary or appropriate in the opinion of counsel to the Company and the Members to the effect that such Transfer is exempt from all applicable registration requirements and that such Transfer will not violate any applicable laws regulating the Transfer of securities.

(e) The Company shall be reimbursed by the transferor for all reasonable costs and expenses incurred by the Company in connection with the Transfer.

Section 10.4 Right of First Refusal. In addition to the other limitations and restrictions set forth in this Section 10, and except as permitted by Section 10.2 hereof, no Member shall Transfer all or any portion of his or her Membership Interest to a Purchaser (the "**Offered Interest**") unless such Member (the "**Seller**") offers to Transfer all such Offered Interest pursuant to the terms set forth in this Section 10.4. Any Transfer made in violation of this Section 10.4 shall constitute an Adverse Act.

(a) No Transfer may be made under this Section 10.4 unless the Seller has received a bona fide written offer (the "**Purchase Offer**") from a Person that is not a Member or an Affiliated Person of a Member (the "**Purchaser**") to purchase the Offered Interest for a purchase price denominated and payable in United States dollars at closing or according to specified terms, with or without interest. The Purchase Offer shall be in writing signed by the Purchaser and shall be irrevocable for a period ending no sooner than the day following the end of the Offer Period, as hereinafter defined.

(b) Prior to making any Transfer that is subject to the terms of this Section 10.4, the Seller shall give to the Company and each other Member written notice (the "**Offer Notice**") which shall include a copy of the Purchase Offer and an offer (the "**Firm Offer**") to sell the Offered Interest to the other Members (the "**Offerees**") for the price equal to the lower of: (i) the price set forth in the Purchase Offer; or (ii) an amount determined pursuant to Section 10.7 hereof (the "**Firm Offer Price**"), payable according to the same terms as (or more favorable terms than) those contained in the Purchase Offer, provided that the Firm Offer shall be made without regard to the requirement of any earnest money or similar deposit required of the Purchaser prior to closing, and without regard to any security (other than the Offered Interest) to be provided for any deferred portion of the Firm Offer Price.

(c) The Firm Offer shall be irrevocable for a period ending at 11:59 P.M., local time at the Company's principal place of business, on the sixtieth (60th) day following the date all parties are notified of the Firm Offer (the "**Offer Period**").

(d) Any Offeree may accept the Firm Offer as to all or any portion of the Offered Interest, by giving written notice of such acceptance to the Seller and the Members) which notice shall indicate the maximum portion of the Membership Interest that such Offeree is willing to purchase. In the event the Offerees (the "**Accepting Offerees**"), in the aggregate, accept the Firm Offer with respect to all of the Offered Interest, the Firm Offer shall be deemed to be accepted and each such Accepting Offeree shall be deemed to have accepted that portion of the Offered Interest that corresponds to the ratio of the Membership Interest that such Accepting Offeree indicated a willingness to purchase to the aggregate portion of the Membership Interest all Accepting Offerees indicated a willingness to purchase. If the Offerees in the aggregate do not accept the Firm Offer as to all of the Offered Interest during the Offer Period, the Firm Offer shall be deemed to be rejected in its entirety.

(e) In the event the Firm Offer is accepted, the closing of the sale of the Offered Interest shall take place within thirty (30) days after the Firm Offer is accepted or, if later, the date of closing set forth in the Purchase Offer. The Seller and the Accepting Offerees shall execute such documents and instruments as may be necessary or appropriate to effect the sale of the Offered Interest pursuant to the terms of the Firm Offer and this Section 10.

(f) If the Firm Offer is not accepted in the manner hereinabove provided, the Seller may sell the Offered Interest to the Purchaser at any time within sixty (60) days after the last day of the Offer Period, provided that such sale shall be made on terms no more favorable to the Purchaser than the terms contained in the Purchase Offer and provided further that such sale complies with all other terms, conditions, and restrictions of this Agreement that are applicable to sales of Membership Interests and are not expressly made inapplicable to sales occurring under this Section 10.4. In the event the Offered Interest is not sold in accordance with the terms of the preceding sentence, the Offered Interest shall again become subject to all of the conditions and restrictions of this Section 10.4.

Section 10.5 Purchase upon Death, Disability or Divorce. Each Member agrees for himself and his personal representatives, that upon such Member's death, such Member's Divorce, such Member's Legal Disability or such Member becoming Totally and Permanently Disabled, the remaining Members shall have the option to purchase the entire Membership Interest then owned by such Member at the purchase price and upon the terms and conditions set forth in Sections 10.7 and 10.8 hereof. The remaining Members shall have thirty (30) days from the date of the Member's death to exercise such option. The closing of the purchase and sale shall take place within ninety (90) days of the date of the Member's death or, if later, within sixty (60) days of the determination of the purchase price in accordance with Section 10.7 hereof.

Section 10.6 Adverse Act Purchase.

(a) Upon the occurrence of an Adverse Act with respect to a Member, such Member shall automatically be deemed to have offered to sell his entire Membership Interest to the Company on the terms and conditions contained in this Section 10.6 and Sections 10.7 and 10.8 hereof. The Company shall have sixty (60) days from the date of the determination of the purchase price in

accordance with Section 10.7 hereof during which to accept or reject the deemed offer to sell. In the event the Company fails to accept within such sixty (60) day period, the offer shall automatically be deemed rejected.

(b) The closing of the purchase and sale of the selling Member's Membership Interest shall occur within ninety (90) days of the date the deemed offer to sell is accepted. At the closing, the selling Member and the Company shall each execute such documents and instruments as may be necessary or appropriate to confirm the transactions contemplated hereby, including, without limitation, the Transfer to the Company of the Membership Interest of the selling Member.

Section 10.7 Purchase Price. For purposes of this Section 10, the purchase price shall be the amount determined by multiplying the selling Member's Membership Percentage by the Net Equity of the Company as of the last day of the month immediately preceding (i) the date of the Offer Notice in the case of a purchase pursuant to Section 10.4 hereof, (ii) the date of death, disability or Divorce in the case of a purchase pursuant to Section 10.5 hereof, or (iii) the date of the occurrence of the Adverse Act in the case of a purchase pursuant to Section 10.6 hereof, whichever may be applicable (the "**Valuation Date**").

Section 10.8 Payment of Purchase Price. In the event of the purchase of a Member's Membership Interest pursuant to Sections 10.5 or 10.6, the purchase price shall be paid as follows:

(a) There shall be paid in cash upon closing an amount equal to ten percent (10%) of the total purchase price.

(b) The balance of the purchase price shall be evidenced by a promissory note from the Company (the "**Purchase Note**"). The Purchase Note shall bear interest at the Prime Rate in effect on the closing date plus two (2) percentage points and shall be paid in sixty (60) equal monthly installments of principal and interest on an amortized basis. The Purchase Note shall contain a provision requiring a mandatory prepayment of all or that portion of the remaining principal balance of the Purchase Note (but not in excess thereof) equal to the net insurance proceeds (including any accumulated dividends and paid up additions) owned by the Company insuring the life of the deceased Member. The first installment on the Purchase Note shall be due and payable on the first day of the second month following the month during which the closing occurs (together with interest from the date of the closing to the first day of the month following the month during which the closing occurs). The Purchase Note shall permit the prepayment thereof, either in whole or in part, at any time or from time to time, without penalty. The Purchase Note shall also contain a provision requiring the mandatory prepayment of the entire amount due thereunder upon the sale by the Company of all or substantially all of its assets. If required by any third party lending institution with which the Company does business on the date of the closing, the Purchase Note shall be subordinate to any existing indebtedness due and owing to such third party lending institution and the Member's personal representative shall execute any documentation reasonably requested to evidence such subordination including, without limitation, an inter-creditor agreement. Payment of the Purchase Note shall be solely the responsibility of the Company. The selling Member's personal representative shall have no recourse with respect to the Purchase Note against any of the remaining Members. Neither the Company nor any of the remaining Members shall be required to give any security for the payment of the Purchase Note.

Section 10.9 Transfer Documents. Whenever a Member shall sell all or any portion of his Membership Interest to the Company or another Member the selling Member and the purchaser shall each execute such documents and instruments as may be necessary or appropriate to confirm the Transfer.

Section 10.10 Rights of Unadmitted Assignees.

