

CLOSING ITEM NO. A-9

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

AND

1385 WASHINGTON AVE PROPERTY ASSOCIATES, LLC

UNIFORM AGENCY PROJECT AGREEMENT

DATED AS OF APRIL 1, 2017

RELATING TO A FINANCIAL ASSISTANCE GRANTED BY THE
AGENCY WITH RESPECT TO A CERTAIN PROJECT LOCATED
AT 1385 WASHINGTON AVENUE IN THE CITY OF ALBANY,
ALBANY COUNTY, NEW YORK (TAX MAP NO. 53.00-1-22 AND
A PORTION OF TAX MAP NO. 53.00-1-23).

TABLE OF CONTENTS

(This Table of Contents is not part of the Uniform Agency Project Agreement
and is for convenience of reference only.)

PARTIES	1
---------------	---

ARTICLE I

DEFINITIONS

Section 1.01.	Definitions	1
Section 1.02.	Interpretation.....	7

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01.	Representations of and Warranties by the Agency	8
Section 2.02.	Representations of and Warranties by the Company	8

ARTICLE III

COVENANTS AND AGREEMENTS

Section 3.01.	Financial Assistance	10
Section 3.02.	Company Agreements.....	11

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

Section 4.01.	Events of Default Defined	13
Section 4.02.	Remedies on Default	13
Section 4.03.	Recapture of Financial Assistance	13
Section 4.04.	Late Payments	15
Section 4.05.	Payment of Attorney's Fees and Expenses	15
Section 4.06.	Remedies; Waiver and Notice	15

ARTICLE V

MISCELLANEOUS

Section 5.01.	Term.....	17
Section 5.02.	Form of Payments.....	17
Section 5.03.	Company Acts.....	17
Section 5.04.	Amendments	17
Section 5.05.	Notices	17
Section 5.06.	Binding Effect.....	18
Section 5.07.	Severability	18
Section 5.08.	Counterparts.....	18

Section 5.09.	Applicable Law.....	18
Section 5.10.	Survival of Obligations.....	18
TESTIMONIUM.....		19
SIGNATURES.....		19
ACKNOWLEDGEMENTS		20
SCHEDULE A	- Form of NYS Quarterly Employment Report	A-1
SCHEDULE B	- Recapture Benefits Policy	B-1
SCHEDULE C	- Copy of Payment in Lieu of Tax Agreement	C-1
SCHEDULE D	- Copy of Completed Application.....	D-1
SCHEDULE E	- Form of Annual Employment Verification/Compliance Report	E-1

UNIFORM AGENCY PROJECT AGREEMENT

THIS UNIFORM AGENCY PROJECT AGREEMENT dated as of April 1, 2017 (the "Uniform Agency Project Agreement") by and between CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation organized and existing under the laws of the State of New York (the "State") having an office for the transaction of business located at 21 Lodge Street, Albany, New York 12207 (the "Agency") and 1385 WASHINGTON AVE PROPERTY ASSOCIATES, LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware having an office for the transaction of business located at PO Box 6515, Albany, New York 12206 (the "Company");

WITNESSETH:

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York, as amended; 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 building or other improvement, 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 and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency, for the purpose of carrying out any of its corporate purposes, to lease or sell any or all of its facilities, whether then owned or thereafter acquired; and

WHEREAS, the Agency was created, pursuant to and in accordance with the provisions of the Enabling Act, by Chapter 325 of the Laws of 1974 of the State, as amended, codified as Section 903-a of the General Municipal Law of the State (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") and is empowered under the Act to undertake the Project (as hereinafter defined) in order to so advance the job opportunities, health, general prosperity and economic welfare of the people of the State and improve their standard of living; and