(a) A Person who acquires a Membership Interest but who is not admitted as a Substituted Member in accordance with this Agreement shall be entitled only to allocations and distributions with respect to such Membership Interest in accordance with this Agreement (collectively, the “**Economic Rights**”), shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to participate in the management of the Company, shall not be entitled to inspect the books or records of the Company, and shall not have any of the rights of a Member under the LLC Law or this Agreement (collectively, the “**Non-Economic Rights**”).

(b) In the event of a Transfer of a Membership Interest to a Person who is not admitted as a Substituted Member, the Transferring Member shall automatically be deemed to have sold, assigned and conveyed to the Company all of the Non-Economic Rights associated with the transferred Membership Interest.

(c) Any Person who is the Assignee of all or any fraction of a Membership Interest as herein permitted and who is not admitted as a Substituted Member and who desires or who shall be required to make a further assignment of such Membership Interest shall be subject to all of the provisions of this Section 10 to the same extent and in the same manner as any Member desiring to make an assignment of a Membership Interest.

Section 10.11 Admission of Assignees as Members. Subject to the other provisions of this Section 10, a transferee of a Membership Interest may be admitted to the Company as a Substituted Member only upon satisfaction of the conditions set forth below:

(a) A Supermajority of the Members consent to such admission, which consent may be given or withheld in the sole and absolute discretion of the Members;

(b) The Membership Interest with respect to which the transferee is being admitted was acquired by means of a Permitted Transfer;

(c) The transferee becomes a party to this Agreement as a Member and executes such documents and instruments as the Members may reasonably request (including, without limitation, amendments to the Certificate) as may be necessary or appropriate to confirm such transferee as a Member in the Company and such transferee's agreement to be bound by the terms and conditions hereof;

(d) The transferee pays or reimburses the Company for all reasonable legal, filing, and publication costs that the Company incurs in connection with the admission of the transferee as a Member with respect to the transferred Membership Interest; and

(e) If the transferee is not an individual of legal majority, the transferee provides the Company with evidence satisfactory to counsel for the Company of the authority of the transferee to become a Member and to be bound by the terms and conditions of this Agreement.

Section 10.12 Legend. Each Member hereby agrees that the following legend may be placed upon any counterpart of this Agreement, the Certificate, or any other document or instrument evidencing ownership of Membership Interests:

The Membership Interests represented by this document have not been registered under any securities laws and the transferability of such Membership Interests is restricted. Such Membership Interests may not be sold, assigned or transferred, nor will any assignee, vendee, transferee or endorsee thereof be recognized by the issuer as having acquired any such Membership Interests for any purposes, unless (1) a registration statement under the Securities Act of 1933, as amended, with respect to such Membership Interests shall then be in effect and such transfer has been qualified under all applicable state securities laws, or (2) the availability of an exemption from such registration and qualification shall be established to the satisfaction of counsel to the Company.

The Membership Interests represented by this document are subject to further restriction as to their sale, transfer, hypothecation, or assignment as set forth in the Operating Agreement and agreed to by each Member. Said restriction provides, among other things, that no Membership Interest may be transferred without first offering such Membership Interest to the other Members, and that no vendee, transferee, assignee, or endorsee of a Member shall have the right to become a Substituted Member without the consent of a Supermajority of the Members which consent may be given or withheld in the sole and absolute discretion of the Members.

Section 10.13 Closings. All Membership Interest purchase and sale transactions pursuant to this Agreement shall be consummated at a closing to be held at the offices of the Company or at such other location as may be agreed upon by the parties to the transaction. At the closing:

(a) Each Membership Interest being sold shall be delivered free and clear of all liens, claims, encumbrances and any other restrictions.

(b) If required, a representative of the estate of a deceased Member shall deliver a certified copy of the certificate of appointment of the personal representative and evidence of fiduciary authority and of release of waiver of notice of transfer from federal or state tax officials.

(c) If the subject Member selling his or her interest is an employee or officer of the Company, he or she shall deliver to the Company written resignations from such positions to be effective immediately upon delivery, and, if a nominee of the subject Member is an employee or officer of the Company, the written resignation of such nominee to be effective immediately upon delivery.

(d) The subject Member shall execute any document which is required by this Agreement or reasonably necessary or desirable to effect the purchase and sale of the membership interest(s) contemplated hereby.

(e) Payment of the cash portion of the purchase price for the Membership Interest being purchased shall be made by the purchasing party/parties in immediately available funds.

Section 10.14 Termination of Agreement with Respect to a Member. This Agreement shall terminate with respect to a Member upon such Member's sale of all of his or her Membership Interest; provided that the Agreement shall terminate only as to such Member and shall continue among the remaining parties hereto.

Section 10.15 Specific Performance. Due to the fact that the Membership Interests of the Company cannot be readily purchased or sold on the open market, and for other reasons, the Members and the Company will be irreparably damaged in the event that the provisions of this Agreement relating to the sale, purchase or other disposition of a Membership Interest are not specifically enforced. In the event of a breach or threatened breach of any such provisions by any Member, the other Members shall, in addition to all other remedies, be entitled to institute and maintain a proceeding to compel specific performance of this Agreement and to a temporary or permanent injunction without showing any actual damage.

ARTICLE XI **DISSOLUTION**

Section 11.1 Dissolution of the Company. The Company shall dissolve at the time (i) determined by the approval of the Supermajority of the Members, (ii) the Company sells substantially all of its assets (unless otherwise approved to by the Supermajority of the Members), or (iii) by order of a court of competition jurisdiction.

Section 11.2 Effect of Dissolution

(a) Winding Up. Upon dissolution, the Company shall cease carrying on its business and shall wind up its affairs as provided in the LLC Law. Upon dissolution of the Company, the Members (or if appointed by the Members, a liquidator) shall cause Articles of Dissolution to be filed with the New York State Secretary of State pursuant to the LLC Law.

(b) Allocations of Profits and Losses. Profits and Losses shall continue to be allocated among the Members during the period of liquidation in accordance with Article IV.

Section 11.3 Distribution of Proceeds

(a) Order and Priority. Notwithstanding anything contained in this Agreement to the contrary, the proceeds of liquidation shall be distributed as realized in the following order of priority:

- (1) first, to the payment and discharge of all of the Company's debts and liabilities and the expenses of the liquidation and dissolution;
- (2) second, to the creation of any reserve that the Members (or liquidator) reasonably deem necessary for any contingent or unforeseen liabilities or obligations of the Company; and

- (3) third, to the Members with positive Capital Account balances pro rata in proportion with the amount of their Capital Account balances, after giving effect to all contributions, distributions and allocations for all periods.

(b) No Deficit Capital Account Balance Make Up. A Member with a deficit balance in his Capital Account at the time of the liquidation or dissolution of the Company shall have no obligation to restore such deficit balance and shall not be liable to the Company or to any Member therefor.

Section 11.4 Deferral of Liquidation; Distributions In-kind. Notwithstanding the provisions of Section 11.2, if the Members (or liquidator) determine that an immediate sale of part or all of the Company's assets would cause undue loss to the Members, the Company may either (i) defer liquidation of and withhold from distribution for a reasonable time, any assets of the Company, except those necessary to satisfy the Company's debts and obligations, or (ii) distribute one or more of the Company's assets to one or more of the Members in-kind. In the event the Members (or liquidator) distribute one or more Company assets to the Member(s) in-kind, the Capital Account of the Member who receives a distribution in-kind shall be reduced by the Gross Asset Value of the asset(s) distributed. An in-kind distribution permitted by this Section shall not be permissible to the extent any Member would receive more distributions (i.e., value) than such Member would have without this Section. Notwithstanding anything contained in this Section to the contrary, if intellectual property of the Company (or any Affiliate) is to be distributed it shall be distributed to all of the Members and each shall have unrestricted use of such intellectual property.

ARTICLE XII **MISCELLANEOUS**

Section 12.1 Other Ventures. The Members may, directly or indirectly, independently or with others, invest or engage in any business or venture. To the extent a Member invests or engages in a business or venture (other than that of the Company) permitted by this Section, neither the other Members nor the Company shall have any rights or obligations in and to such independent ventures or the income or profits derived therefrom.

Section 12.2 Mutual Representations. Each party (to the extent applicable) hereby represents and warrants to the other each of the following matters, each of which shall be true on the date such party becomes a Member or Assignee, as the case may be:

(a) Assets. Any assets which he is or will be contributing or selling to the Company will be owned by him and will be contributed or sold to the Company, as the case may be, free and clear of all liens, charges, claims and encumbrances, unless otherwise agreed to by the Members (excluding the contributing or selling Member).

(b) Litigation. There are no suits, actions, proceedings or claims pending or threatened against him or any Affiliated Person which would prevent the party from performing his obligations under this Agreement or hinder the Company's ability to engage in the business contemplated by this Agreement.

(c) Consents and Approvals. No consent, waiver, approval, authorization, registration, license or filing is required to be made with or obtained from any governmental agency, department, body, board or commission or any other person or entity in connection with the execution, delivery, performance, or enforceability of this Agreement to which he or any of any Affiliated Person is a party.

Section 12.3 Successors, Assigns, Agents, Employees, Owners, etc. The covenants and agreements contained in this Agreement shall be binding upon and inure to the benefit of the Members and their successors and assigns. Additionally, the parties shall require all of their agents, employees, owners and representatives to abide by the terms and conditions of this Agreement.

Section 12.4 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of New York, notwithstanding any of its conflict of laws rules.

Section 12.5 Amendments. Amendments to this Agreement may only be made with the consent of a Supermajority of the Members.

Section 12.6 Tax Matters Member. Garth Coviello shall be the tax matters Member of the Company, unless such designation is revoked and a successor is appointed by the Members, the Person designated to represent the Company in connection with income tax matters pursuant to Section 6231(a)(7) of the Code.

Section 12.7 Arbitration. Any disagreement as to the interpretation or implementation of this Agreement which cannot be resolved by the parties shall be submitted to binding arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association or similar organization then in being. The parties agree that one arbitrator shall hear the disagreement and if practicable such arbitrator shall be a retired New York State Supreme Court judge. The costs of the arbitration shall be shared equally by the parties to the arbitration; however, each Member shall bear the expense for their own costs and disbursements, including attorneys' fees. Such arbitration shall be held in Syracuse, New York, unless otherwise agreed upon by the parties, and the arbitration decision shall be final and binding on the parties.

Section 12.8 Counterparts and Facsimile. This Agreement may be executed in any number of counterparts, each of which shall be an original and when taken together such counterparts shall constitute one original Agreement. Delivery by facsimile of an executed signature page to this Agreement or of a written consent of the Members shall be effective as delivery of a manually signed original or counterpart.

Section 12.9 Severability. If any provision of this Agreement, or the application thereof, shall for any reason and to any extent be invalid or unenforceable by an arbitration panel or a court of competent jurisdiction, the remainder of this Agreement and application of such provision to other Persons or circumstances shall be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree that such void or unenforceable provision of this Agreement shall be replaced with a valid and enforceable provision that shall achieve, to

the greatest extent possible, the economic, business and other purposes of the void or unenforceable provision.

Section 12.10 Section Headings Not Controlling. Section headings found herein are for convenience of reference only and shall not control or alter the meaning of this Agreement.

Section 12.11 No Partnership. By formation of the Company, the Members expressly do not intend to form a partnership under the New York State Partnership Law or under any theory of common law as established by judicial decisions of courts at law or equity. The Members do not intend to be partners to one another, or partners as to any third party. However, the Members intend for the Company to be taxed in accordance with federal and state laws governing the taxation of partnerships.

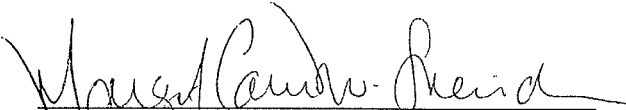
Section 12.12 Rights of Creditors. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other Person who is not a Member. None of the provisions of this Agreement shall be enforceable by any creditor of the Company or by any other Person.

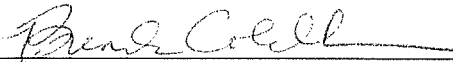
Section 12.13 Entire Agreement. This Agreement comprises the entire agreement among the parties with respect to the Company. This Agreement supersedes any prior agreements or understandings with respect to the Company. Representations, statements or conditions outside this Agreement shall not have any force or effect unless they constitute an amendment to this Agreement, as permitted by Section 12.5.

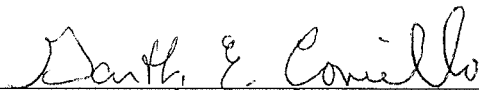
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Signature Page

IN WITNESS WHEREOF, the undersigned, have executed this Operating Agreement of Strathmore Huntley Group, LLC as of the date first set forth above.


Margaret Carrillo-Sheridan


Brenda Colella


Garth Coniello

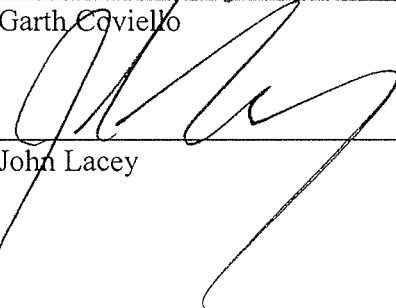

John Lacey

EXHIBIT A
DEFINITIONS

Accepting Offerees has the meaning ascribed to that term in Section 10.4.

Accountants mean such firm of independent certified public accountants as shall, from time to time, be engaged by the Members on behalf of the Company to render accounting, auditing, tax and similar services.

Accounting Method means the general or specific accounting assumptions used to record transactions of the Company. The accounting records of the Company shall prima facie be deemed to properly reflect the proper accounting method, absent a showing of gross error or fraud.

Additional Capital Contributions has the meaning ascribed to that term in Section 3.3.

Affiliate when used with reference to a specified Person, means (a) any other Person that, directly or indirectly, controls, is controlled by or is under common control with the specified Person, (b) any other Person that is an officer, director, partner or trustee of, or serves in a similar capacity with respect to, the specified Person, (c) any other Person of which the specified Person is an officer, director, partner or trustee, (d) any other Person that, directly or indirectly, is the beneficial owner of ten percent (10%) or more of the outstanding voting equity securities or other similar interests of the specified Person, (e) any other Person of which the specified Person is, directly or indirectly, the owner of ten percent (10%) or more of the outstanding voting equity securities or other similar interests, and (f) any ancestor, descendant, brother, sister or spouse of the specified Person.

Agreement (or Operating Agreement) means this document, this Operating Agreement of Strathmore Huntley Group, LLC, as it may be amended from time to time, including the Exhibits and any amendments thereto.

Assignee shall mean a Person that is a Member, but pursuant to the terms of this Agreement, such Member is designated an "Assignee"; provided, further, such Assignee shall have no voting rights with respect to his Membership Interest, and no right to participate in the management of the business and affairs of the Company, but shall have the right to share in the Profits, Losses and distributions of the Company attributable to his Membership Interest.

Capital Account means with respect to any Member, the Capital Account maintained for the Member in accordance with the following provisions:

(a) To each Member's Capital Account there shall be credited the Member's Capital Contributions, the Member's share of Profits, adjustments for increases in Gross Asset Value, and any specially allocated items in the nature of income or gain allocated to the Member pursuant to this Agreement, and the amount of any Company liabilities assumed by the Member or which are secured by any property distributed to the Member.

(b) To each Member's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any property distributed to the Member pursuant to any provision of this Agreement, the Member's share of Losses, adjustments for decreases in Gross Asset Value, and any specially allocated items in the nature of expenses or losses allocated to the Member pursuant to this Agreement, and the amount of any liabilities of the Member assumed by the Company or which are secured by any property contributed by the Member to the Company.

(c) In determining the amount of any liability for purposes of subsections (a) and (b) of this definition, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Members determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits to them (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or the Members), are computed in order to comply with such Regulations, the Members may make the modification, provided that it is not likely to have a material effect on the amounts distributable to any Member under this Agreement.

Capital Contributions means the total amount of money or other property contributed to the Company by all the Members or any one Member, as the context requires.

Code means the Internal Revenue Code of 1986, as amended, including any related judicial and administrative rulings and interpretations.

Company means Strathmore Huntley Group, LLC, a limited liability company.

Consent or Consented to or any variation thereof means the affirmative vote of a Person as reflected in the minutes of a meeting or the written consent of a Person to do the act or thing for which the consent is solicited, or the act of granting the consent, as the context may require.

Contribution Notice has the meaning ascribed to that term in Section 3.3.

Defaulting Contribution has the meaning ascribed to that term in Section 3.3.

Defaulting Member has the meaning ascribed to that term in Section 3.3.

Depreciation means with respect to any Fiscal Year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for the year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of the year or other

period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for the year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such Gross Asset Value using any reasonable method selected by the Members.