WHEREAS, in March, 2016, 1385 Washington Ave Property Associates, LLC (the "Company"), a limited liability company duly organized and validly existing under the laws of the State of Delaware, presented an application (the "Application") to the Agency, which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to include the following: (A) (1) the acquisition of an interest in an approximately 4.3 acre parcel of land (tax map number 53.00-1-22 and a portion of tax map number 53.00-1-23) currently with an address of 1385 Washington Avenue in the City of Albany, Albany County, New York (collectively, the "Land"), together with the improvements located thereon (the "Existing Facility"), (2) the demolition of the Existing Facility and the construction on the Land of an approximately 142,000 square foot, four (4) story building and an approximately 48,000 square foot partially underground parking garage (collectively, the "Facility") and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and

finish (collectively, the “Equipment”) (the Land, the Existing Facility, the Facility, and the Equipment being collectively referred to as the “Project Facility”), all of the foregoing to constitute a student housing complex to be owned and operated by the Company, and other directly and indirectly related activities; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on March 17, 2016 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on March 23, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Public Hearing to be posted on March 29, 2016 on a bulletin board located at Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency’s website, (C) caused notice of the Public Hearing to be published on April 2, 2016 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on April 13, 2016 at 12:00 noon, local time at the offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York and (E) prepared a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on April 21, 2016 (the “SEQR Resolution”), the Agency (A) concurred in the determination that the City of Albany Planning Board (the “Planning Board”) is the “lead agency” with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on March 24, 2016 (the “Negative Declaration”), in which the Planning Board determined that the Project would not have a significant adverse environmental effect on the environment, and therefore, that an environmental statement need not be proposed with respect to the Project; and

WHEREAS, by resolution adopted by the members of the Agency on April 21, 2016 (the “Pilot Deviation Approval Resolution”), the members of the Agency determined to deviate from the Agency’s uniform tax exemption policy with respect to the Project; and

WHEREAS, by further resolution adopted by the members of the Agency on April 21, 2016 (the “Commercial/Retail Findings Resolution”), the Agency (A) determined that the Project constituted a “commercial project” within the meaning of the Act, (B) found that although the Project Facility appears to constitute a project where facilities or properties that are primarily used in making the retail sales of goods or services to customers who personally visit such facilities may constitute more than one-third of the costs of the Project, the Agency is authorized to provide financial assistance in respect of the Project pursuant to Section 862(2)(a) of the Act because the Project Facility is located in a highly distressed area,

(C) determined, following a review of the Public Hearing Report, that the Project would serve the public purposes of the Act by preserving permanent private sector jobs in the State of New York and (D) determined that the Agency would proceed with the Project and the granting of the Financial Assistance; provided however, that no financial assistance would be provided to the Project by the Agency unless and until the Mayor of City of Albany, as chief executive officer of City of Albany, New York, pursuant to Section 862(2)(c) of the Act, confirmed the proposed action of the Agency with respect to the Project; and

WHEREAS, by further resolution adopted by the members of the Agency on April 21, 2016 (the "Approving Resolution"), the Agency determined to grant the Financial Assistance and to enter into a lease agreement dated as of April 1, 2017 (the "Lease Agreement") between the Agency and the Company and certain other documents related thereto and to the Project (collectively with the Lease Agreement, the "Basic Documents"). Pursuant to the terms of the Lease Agreement, (A) the Company will agree (1) to cause the Project to be undertaken and completed, and (2) as agent of the Agency, to undertake and complete the Project and (B) the Agency has leased the Project Facility to the Company. The Lease Agreement grants to the Company certain options to acquire the Project Facility from the Agency; and

WHEREAS, by further resolution adopted by the members of the Agency on June 16, 2016 (the "Supplement to Approving Resolution"), the Agency supplemented the Approving Resolution to comply with certain reform laws that became effective June 15, 2016; and