Divorce means (i) any Member and/or his spouse files for a divorce, legal separation, annulment or similar proceeding seeking the dissolution or termination of said Member's marriage or any other similar event occurs, and (ii) pursuant to such proceeding any of the Membership Interests of the Member are contemplated to be transferred, voluntarily or involuntarily, to his spouse.

Economic Rights has the meaning ascribed to that term in Section 10.10.

Estimated Tax Date shall mean, in respect of a calendar year, each of April 15, June 15 and September 15 of that calendar year, and January 15 of the following calendar year.

Fair Market Value shall mean such fair market value of the Business as may be mutually agreed to by the Member (or his personal representative as the case may be) who is offering or is deemed to be offering to sell his Membership Interest pursuant to Section 10 hereof (the "**Selling Member**"), on the one hand, and the Company and the remaining Members, on the other hand. If the Selling Member and the Company and the other Members are unable to mutually agree upon a fair market value within thirty (30) days from the date the Selling Member shall have offered (or have been deemed to have automatically offered) the Membership Interest for sale, the Fair Market Value shall be determined as follows: the Selling Member, on the one hand, and the Company, on the other hand, shall each have the opportunity to appoint, at his or its own cost, a "Qualified Appraiser" (as herein defined), within five (5) days following the expiration of the ten (10) day period set forth above. If either party shall fail to appoint a Qualified Appraiser within this five (5) day period, the one Qualified Appraiser so appointed shall unilaterally establish the Fair Market Value. If both parties appoint a Qualified Appraiser within this five (5) day period, the two (2) Qualified Appraisers shall jointly establish the Appraised Value. If the Qualified Appraisers' values are within ten percent (10%) of each other's value, the Fair Market Value shall be the amount which is the average of the two (2) values determined by the Qualified Appraisers. If such values are not within ten percent (10%) of each other, the Fair Market Value shall be determined by arbitration in accordance with the Rules of the American Arbitration Association. Each side shall be allowed to submit appraisal testimony and other relevant testimony as to value to the Arbitrator so appointed. In determining the Fair Market Value, no consideration shall be given by the Qualified Appraiser(s) to any proceeds in excess of the cash surrender value of any insurance proceeds to be received by the Company as the result of the death of a Member. The cost and expenses of the Arbitration shall be borne by that party whose Qualified Appraiser's Fair Market Value differs the most in absolute dollars from the Appraised Value established by the Arbitrator.

Firm Offer has the meaning ascribed to that term in Section 10.4.

Firm Offer Price has the meaning ascribed to that term in Section 10.4.

Fiscal Year means the calendar year unless otherwise established or changed by the Members, including any period of less than a calendar year in the year of formation or dissolution of the Company.

Gross Asset Value means with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the fair market value of the asset determined by the contributing Member and the other Members;

(b) The Gross Asset Values of all Company assets may, in the sole discretion of the Members, be adjusted to equal such assets respective fair market values, as determined by the Members, as of the times described in Treasury Regulation Section 1.704-1(b)(2)(iv)(f); provided, however, that such adjustments shall be made (other than in the case of the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g)) only if the Members reasonably determine that the adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(c) The Gross Asset Value of any Company asset distributed to any Member shall be the fair market value of the asset as determined by the distributee Member and the other Members; and

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of the assets pursuant to Section 734(b) of the Code or Section 743(b) of the Code, but only to the extent that the adjustments are taken into account in determining Capital Accounts pursuant to Regulation Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this subsection (d) to the extent the Members determines that an adjustment pursuant to subsection (b) of this definition is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subsection (d).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subsections (a), (b), (c) or (d) of this definition, the Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to the asset for purposes of computing Profits and Losses.

Indemnitee has the meaning ascribed to that term in Section 7.7.

Involuntary Transfer means any Transfer of part or all of a Membership Interest as a result of a recession or a seizure under levy of attachment or execution, any transfer to a public officer or agency pursuant to an abandoned property statute or any court order.

Legal Disability means the occurrence of any one or more of the following with respect to any Member:

(a) The filing by a Member of a petition or other prayer for relief under any bankruptcy law or statute for the relief of debtors, or a Member's general assignment of assets for the benefit of creditors, or the filing of a pleading in any Court of record admitting in writing a Member's inability to pay his debts when they come due; or

(b) The filing against a Member by any third party of any petition or other prayer for relief under any bankruptcy law or statute for the protection of creditors and the expiration of ninety (90) days without the petition or other prayer for relief being dismissed, or the filing by a Member of an answer admitting the material allegations of, or a Member's consenting to, or defaulting in answering the petition for, or the adjudication of a Member as a bankrupt or the appointment of a trustee for such Member's assets and, as to any of the foregoing, such adjudication continuing unstayed and in effect for a period of at least sixty (60) days; or

(c) The Member's Membership Interest being subject to an Involuntary Transfer.

LLC Law means the New York State Limited Liability Company Law as may be amended from time to time.

Member shall mean the parties that have signed a signature page to this Agreement as may be amended from time to time; provided, if a Member is designated an Assignee his rights shall be limited to that of an Assignee.

Membership Interest means the entire ownership interest (which may be expressed as a percentage) of a Member in the Company at any particular time, including his Membership Percentage and his right to any and all benefits to which a Member may be entitled as provided in this Agreement and in the LLC Law, together with his obligations to comply with all the terms and provisions of this Agreement and of the LLC Law.

Membership Percentages means the Membership Percentages of the owners of the Membership Interests as may be recalculated from time to time as provided in Section 3.7, such Membership Percentages being recorded on Exhibit C, as may be amended from time to time.

Net Cash means with respect to any period, the excess of cash receipts (other than Capital Contributions) and cash reserves the Members determine are no longer needed during such period over cash payments for Operating Expenses, principal payments on indebtedness and capital expenditures (other than from Capital Contributions) paid during such period and any reasonable cash reserves the Members determine are in the best interests of the Members and are necessary to conduct the Company's business.

Net Equity means the amount that would be available to be distributed to the selling Members in liquidation if: (i) the Business was sold for its Fair Market Value; (ii) the Company paid its accrued but unpaid liabilities; and (iii) reasonable reserves were established for all contingent liabilities. The Net Equity of the Company shall be determined, without audit or certification, from the books and records of the Company by the Accountants within thirty (30) days of the day upon

which the Accountants are apprised in writing of the Fair Market Value of the Business. The Net Equity determination of the Accountants shall be final and binding in the absence of gross negligence or willful misconduct.

Non-Defaulting Member(s) has the meaning ascribed to that term in Section 3.3.

Non-Economic Rights has the meaning ascribed to that term in Section 10.10.

Notice means a dated writing, containing the information required by this Agreement to be communicated to any Person, which Notice shall be deemed given on the sooner of (a) the date of personal delivery to the Person, (b) the date of transmittal by telecopy (Fax) to the Person, (c) three (3) days following the date of certified or registered mailing to the Person's address return receipt requested and postage prepaid, and (d) one (1) business day following delivery to a nationally recognized United States overnight courier service directed to the Person's address fee prepaid and returned receipt or other confirmation of delivery requested. The Members' addresses, telephone numbers and facsimile numbers (if any) are set forth on Exhibit E, as may be amended from time to time.

Offer Notice has the meaning ascribed to that term in Section 10.4.

Offer Period has the meaning ascribed to that term in Section 10.4.

Offer Price has the meaning ascribed to that term in Section 8.5.

Offered Interest has the meaning ascribed to that term in Section 10.4.

Offerees has the meaning ascribed to that term in Section 10.4.

Offering Member has the meaning ascribed to that term in Section 8.5.

Operating Expenses means with respect to any Fiscal Year, and under the Accounting Method in use by the Company, the amount of expenses in such Fiscal Year in order to obtain all cash receipts during the Fiscal Year, including all expenses of operation of the Company's business activity (including, but not limited to, consulting and professional fees, interest on indebtedness, rents, salaries and related fringe benefits, utilities expense, repairs and maintenance and advertising and other promotional expenses).

Other Members has the meaning ascribed to that term in Section 8.5.

Person means any individual, partnership, corporation, trust, limited liability company, or other entity.

Personal Representative means the legal representative of a Member, including a duly designated employee or agent, a trustee in bankruptcy, conservator or guardian, and an executor, administrator or the like.

Profits and Losses means with respect to any Fiscal Year, an amount equal to the Company's federal taxable income or loss for such Fiscal Year, determined in accordance with

Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses shall be added to such taxable income or loss.

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulation Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses, shall be subtracted from such taxable income or loss.