WHEREAS, by certificate dated July 12, 2016, (the "Public Approval"), the Mayor, as chief executive officer of the City of Albany, New York, approved the proposed action to be taken by the Agency with respect to the Project for purposes of Section 862(2)(c) of the Act; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement (the "Closing"), (A) the Company will execute and deliver to the Agency (1) a certain lease to agency dated as of April 1, 2017 (the "Lease to Agency") by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will lease to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the "Leased Premises"); (2) a certain license agreement dated as of April 1, 2017 (the "License to Agency") by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency (a) a license to enter upon the balance of the Land (the "Licensed Premises") for the purpose of undertaking and completing the Project and (b) in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement; and (3) a bill of sale dated as of April 1, 2017 (the "Bill of Sale to Agency"), which conveys to the Agency all right, title and interest of the Company in the Equipment, (B) the Company and the Agency will execute and deliver (1) a payment in lieu of tax agreement dated as of April 1, 2017 (the "Payment in Lieu of Tax Agreement") by and between the Agency and the Company, pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project Facility, (2) a certain recapture agreement (the "Section 875 GML Recapture Agreement") by and between the Company and the Agency, required by the Act, regarding the recovery or recapture of certain sales and use taxes, (C) the Agency and the Company will execute and deliver the uniform agency project agreement dated as of April 1, 2017 (the "Uniform Agency Project Agreement") by and between the Agency and the Company relating to the terms of the granting by the Agency of the Financial Assistance to the Company; (D) the Agency will file with the assessor and mail to the chief executive officer of each "affected tax jurisdiction" (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form 412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project Facility under Section 412-a of the Real Property Tax Law) (the "Real Property Tax Exemption Form") relating to the Project Facility and the Payment in Lieu of Tax Agreement, (E) the Agency will

execute and deliver to the Company a sales tax exemption letter (the "Sales Tax Exemption Letter") to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance and (F) the Agency will file with the New York State Department of Taxation and Finance the form entitled "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (the form required to be filed pursuant to Section 874(9) of the Act) (the "Thirty-Day Sales Tax Report"); and

WHEREAS, (A) the Agency has established certain policies allowing denial of Financial Assistance to any project which does not deliver the public benefits promised at the time said project was approved by the Agency (the "Public Benefits"), (B) the Agency is unwilling to grant Financial Assistance to a project unless the beneficiary of such project agrees that the amount of Financial Assistance to be received by such beneficiary with respect to such project shall be contingent upon, and shall bear a direct relationship to, the success or lack of success of such project in delivering the promised Public Benefits, and (C) the Agency has created this Uniform Agency Project Agreement in order to establish the conditions under which the Agency will be entitled to recapture some or all of the Financial Assistance that has been granted to the Company under the Basic Documents if the Project is unsuccessful in whole or in part in delivering the promised Public Benefits; and

WHEREAS, the Company desires to receive certain Financial Assistance from the Agency with respect to the Project, and accordingly is willing to enter into this Uniform Agency Project Agreement in order to secure such Financial Assistance from the Agency; and

WHEREAS, all things necessary to constitute this Uniform Agency Project Agreement 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 Uniform Agency Project Agreement have in all respects been duly authorized by the Agency and the Company;

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

SECTION 1.01. DEFINITIONS. All capitalized terms used herein and not otherwise defined herein shall have the same meanings as set forth in the Lease Agreement. The following words and terms used in this Uniform Agency Project Agreement shall have the respective meanings set forth below unless the context or use indicates another or different meaning or intent.

“Application” means the application submitted by the Company to the Agency in March, 2016 with respect to the Project, a copy of which is attached as Schedule D, in which the Company (A) described the Project, (B) requested that the Agency grant certain Financial Assistance with respect to the Project, and (C) indicated the Public Benefits that would result from approval of the Project by the Agency.

“Basic Documents” shall have the meaning set forth in the Lease Agreement, and includes this Uniform Agency Project Agreement.

“Completion Date” means the earlier to occur of (A) December 31, 2018 or (B) such date as shall be certified by the Company to the Agency as the date of completion of the Project pursuant to Section 4.2 of the Lease Agreement, or (C) such earlier date as shall be designated by written communication from the Company to the Agency as the date of completion of the Project.

“Contract Employee” means (A) a full-time, private-sector employee (or self-employed individual) that is not on the Company’s payroll but who has worked for the Company at the Project Facility for a minimum of 35 hours per week for not less than 4 consecutive weeks providing services that are similar to services that would otherwise be performed by a Full Time Equivalent Employee, or (B) 2 part-time, private-sector employees (or self-employed individuals) that are not on the Company’s payroll but who have worked for the Company at the Project Facility for a combined minimum of 35 hours per week for not less than 4 consecutive weeks providing services that are similar to services that would otherwise be performed by a Full Time Equivalent Employee.