(c) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subsection (b) or (d) of the definition of Gross Asset Value, the amount of the adjustment shall be taken into account as gain or loss from the disposition of the asset for purposes of computing Profits and Losses.

(d) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of the property differs from its Gross Asset Value.

(e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year.

Property means the real estate and improvements know as and associated with the Huntley Building, 407-409 Stolp Avenue and 419-421 Stolp Avenue, Syracuse, New York 13207.

Purchase Note has the meaning ascribed to that term in Section 10.8.

Purchase Offer has the meaning ascribed to that term in Section 10.4.

Purchaser has the meaning ascribed to that term in Section 10.4.

Purpose(s) has the meaning ascribed to that term in Section 2.5.

Qualified Appraiser means any professional appraiser or certified public accountant who is qualified by experience and ability to appraise assets and businesses similar to that owned or being conducted by the Company.

Regulations means the Income Tax Regulations promulgated under the Code, as they may be amended from time to time.

Seller has the meaning ascribed to that term in Section 10.4.

Substituted Member means a transferee of a Membership Interest who has been admitted to the Company as a Substituted Member in accordance with Section 10 of this Agreement.

Supermajority of the Members means the Member or Members owning at least seventy-five percent (75%) of the Membership Percentages (excluding interested Members where explicitly required by this Agreement or by applicable law).

Tax and Regulatory Allocations means the allocations set forth in Exhibit D.

Tax Distribution has the meaning ascribed to that term in Section 5.2.

Tax Rate means the highest marginal rate of Federal and New York State income tax applicable to the taxable income of the Company allocated to the Members in respect of the calendar months for which the Tax Distribution is made.

Totally and Permanently Disabled shall mean that (i) a Member has been determined to be totally disabled by the disability insurer which provides any policy insuring his life against such Member's total disability, or (ii) notwithstanding the above, in the event there is no policy of total disability insurance in effect at the time of the disabled Member's disability, the Member's personal physician has certified to the Company that in all probability, said Member shall be unable to perform his usual duties for the Company for a period of one hundred eighty (180) consecutive days.

Transfer means a transfer, whether by sale, purchase, mortgage, gift, bequest, intestate succession, assignment, pledge or Involuntary Transfer.

Transferred means sold, purchased, mortgaged, transferred by gift, bequest or intestate succession, assigned, pledged or Involuntarily Transferred.

Valuation Date has the meaning ascribed to that term in Section 10.7.

EXHIBIT B
CAPITAL CONTRIBUTIONS

<u>Member</u>	<u>Initial Capital Contributions</u>
Margaret Carrillo-Sheridan	\$11,800.92
Brenda Colella	\$ 892.82
Garth Coviello	\$24,760.14
John Lacey	\$ 814.36

EXHIBIT C
MEMBERSHIP PERCENTAGES

Member	Membership Percentage
Margaret Carrillo-Sheridan	25.73%
Brenda Colella	22.10%
Garth Coviello	30.05%
John Lacey	22.07%

EXHIBIT D
TAX AND REGULATORY ALLOCATIONS

Section 1 Tax Allocations. Tax allocations shall be made as follows:

(a) All items of income, gain, loss and deduction shall be allocated for federal income tax purposes in accordance with the corresponding allocation provided for in Article IV; provided, however, that in accordance with Section 704(c) of the Code and its implementing Regulations, income, gain, loss, deduction and credit with respect to any property contributed to the capital of the Company by any Member shall, solely for federal income tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its initial Gross Asset Value at the time of contribution to the Company.

(b) In the event the Gross Asset Value of any Company asset is adjusted as set forth in the definition of Gross Asset Value, subsequent allocations of income, gain, loss, deduction and credit with respect to the asset shall take account of any variation between the adjusted basis of the asset for federal income tax purposes and its Gross Asset Value in the same manner as under Section 704(c) and the Regulations thereunder.

(c) In the event the Company has taxable income that is characterized as ordinary income under the recapture provisions of the Code, each Member shall be distributed a proportionate share of this recapture income equal to that Member's share of prior cumulative depreciation deductions with respect to the assets that give rise to the recapture income.

(d) Any elections or other decisions relating to allocations provided in the foregoing (a), (b) and (c) shall be made by the Members in such manner as will, in the opinion of the Company's attorneys, be most advantageous to Members possessing no less than fifty-one percent (51%) of all Membership Percentages. Allocations pursuant to this Section 1 of this Exhibit D are solely for the purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account, share of Profits and Losses, or distributions pursuant to any provision of the Agreement.

(e) Notwithstanding anything contained in Section 4.1 to the contrary, Losses allocated to a Member pursuant to Section 4.1 shall not exceed the maximum amount of Losses that can be allocated without causing such Member to have or increase an Adjusted Capital Account Deficit. To the extent Losses would cause or increase an Adjusted Capital Account Deficit for a Member, such Losses shall be allocated to the other Members to the extent allowable under Article IV.

Section 2 Regulatory Allocations. Regulatory Allocations shall be made as follows:

(a) Except as otherwise provided in Section 1.704-2(f) of the Regulations and notwithstanding any other provision of this Exhibit D and Article IV of the Agreement, if there is a net decrease in Company Minimum Gain during any Fiscal Year, each Member shall be specially allocated items of Company income and gain for the year (and, if necessary, subsequent years) in an amount equal to the portion of the Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations

pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant to the Regulations. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Regulations. This Section 2(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith.

(b) Except as otherwise provided in Section 1.704-2(i)(4) and this Section 2 of Exhibit D, and notwithstanding any other provision of Article IV of the Agreement or this Exhibit D, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to the Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Regulations, shall be specially allocated items of Company income and gain for the year (and, if necessary, subsequent years) in an amount equal to the portion of the Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to the Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(4) of the Regulations. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant to the Regulations. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. This Section 2(b) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(c) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Section 1.704-1(b)(2)(iv)(m) of the Regulations, to be taken into account in determining Capital Accounts, the amount of the adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis) and the gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.

(d) Any Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Member who bears the risk of loss with respect to the loan to which the Member Nonrecourse Deductions are attributable in accordance with Section 1.704-2(i)(1) of the Regulations.

(e) Nonrecourse Deductions for any Fiscal Year shall be specially allocated among the Members in proportion to their Membership Percentages.

(f) Except as provided in Section 2(a) of this Exhibit D, in the event that any Member unexpectedly receives any adjustments, allocations or distributions described in Sections 1.704-1(b)(2)(iv)(d)(4), (5) or (6) of the Regulations, items of Company income and gain shall be specially allocated to the Member in an amount and manner sufficient to eliminate to the extent required by the Regulations, the Adjusted Capital Account Deficit of the Member as quickly as possible.

(g) The Regulatory Allocations are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 2 of this Exhibit D. Therefore, notwithstanding any other provision of Article IV of the Agreement or of this Exhibit D (other than the Regulatory Allocations), the Members shall make the offsetting special allocations of Company income, gain, loss or deduction in whatever manner they determine appropriate so that, after the offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to Article IV of the Agreement.

Section 3 Definitions. For purposes of this Exhibit D, the following definitions shall apply:

Adjusted Capital Account Deficit with respect to any Member, the deficit balance, if any, in the Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) credit to such Capital Account any amounts which the Member is obligated to restore or is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations; and

(b) debit to such Capital Account, the items described in Sections 1.704-1(b)(2)(iv)(d)(4),(5) and (6) of the Regulations.

Company Minimum Gain has the meaning set forth in Section 1.704-(2)(d) of the Regulations.

Member Nonrecourse Debt has the meaning set forth in Section 1.704-2(b) of the Regulations.

Member Nonrecourse Debt Minimum Gain means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if the Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

Member Nonrecourse Deductions has the meaning set forth in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Regulations.

Nonrecourse Deduction has the meaning set forth in Section 1.704-2(b)(1) of the Regulations.

Nonrecourse Liability has the meaning set forth in Section 1.704-2(b)(3) of the Regulations.