“Conveyance Documents” shall have the meaning set forth in the Lease Agreement.

“Equipment” shall have the meaning set forth in the Lease Agreement.

“Facility” shall have the meaning set forth in the Lease Agreement.

“Financial Assistance” means exemptions from certain sales and use taxes, real property taxes, real property transfer taxes and mortgage recording taxes as more particularly described in the Basic Documents.

“Full Time Equivalent Employee” means (A) a full-time, permanent, private-sector employee on the Company’s payroll, who has worked at the Project Facility for a minimum of 35 hours per week for not less than 4 consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by the Company to other employees with comparable rank and duties; or (B) two part-time, permanent, private-sector employees on Company’s payroll, who have worked at the Project Facility for a combined minimum of 35 hours per week for not less than 4 consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by the Company to other employees with comparable rank and duties; or (C) a Contract Employee.

“Initial Employment Plan” means the initial plan, based on the employment projections contained in the Application, regarding the number of people expected to be employed at the Project Facility and certain other matters, in substantially the form attached as Exhibit G to the Lease Agreement.

“Land” means an approximately 4.3 acre parcel of land located at 1385 Washington Avenue in the City of Albany, Albany County, New York (Tax Map No. 53.00-1-22 and a portion of Tax Map No. 53.00-1-23).

“Lease Agreement” means the lease agreement dated as of April 1, 2017 by and between the Agency, as landlord, and the Company, as tenant, pursuant to which, among other things, the Agency has leased the Project Facility to the Company, as said lease agreement may be amended or supplemented from time to time.

“Payment in Lieu of Tax Agreement” means the payment in lieu of tax agreement dated as of April 1, 2017 by and between the Agency and the Company, pursuant to which the Company has agreed to make payments in lieu of taxes with respect to the Project Facility, as such agreement may be amended or supplemented from time to time.

“Project” shall have the meaning set forth in the Lease Agreement.

“Project Facility” means, collectively, the Land, the Facility, and the Equipment.

“Recapture Events” shall mean the following:

- (1) failure to complete the acquisition, construction, and installation of the Project Facility;
- (2) failure by the Company to meet at least eighty percent (80%) of the Employment Level requirements contained in Section 3.02(E) hereof and in the Application or Initial Employment Plan;
- (3) liquidation of substantially all of the Company’s operating assets and/or cessation of substantially all of the Company’s operations;
- (4) relocation of all or substantially all of Company’s operations at the Project Facility to another site, or the sale, lease or other disposition of all or substantially all of the Project Facility;
- (5) transfer of jobs equal to at least fifteen percent (15%) of the Company’s Employment Level out of the City of Albany, New York;
- (6) failure by the Company to comply with the annual reporting requirements or to provide the Agency with requested information;
- (7) sublease of all or part of the Project Facility in violation of the Basic Documents;
- (8) a change in the use of the Project Facility, other than as student housing complex and other directly and indirectly related uses; or

(9) failure by the Company to make an actual investment in the Project by the Completion Date equal to or exceeding 90% of the Total Project Costs as set forth in the Application.

“Recapture Period” means the approximate eight (8) year period ending on December 31, 2025.

SECTION 1.2. INTERPRETATION. In this Uniform Agency Project Agreement, unless the context otherwise requires:

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

(B) words of masculine gender shall mean and include correlative words of feminine and neuter genders;

(C) words importing the singular number shall mean and include the plural number, and vice versa;

(D) any headings preceding the texts of the several Articles and Sections of this Uniform Agency Project Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Uniform Agency Project Agreement nor affect its meaning, construction or effect; and

(E) any certificates, letters or opinions required to be given pursuant to this Uniform Agency Project Agreement 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 Uniform Agency Project Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.01. REPRESENTATIONS OF AND WARRANTIES BY THE AGENCY. The Agency does hereby represent, warrant, and covenant as follows:

(A) Power. The Agency is a public benefit corporation of the State, has been duly established under the provisions of the Act, is validly existing under the provisions of the Act and has the power under the laws of the State to enter into this Uniform Agency Project Agreement and to carry out 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 Uniform Agency Project Agreement.

(B) Authorization. The Agency is authorized and has the corporate power under the Act, its by-laws and the laws of the State to enter into this Uniform Agency Project 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 Uniform Agency Project Agreement. By proper corporate action on the part of its members, the Agency has duly authorized the execution, delivery, and performance of this Uniform Agency Project Agreement and the consummation of the transactions herein contemplated.

(C) Conflicts. The Agency is not prohibited from entering into this Uniform Agency Project Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Uniform Agency Project Agreement by the terms, conditions or provisions of any order, judgment, decree, law, ordinance, rule or regulation 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.

SECTION 2.02. REPRESENTATIONS OF AND WARRANTIES BY THE COMPANY. The Company does hereby represent, warrant, and covenant as follows:

(A) Power. The Company is limited liability company duly organized and validly existing under the laws of the State of Delaware, is duly authorized to do business in the State and has the power under the laws of the State of New York to enter into this Uniform Agency Project Agreement and to perform and carry out 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 Uniform Agency Project Agreement, and by proper action of its members has been duly authorized to execute, deliver and perform this Uniform Agency Project Agreement.

(B) Authorization. The Company is authorized and has the power under its articles of organization, operating agreement and the laws of the State of Delaware to enter into this Uniform Agency Project 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 Uniform Agency Project Agreement. By proper action of its members, the Company has duly authorized the execution, delivery, and performance of this Uniform Agency Project Agreement and the consummation of the transactions herein contemplated.

(C) Conflicts. The Company is not prohibited from entering into this Uniform Agency Project Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Uniform Agency Project Agreement by (and the execution, delivery and performance of this Uniform Agency Project Agreement, the consummation of the transactions

contemplated hereby and the fulfillment of and compliance with the provisions of this Uniform Agency Project 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, 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 neither the Company's entering into this Uniform Agency Project Agreement nor the Company's discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Uniform Agency Project Agreement will 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, or 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 Uniform Agency Project Agreement is the legal, valid and binding obligation of the Company enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(D) Governmental Consent. No 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 Uniform Agency Project Agreement by the Company or as a condition to the validity of this Uniform Agency Project Agreement.

ARTICLE III

COVENANTS AND AGREEMENTS

SECTION 3.01. FINANCIAL ASSISTANCE. (A) Financial Assistance. In the Application or Initial Employment Plan, the Company certified to the Agency employment information with respect to the Project Facility, and the operations of the Company. In reliance on the certifications provided by the Company in the Application or Initial Employment Plan, the Agency agrees to provide the Company with the following Financial Assistance related to the Project:

- | | |
|---|------------------|
| (1) sales and use tax exemptions: | \$ 820,000 |
| (2) a mortgage recording tax exemption: | not at this time |
| (3) a real property tax exemption: | \$1,384,741 |

(B) Description of Project and Public Purpose of Granting Financial Assistance to the Project. In the Application and in the discussions had between the Company and the Agency with respect to the Company's request for Financial Assistance from the Agency with respect to the Project, the Company has represented to the Agency as follows:

(1) That the Project is described as follows: (1)) the acquisition of an interest in an approximately 4.3 acre parcel of land (tax map number 53.00-1-22 and a portion of tax map number 53.00-1-23) currently with an address of 1385 Washington Avenue in the City of Albany, Albany County, New York (collectively, the "Land"), together with the improvements located thereon (the "Existing Facility"), (2) the demolition of the Existing Facility and the construction on the Land of an approximately 142,000 square foot, four (4) story building and an approximately 48,000 square foot partially underground parking garage (collectively, the "Facility") and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Existing Facility, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute a student housing complex to be owned and operated by the Company, and other directly and indirectly related activities

(2) That the Project will furnish the following benefits to the residents of City of Albany, New York (the "Public Benefits"):as described in Exhibit A to the Approving Resolution.