EXHIBIT E
ADDRESSES AND EMAIL ADDRESSES

Margaret Carrillo-Sheridan
146 Beverly Road
Syracuse, New York 13207
E-Mail: margycs96@gmail.com

Brenda Colella
425 Roberts Avenue
Syracuse, New York 13207
E-Mail: brenda_colella@yahoo.com

Garth Coviello
127 Stolp Avenue
Syracuse, New York 13207
E-Mail: gcovi@yahoo.com

John Lacey
300 Stolp Avenue
Syracuse, New York 13207
E-Mail: johnmlacey@yahoo.com

EXHIBIT "C"
GOOD STANDING CERTIFICATE

**State of New York
Department of State } ss:**

I hereby certify, that STRATHMORE HUNTLEY GROUP, LLC a NEW YORK Limited Liability Company filed Articles of Organization pursuant to the Limited Liability Company Law on 08/13/2010, and that the Limited Liability Company is existing so far as shown by the records of the Department. I further certify the following:

Certificate of Change was filed on 07/20/2011.

A Certificate of Publication of STRATHMORE HUNTLEY GROUP, LLC was filed on 10/14/2011.

A Biennial Statement was filed 09/30/2013.

A Biennial Statement was filed 08/13/2014.

I further certify, that no other documents have been filed by such Limited Liability Company.



*Witness my hand and the official seal
of the Department of State at the City
of Albany, this 23rd day of April
two thousand and fifteen.*

Anthony Giardina

Anthony Giardina
Executive Deputy Secretary of State

EXHIBIT "D"

RESOLUTION

UNANIMOUS WRITTEN CONSENT
OF THE MEMBERS AND MANAGERS OF
STRATHMORE HUNTLEY GROUP, LLC

The undersigned, being all the Members and all Managers of Strathmore Huntley Group, LLC ("Company") hereby unanimously consents to the adoption of the following resolutions:

RESOLVED that the Company is authorized and directed to do the following with respect to a "Project": (i) acquire an interest in approximately one acre of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the "Land"); (ii) rehabilitate and renovate an existing approximately 24,270 square foot 4 story building for mixed-use to be used as approximately 42 affordable market rate apartments with approximately 80-85% subject to income restrictions at 115% of the area median income with the balance approximately 15-20% of the units subject to income restrictions at 80% of the area median income; all located on the Land (collectively, the "Facility"); (iii) acquire and install in the Facility all furniture, fixtures and equipment (the "Equipment" and together with the Land and the Facility, the "Project Facility"); and it is further

RESOLVED that the Company is authorized and directed to enter into a transaction with the City of Syracuse Industrial Development Agency ("IDA" or "Agency") whereby the Company shall be the agent of the IDA with respect to the Project whereby through such agency with the IDA, the Company shall cooperate with the granting by the IDA of certain financial assistance in the form of (i) exemptions from State and local sales and use tax and mortgage recording tax (the "Financial Assistance"); (ii) the appointment of the Company as an agent of the IDA in connection with the acquisition, renovation, reconstruction and equipping of the Project Facility; and (iii) the lease of the Land and Facility by the Agency pursuant to a lease agreement; the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement, all in accordance with and as more fully set forth and particularized in a resolution of the IDA adopted on December 18, 2012 ("IDA Resolution"); and it is further

RESOLVED that Brenda Colella, in her capacity as Member of the Company, be and hereby is authorized on behalf of the Company to execute and deliver any and all documents or instruments as are necessary and appropriate to carry out the intent and purpose of these resolutions, the IDA

UNANIMOUS WRITTEN CONSENT
OF THE MEMBERS AND MANAGERS OF
STRATHMORE HUNTLEY GROUP, LLC

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RESOLVED that Brenda Colella, in her capacity as Member of the Company, be and hereby is authorized on behalf of the Company to execute and deliver any and all documents or instruments as are necessary and appropriate to carry out the intent and purpose of these resolutions, the IDA

Resolution and/or as may be reasonably required by the IDA or its counsel;
and it if further

RESOLVED that Brenda Colella, as Member of the Company, may take any
action deemed necessary and proper in furtherance of the IDA Resolution
and the intent of these resolutions, and that the IDA, its successors, assigns,
attorneys or agents may rely upon such actions as being the actions of the
Company, and it is further

RESOLVED, that the IDA, its successors, assigns, attorneys or agents may
rely upon the acts of Brenda Colella and any action taken by just one
individual shall deemed an action of and binding upon the Company
notwithstanding that both individuals did not unanimously agree and/or
act; and it is further

RESOLVED that that the foregoing Resolutions are made and entered into
in full compliance with the Operating Agreement of the Company, shall
remain in full force and effect and may be relied upon by the IDA, its
successor, assigns, attorneys or agents notwithstanding the dissolution or
termination of the existence of the Company or any change in the identity
of, or any modification or termination of any authority of, any authorized
person or Company until a copy of a subsequent Resolution revoking or
amending same shall be actually received by the IDA, its successors,
attorneys, agents or assigns; and any action taken by any of the foregoing
prior to such actual receipt shall be binding upon the Company irrespective
of when such Resolutions may have been adopted.

Dated: May 21, 2015

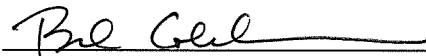
STRATHMORE HUNTLEY GROUP, LLC

MEMBERS

Dated: May 11, 2015, 2015


Margaret Carrillo-Sheridan, Member

Dated: May 21, 2015


Brenda Colella, Member

Dated: May 21, 2015


Garth Coviello, Member

Dated: May 21, 2015

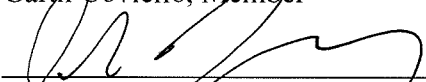

John Lacey, Member

EXHIBIT "E"
LOCAL ACCESS AGREEMENT

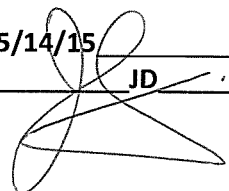
City of Syracuse
Industrial Development Agency
Local Access Agreement

Strathmore Huntley Group, LLC (the Company) understands and agrees that local labor, contractors and suppliers will be used for the construction, renovation, reconstruction and equipping of the Project unless a written waiver is first received from the Agency, and agrees to provide the information requested below as a way to provide access for local participation.

Company		Strathmore Huntley Group, LLC				General Contractor		Rich & Gardner Construction Co.			
Representative for Contract Bids and Awards		Brenda Colella, Member				Contact		Joseph Donegan, Principal			
Address		127 Stolp Avenue				Address		206 Plum Street			
City	Syracuse	ST	NY	Zip	13207	City	Syracuse	ST	NY	Zip	13204
Phone	315-308-0590		Fax				Phone	315-474-1900		Fax	315-474-2900
Email		strathmorehuntleygroup@gmail.com				Email		joe@rchgrd.com			
Project Address		407-409 & 419-421 Stolp Avenue Syracuse, NY 13207				Construction Start Date		June 1, 2015 (for asbestos abatement)			
City	Syracuse	ST	NY	Zip	13207	Occupancy Date		Q1 2016			

Project Components – Indicate those for which bids will be sought:

Item	Estimated Value	Bid Date	Contact
Site work/Demolition	\$318,820 (includes asbestos abatement)		
Foundation and footings	\$20,000		
Building			
Masonry	\$45,200		
Metals	\$20,444		
Wood/casework	\$150,000	6/25/15	
Thermal/moisture proof	\$102,520		
Doors, windows, glazing	\$23,450		
Finishes – Apartment scopes	\$1,002,199		
Electrical	\$120,000	1/15/15	
HVAC	\$15,000		
Plumbing	\$80,000		
Specialties	\$61,550		
Machinery & Equipment	\$20,000		
Furniture and Fixtures			
Utilities			
Paving			
Landscaping			
Other (identify) –			

Date: 5/14/15
 Signature:  JD 6/3/15

Company: Rich & Gardner Construction
 Name: Joe Donegan

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HISCOCK & BARCLAY^{LLP}

May 21, 2015

City of Syracuse Industrial Development Agency
333 West Washington Street, Suite 130
Syracuse, New York 13202

Strathmore Huntley Group, LLC
127 Stolp Avenue
Syracuse, New York 13207

Re: City of Syracuse Industrial Development Agency
Lease/Leaseback Transaction
Strathmore Huntley Group, LLC
(Huntley Building Renovation Project)

Ladies and Gentlemen:

We have acted as counsel to the City of Syracuse Industrial Development Agency (the “*Agency*”) in connection with a project (the “*Project*”) undertaken by the Agency at the request of Strathmore Huntley Group, LLC (the “*Company*”) consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the “*Land*”); (ii) the rehabilitation and renovation of approximately 42 affordable market-rate apartments units with approximately 80-85% subject to income restrictions at 115% of the area median income with the balance approximately 15-20% of the units subject to income restrictions at 80% of the area median income (the “*Facility*”); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the “*Equipment*”, and together with the Land and the Facility, the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the “*Financial Assistance*”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement.