(C) Payment in Lieu of Tax Agreement. A copy of the Payment in Lieu of Tax Agreement is attached as Schedule C. The attached Payment in Lieu of Tax Agreement describes the dates the payments in lieu of taxes are to be made and includes a table describing the amount of payments in lieu of taxes to be made.

(D) Contingent Nature of the Financial Assistance. Notwithstanding the provisions of Section 3.01(A) of this Uniform Agency Project Agreement, the Agency and the Company agree that the amount of Financial Assistance to be received by the Company with respect to the Project shall be contingent upon, and shall bear a direct relationship to, the success or lack of success of the Project in delivering the promised Public Benefits.

SECTION 3.02. COMPANY AGREEMENTS. The Company hereby agrees as follows:

(A) Filing – Initial. To file with the Agency, prior to the Closing Date, the Initial Employment Plan.

(B) Filing – Annual. To file with the Agency, on an annual basis, within sixty (60) days after the end of each calendar year, a report regarding the number of people employed at the Project Facility and certain other matters as required under Applicable Law, an annual employment verification/compliance report (the “Annual Verification Report,” in substantially the form attached hereto as Schedule E).

(C) Employment Listing. To list new employment opportunities created as a result of the Project with the following entities (hereinafter, the “JTPA Entities”): (1) the New York State Department of Labor Community Services Division and (2) 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 Facility is located (while currently cited in Section 858-b of the Act, the Federal Job Training Partnership Act was repealed effective June 1, 2000, and has been supplanted by the Workplace Investment Act of 1998 (P.L. No. 105-220)).

(D) Employment Consideration. Except as otherwise provided by collective bargaining agreement, the Company agrees, where practicable, to first consider for such new employment opportunities persons eligible to participate in federal job training partnership programs who shall be referred by the JTPA Entities.

(E) Employment Level. (1) To maintain, as described in the Application or Initial Employment Plan, the following employment level (the “Employment Level”) during the term of the Uniform Agency Project Agreement, beginning no later than three (3) years after the Completion Date:

Year	Total Employees
1-2	Not Applicable
3	7 Full Time Equivalent Employees
4	7 Full Time Equivalent Employees

(2) (a) To verify that the Employment Level is being achieved at the Project Facility and the information contained in the Annual Verification Report, the Company is required to submit, or cause to be submitted, within sixty (60) days after the end of each calendar year: a form NYS-45 as of the last payroll date in the month of December (the “Quarterly Report,” a copy of which is attached hereto as Schedule A and, together with the Annual Verification Report described in Section 3.02(B) above, being collectively referred to as the “Employment Affidavits”) or some other form that is explicitly approved by the Agency. Full Time Equivalent Employees for each calendar year during the term of this Uniform Agency Project Agreement shall be the number reported in the Employment Affidavits delivered by the Company pursuant to Section 3.02(B) and this Section 3.02(E)(2).

(b) In the event that some or all of the Full Time Equivalent Employees employed at the Project Facility constitute Contract Employees, it shall be the responsibility of the Company to deliver, or cause to be delivered, the Quarterly Reports of the employers relating to such Contract Employees. The Company hereby agrees to provide such Quarterly Reports in accordance with the terms contained in Section 3.02(E)(2)(a) above.

(F) Non-Discrimination. (1) At all times during the term of this Uniform Agency Project Agreement, the Company shall not discriminate against any employee or applicant for employment because of race, color, creed, age, sex or national origin. The Company shall use its best efforts to ensure that employees and applicants for employment with the Company or any subtenant of the Project Facility are treated without regard to their race, color, creed, age, sex, or national origin. As used herein, the term "treated" shall mean and include, without limitation, the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated.

(2) The Company agrees that, in all solicitations or advertisements for employees placed by or on behalf of the Company during the term of this Uniform Agency Project Agreement, the Company will state in substance that all qualified applicants will be considered for employment without regard to race, color, creed or national origin, age or sex.

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

SECTION 4.01. EVENTS OF DEFAULT DEFINED. (A) The following shall be “Events of Default” under this Uniform Agency Project Agreement, and the terms “Event of Default” or “default” shall mean, whenever they are used in this Uniform Agency Project Agreement, any one or more of the following events:

- (1) A default in the performance or observance of any of the covenants, conditions or agreements on the part of the Company in this Uniform Agency Project Agreement and the continuance thereof for a period of thirty (30) days after written notice thereof is given by the Agency to the Company, provided that, if such default is capable of cure but cannot be cured within such thirty (30) day period, the failure of the Company to commence to cure within such thirty (30) day period and to prosecute the same with due diligence.
- (2) The occurrence of an “Event of Default” under any other Basic Document.
- (3) Any representation or warranty made by the Company herein or in any other Basic Document proves to have been false at the time it was made.

SECTION 4.02. REMEDIES ON DEFAULT. (A) Whenever any Event of Default hereunder shall have occurred, the Agency may, to the extent permitted by law, take any one or more of the following remedial steps:

- (1) declare, by written notice to the Company, to be immediately due and payable, whereupon the same shall become immediately due and payable, (a) all amounts payable pursuant to Section 5.3 of the Lease Agreement, and (b) all other payments due under this Uniform Agency Project Agreement or any of the other Basic Documents; or
- (2) terminate the Lease Agreement and the Payment in Lieu of Tax Agreement and convey to the Company all the Agency’s right, title and interest in and to the Project Facility (the conveyance of the Agency’s right, title and interest in and to the Project Facility shall be effected by the delivery by the Agency of the Termination of Lease to Agency and the Bill of Sale to Company. The Company hereby agrees to pay all expenses and taxes, if any, applicable to or arising from any such transfer of title); or
- (3) 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 and to enforce the obligations, agreements, or covenants of the Company under this Uniform Agency Project Agreement.

(B) No action taken pursuant to this Section 4.02 (including repossession of the Project Facility) shall relieve the Company from its obligations to make any payments required by this Uniform Agency Project Agreement and the other Basic Documents.

SECTION 4.03. RECAPTURE OF FINANCIAL ASSISTANCE. (A) General. Upon the occurrence of a Recapture Event that occurs during the Recapture Period, the Agency may require the Company to provide for the recapture of the project financial assistance provided as of the date of determination (the “Project Financial Assistance”), all in accordance with the terms of this Section 4.03. The Company

hereby agrees, if requested by the Agency, to pay within thirty (30) days to the Agency the recapture of the Project Financial Assistance, as provided in this Section 4.03.

(B) Project Financial Assistance to be Recaptured. The Project Financial Assistance to be recaptured, as adjusted by the provisions of Section 4.03(C) below, by the Agency from the Company upon the occurrence of a Recapture Event during a Recapture Period shall be an amount equal to a percentage (as provided in subsection (C) below) multiplied by the sum of the following:

(1) the portion of the amount of New York State sales and use taxes allocable to Albany County that the Company would have paid as of the date of determination in connection with the undertaking of the Project if the Project Facility was privately owned by the Company and not deemed owned or under the jurisdiction and control of the Agency;

(2) the amount of any mortgage recording tax exemption provided by the Agency to the Company in connection with the undertaking of the Project; and

(3) the difference between the amount of the payment in lieu of tax payments paid by the Company under the Payment in Lieu of Tax Agreement and the amount of the general real property ad valorem taxes that would have been payable by the Company to the Taxing Entities if the Project Facility was privately owned by the Company and not deemed owned or under the jurisdiction and control of the Agency.

(C) Amount of Project Financial Assistance to be Recaptured. Upon the occurrence of a Recapture Event, the Company shall pay to the Agency the following amounts as recapture:

Year ¹	Amount of Recapture
1	100% of the Project Financial Assistance
2	88% of the Project Financial Assistance
3	76% of the Project Financial Assistance
4	64% of the Project Financial Assistance
5	52% of the Project Financial Assistance
6	40% of the Project Financial Assistance
7	28% of the Project Financial Assistance
8	16% of the Project Financial Assistance

(D) Redistribution of Project Financial Assistance to be Recaptured. Upon the receipt by the Agency of any amount of Project Financial Assistance pursuant to this Section 4.03, the Agency shall redistribute such amount within thirty (30) days of such receipt to the Taxing Entity that would have received such amount but for the granting by the Agency of the Project Financial Assistance.