The Agency acquired an interest in the Project Facility pursuant to that certain Company Lease Agreement dated as of May 1, 2015 (the “*Company Lease*”) between the Company, as lessor and the Agency, as lessee, and that certain bill of sale from the Company to the Agency dated as of May 1, 2015 (the “*Bill of Sale*”); appointed the Company as its agent to complete the

Project; and subleased the Project Facility to the Company pursuant to the Agency Lease Agreement dated as of May 1, 2015 (the “*Agency Lease*”) between the Agency and the Company.

The Company has also requested that the Agency grant the Financial Assistance to the Project. The Agency, the Company and the City of Syracuse, New York will enter into a Payment in Lieu of Taxes Agreement dated as of May 1, 2014 (the “*PILOT Agreement*”) with respect to the Project. Capitalized terms used herein which are not otherwise defined shall have the meanings ascribed to them in the Agency Lease.

As counsel to the Agency, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates, and documents as we have deemed necessary or appropriate for the purposes of the opinion expressed below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies, and have assumed the accuracy and truthfulness of the factual information, expectations, conclusions, representations, warranties, covenants and opinions of the Company and its counsel and representatives as set forth in the various documents executed and delivered by them or any of them and identified in the Closing Memorandum in connection with the Project.

We are of the opinion that:

1. The Agency is a duly organized and existing corporate governmental agency constituting a public benefit corporation of the State of New York.
2. The Agency is duly authorized and empowered by law to acquire, reconstruct, renovate and equip the Project, to lease the Land and the Facility from the Company pursuant to the Company Lease; to accept an interest in the Equipment pursuant to the Bill of Sale; to sublease the Project Facility back to the Company pursuant to the Agency Lease and to appoint the Company as its agent for completion of the Project.
3. The Agency Documents have been authorized by and lawfully executed and delivered by the Agency and (assuming the authorization, execution, and delivery by the other respective parties thereto) are valid and legally binding obligations enforceable against the Agency in accordance with their respective terms.

City of Syracuse Industrial Development Agency
Strathmore Huntley Group, LLC
May 21, 2015
Page 3

In rendering this opinion, we advise you of the following:

The enforceability of the Agency Documents may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium, or similar law or enactment now or hereafter enacted by the State of New York or the Federal government affecting the enforcement of creditors' rights generally and the general principles of equity, including limitations on the availability of the remedy of specific performance which is subject to discretion of the court.

This opinion is rendered to the addressees named above and their successors and/or assigns, and may not be relied upon by any other person without our prior, express written consent.

Very truly yours,

HISCOCK & BARCLAY, LLP

Hiscock & Barclay, LLP

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May 21, 2015

Strathmore Huntley Group, LLC
127 Stolp Avenue
Syracuse, New York 13207

City of Syracuse Industrial Development Agency
333 West Washington Street, Suite 130
Syracuse, New York 13202

Re: City of Syracuse Industrial Development Agency
Lease/Leaseback Transaction
Strathmore Huntley Group, LLC
(Huntley Building Renovation Project)

Ladies and Gentlemen:

We have acted as counsel to Strathmore Huntley Group, LLC (the "**Company**") in connection with a certain project (the "**Project**") undertaken by the City of Syracuse Industrial Development Agency (the "**Agency**") at the Company's request. The Project consists of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the "**Land**"); (ii) the rehabilitation and renovation of approximately 42 affordable market-rate apartments units with approximately 80-85% subject to income restrictions at 115% of the area median income with the balance approximately 15-20% of the units subject to income restrictions at 80% of the area median income (the "**Facility**"); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the "**Equipment**", and together with the Land and the Facility, the "**Project Facility**"); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the "**Financial Assistance**"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement.

The Agency has acquired an interest in the Project Facility pursuant to that certain Company Lease Agreement dated as of May 1, 2015 ("**Company Lease**") between the Company as lessor and the Agency as lessee and that certain bill of sale from the Company to the Agency

dated as of May 1, 2015 (the “*Bill of Sale*”); appointed the Company as its agent to complete the Project; and subleased the Project Facility to the Company pursuant to the Agency Lease Agreement dated as of May 1, 2015 (the “*Agency Lease*”) between the Agency and the Company. Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Agency Lease.

The Company has also requested that the Agency grant the Financial Assistance to the Project. The Agency, the Company and the City of Syracuse, New York entered into a Payment in Lieu of Taxes Agreement dated May 1, 2015 (the “*PILOT Agreement*”) with respect to the Project.

In that regard, we have examined the Company Lease, the Agency Lease, the Bill of Sale, the Mortgages, the Environmental Compliance and Indemnification Agreement, the PILOT Agreement and all other documents executed by the Company in connection with the Project (the “*Company Documents*”).

We have also examined corporate documents and records of the Company and made such investigation of law and/or fact that we deem necessary or advisable in order to render this opinion. For purposes of such examination, we have assumed the genuineness of all certificates and the authenticity of all documents submitted to us as original counterparts or as certified or photostatic copies; the genuineness of all signatures of all parties to the Company Documents other than on behalf of the Company; and the due authorization, execution and delivery of the Company Documents by and the enforceability thereof against all parties thereto other than the Company.

As to questions of fact material to our opinion, we have relied upon the representations and warranties made by the Company in the Company Documents and upon one or more certificates of officers of the Company. Whenever the phrase “to the best of our knowledge” is used in this opinion, it refers to actual knowledge of members of this firm obtained from our representation of the Company and inquiries of responsible officers of the Company made in connection with this opinion, but no further investigation or review has been conducted.

Based upon the foregoing, it is our opinion that:

1. The Company is a validly existing New York limited liability company and possesses full corporate power and authority to own its property, to conduct its business, to execute and deliver the Company Documents, and to carry out and perform its obligations thereunder.
2. The execution, delivery and performance of the Company Documents have been duly authorized by the Company and the Company Documents have been duly executed and delivered by an Authorized Representative of the Company.

3. The Company Documents constitute the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with their terms, except as enforceability may be limited by applicable bankruptcy and insolvency laws and laws affecting creditors' rights generally and to the extent that the availability of the remedy of specific performance or injunctive relief or other equitable remedies is subject to the discretion of the court before which any proceeding therefor may be brought.

4. To the best of our knowledge, in reliance on the certificates and opinions specified herein, the execution and delivery by the Company of the Company Documents, the execution and compliance with the provisions of each and the consummation of the transactions contemplated therein do not and will not constitute a breach of, or default under the Company's Articles of Organization, Operating Agreement or any indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which the Company or any of its Property may be bound, for which a valid consent has not been secured; nor is any approval or any action by any governmental authority required in connection with the execution, delivery and performance thereof by the Company.

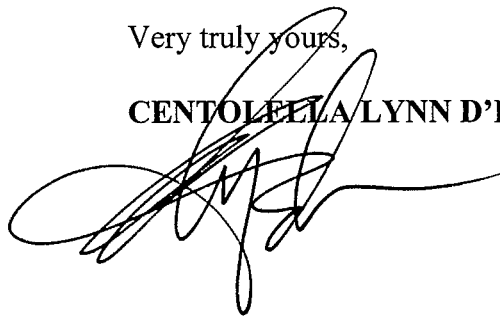
5. To the best of our knowledge, in reliance on the certificates and opinions specified herein, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against, or affecting the Company wherein an unfavorable decision, ruling or finding would in any way adversely affect in a material fashion the validity or enforceability of the Company Documents.

Our examination of law relevant to matters herein is limited to the laws of the State of New York and also the Federal law, where appropriate, and we express no opinion as to matters governed by the laws of any other state or jurisdiction.

This opinion is only for the benefit of and may be relied upon only by the Agency, its successors and assigns. The opinions set forth in this letter are limited to those expressly stated and no other opinion may be inferred nor is any implied. No other use of this opinion may be made without prior written consent. This opinion is given as of the date hereof and we undertake no obligation, and hereby disclaim any obligation, to update or supplement this opinion in response to a subsequent change in the law or future events affecting the documents identified in this letter.

Very truly yours,

CENTOLELLA LYNN D'ELIA & TEMES LLC



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CLOSING MEMORANDUM

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

STRATHMORE HUNTLEY GROUP, LLC

(HUNTLEY BUILDING RENOVATION PROJECT)

DATE AND TIME OF CLOSING: May 21, 2015
10:00 a.m.

PLACE OF CLOSING: Hiscock & Barclay, LLP
One Park Place
300 South State Street
Syracuse, New York 13202

I. Action Taken Prior to Closing

At the request of Strathmore Huntley Group, LLC (the “*Company*”), the City of Syracuse Industrial Development Agency (the “*Agency*”), a public benefit corporation organized under the laws of the State of New York, has undertaken a project (the “*Project*”) consisting of: (A)(i) the acquisition of a leasehold interest in approximately 24,270 square feet of improved real property located at 409 Stolp Avenue and 419-421 Stolp Avenue in the City of Syracuse, New York (the “*Land*”); (ii) the rehabilitation and renovation of approximately 42 affordable market-rate apartments units with approximately 80-85% subject to income restrictions at 115% of the area median income with the balance approximately 15-20% of the units subject to income restrictions at 80% of the area median income (the “*Facility*”); (ii) the acquisition and installation thereon of furniture, fixtures and equipment (collectively the “*Equipment*”, and together with the Land and the Facility, the “*Project Facility*”); (B) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax and sales and use taxation (collectively, the “*Financial Assistance*”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, rehabilitation, renovation, improvement and equipping of the Project Facility; and (D) the lease of the Land and the Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company; and the lease of the Project Facility back to the Company pursuant to a sublease agreement.

The Company also requested that the Agency appoint the Company as its agent for purposes of completing the Project and the granting of certain Financial Assistance.

The Company is, or will be at the time of closing, the owner of the Facility.

The Agency will acquire a leasehold interest in the Land and Facility from the Company pursuant to a Company Lease Agreement dated as of May 1, 2015 (the “**Company Lease**”), between the Company, as landlord and the Agency, as tenant; and a fee interest in the Equipment pursuant to a bill of sale from the Company dated as of May 1, 2015 (the “**Bill of Sale**”). The Agency will sublease the Project Facility back to the Company, pursuant to an Agency Lease Agreement dated as of May 1, 2015 (the “**Agency Lease**”) between the Agency, as sublessor and the Company, as sublessee. Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in Exhibit “C” to the Agency Lease.

Among the actions taken by the Agency with respect to the Project prior to Closing were the following:

- | | |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| October 9, 2012 | The Company submitted an application for financial assistance for the project. |
| December 18, 2012 | A resolution determining that the acquisition, rehabilitation, renovation and equipping of the Project constitutes a project and authorizing a public hearing (the “ Public Hearing Resolution ”). |
| January 10, 2013 | Notice of the Public Hearing was mailed to the chief executive officers of the affected tax jurisdictions pursuant to Section 859-a of the Act. |
| January 12, 2013 | Notice of the Public Hearing was published in the <u>Post-Standard</u> pursuant to Section 859-a of the Act. |
| January 24, 2013 | The Agency conducted the Public Hearing pursuant to Section 859-a of the Act. |
| January 24, 2013 | A resolution classifying the Project as an Unlisted Action pursuant to SEQRA, declaring the Agency Lead Agency for purposes of an uncoordinated review thereunder and determining that the Project will not have a significant effect on the environment (the “ SEQRA Resolution ”). |
| January 24, 2013 | A resolution authorizing the undertaking of the acquisition, renovation and equipping of the Project, appointing the Company agent of the Agency for the purpose of the acquisition, renovation and equipping of the Project and authorizing the execution and delivery of an agreement between the Agency and the Company (the “ Inducement Resolution ”). |

- January 24, 2013 A resolution approving a payment in lieu of tax schedule and authorizing the execution and delivery of certain documents by the Agency in connection with the Project (the “**PILOT Resolution**”).
- January 24, 2013 A resolution authorizing the execution and delivery of certain documents by the agency at the request of the Company (the “**Final Approving Resolution**”).
- March 5, 2015 A resolution approving the extension of the Agency Agreement between the Agency and the Company until October 24, 2015 and making certain other findings (the “**Approving Resolution**”).

II. Action To Be Taken At Closing

The following documents, or copies thereof, are to be delivered (except as indicated) to the Agency (A), Agency’s Counsel (AC), the Company (C), Company’s Counsel (CC), Lender’s Counsel (LC) as follows:

A. Basic Documents	Responsible Party	Signatories
1. Company Lease Agreement	AC	C, A
2. Memorandum of Company Lease Agreement with TP-584	AC	C, A
3. Bill of Sale		
4. Agency Lease Agreement	AC	C, A
5. Memorandum of Agency Lease Agreement with Form TP-584	AC	C, A
6. Company Certification re: Local Labor Policy	AC	C
7. Certificates of casualty, liability, workers' compensation and other required insurance	AC	
8. Environmental Compliance and Indemnification Agreement	AC	C
9. Closing Receipt	AC	C, A
10. Sales Tax Exemption Letter	AC	A
11. Form ST-60 indicating appointment of the Company to act as the agent of the Agency	AC	A
12. PILOT Agreement	Corporation Counsel	A, C, City (Mayor)
13. 412-a	Corporation Counsel	A
14. Ordinance No. 47 of 2013 approving the PILOT schedule		

- | | | | |
|-----|-----------------------------------------------|------------------|------|
| 15. | Mortgage
(SEDCO Bridge Loan \$225,000) | Corp.
Counsel | C, A |
| 16. | Mortgage
(OCDC Bridge Loan \$225,000) | | C, A |
| 17. | UCC-1 Financing Statement(OCDC) | | |
| 18. | Conditional Assignment of Rents and
Leases | | |
| 19. | Survey | CC | |

B. Items To Be Delivered By The Agency

- | | | | |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---|
| 1. | General Certificate of the Agency
relating to incumbency and signatures of
officers, execution and delivery of Agency
Documents to which it is a party, no litigation
and continued existence, with the following
items included as exhibits: | AC | A |
| | Exhibit "A" Chapter 641 of the
Laws of 1979 of the State of
New York, as amended | AC | |
| | Exhibit "B" Certificate of
Establishment of the Agency and
Certificates of appointment of
current members | C | |
| | Exhibit "C" By-laws | AC | |
| | Exhibit "D" Public Hearing
Resolution | AC | |
| | Exhibit "E" Notice of Public Hearing
with evidence of publication and copies of
letters to affected tax jurisdictions | AC | |
| | Exhibit "F: SEQRA Resolution | AC | |
| | Exhibit "G" – Inducement Resolution | AC | |
| | Exhibit "H" PILOT Resolution | AC | |

	Exhibit "I" Final Approving Resolution	AC	
	Exhibit "J" Approving Resolution	AC	
2.	Mortgage Recording Tax Affidavit	AC	A

C. Items To Be Delivered By The Company

1. General Certificate of the Company relating to capacity and signatures of officers, execution and delivery of the Documents to which it is a party, no litigation and approval, with the following items included as exhibits:

	Exhibit "A" Articles of Organization	C	
	Exhibit "B" Operating Agreement	C	C
	Exhibit "C" Certificate of Good Standing	C	
	Exhibit "D" Company Resolution	C	
	Exhibit "E" Local Access Agreement	C	

D. Opinions of Counsel

1. Opinion of Hiscock & Barclay, LLP, counsel to the Agency, addressed to the Agency and the Company

2. Opinion of Centolella Lynn D'Elia & Temes LLC, counsel to the Company, addressed to the Agency and the Company.

III. Action To Be Required Concurrently With Or After Closing

Memorandum of Company Lease Agreement, Memorandum of Agency Lease Agreement, Mortgages [and Assignment of Leases and Rents] are to be filed with the Onondaga County Clerk and the UCC-1 Financing Statements are to be filed as appropriate under the Uniform Commercial Code.

IV. Post-Closing

Scan copy of Local Access Agreement to SIDA.

SCHEDULE "A"

PERSONS APPEARING

For the Agency:	City of Syracuse Industrial Development Agency William M. Ryan, Chairman
For the Company:	Strathmore Huntley Group, LLC Brenda D. Colella, Esq.
Company Counsel:	Centolella Lynn D'Elia & Temes LLC Anthony J. D'Elia, Esq.
Syracuse Economic Development Corp: ("SEDCO")	Thomas Babilon, Esq.
Onondaga Civic Development Corp.: ("OCDC")	Onondaga Civic Development Corporation Julie A. Cerio, President/CEO
OCDC Counsel:	Harris Beach PLLC Christopher Andreucci, Esq. Kevin Overton, Esq.
Agency's Counsel:	Hiscock & Barclay, LLP Susan R. Katzoff, Esq.