(E) Survival of Obligations. The Company acknowledges that the obligations of the Company in this Section 4.03 shall survive the conveyance of the Project Facility to the Company and the termination of the Lease Agreement.

(F) Agency Review of Recapture Determination. The Agency's determination to recapture all or a portion of the Project Financial Assistance shall be made by the Agency after an evaluation of the

¹ Start immediately following Closing Date, and have 100% numbers run during construction and include the first year following Completion Date, and then extend terms for the same term as the PILOT Agreement, with % numbers equally divided for the remaining term.

criteria for recapture set forth in the Agency's "Recapture Benefits Policy" as in effect as of the Closing Date (a copy of which policy is attached hereto as Schedule B). If the Agency determines that a Recapture Event has occurred, it shall give notice of such determination to the Company. The Company shall have thirty (30) days from the date the notice is deemed given to submit a written response to the Agency's determination and to request a written and/or oral presentation to the Agency why the proposed recapture amount should not be paid to the Agency. The Company may make its presentation at a meeting of the Agency. The Agency shall then vote on a resolution recommending (i) a termination of Financial Assistance, (ii) a recapture of Financial Assistance, (iii) both a termination and a recapture of Financial Assistance, (iv) a modification of Financial Assistance or (v) no action.

SECTION 4.04. LATE PAYMENTS. (A) One Month. If the Company shall fail to make any payment required by this Uniform Agency Project Agreement within thirty days of the date that written notice of such payment is sent from the Agency to the Company at the address provided in Section 5.05 of this Uniform Agency Project Agreement, the Company shall pay the amount specified in such notice together with a late payment penalty equal to five percent (5%) of the amount due.

(B) Thereafter. If the Company shall fail to make any payment required by this Uniform Agency Project Agreement when due and such delinquency shall continue beyond the thirty days after such notice, the Company's obligation to make the payment so in default shall continue as an obligation of the Company to the Agency until such payment in default shall have been made in full, and the Company shall pay the same to the Agency together with (1) a late payment penalty of one percent (1%) per month for each month, or part thereof, that the payment due hereunder is delinquent beyond the first month, plus (2) interest thereon, to the extent permitted by law, at the greater of (a) one percent (1%) per month, or (b) the rate per annum which would be payable if such amount were delinquent taxes, until so paid in full.

SECTION 4.05. PAYMENT OF ATTORNEY'S FEES AND EXPENSES. If the Company should default in performing any of its obligations, covenants or agreements under this Uniform Agency Project Agreement and the Agency should employ attorneys or incur other expenses for the collection of any amounts payable hereunder or for the enforcement of performance or observance of any obligation, covenant or agreement on the part of the Company herein contained, the Company agrees that it will, on demand therefor, pay to the Agency within thirty (30) days not only the amounts adjudicated due hereunder, together with the late payment penalty and interest due thereon, but also the reasonable fees and disbursements of such attorneys and all other expenses, costs and disbursements so incurred, whether or not an action is commenced.

SECTION 4.06. 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 Uniform Agency Project 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 a Recapture Event or an 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 to exercise any remedy reserved to it in this Uniform Agency Project Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Uniform Agency Project Agreement.

(D) No Waiver. In the event any provision contained in this Uniform Agency Project 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 Uniform Agency Project Agreement shall be established by conduct, custom, or course of dealing.

ARTICLE V

MISCELLANEOUS

SECTION 5.01. TERM. This Uniform Agency Project Agreement shall become effective and the obligations of the Company shall arise absolutely and unconditionally upon the execution and delivery of this Uniform Agency Project Agreement by the Company and the Agency. Unless otherwise provided by amendment hereof, this Uniform Agency Project Agreement shall continue to remain in effect until December 31, 2025.

SECTION 5.02. FORM OF PAYMENTS. The amounts payable under this Uniform Agency Project Agreement shall be payable in such coin and currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

SECTION 5.03. 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 5.04. AMENDMENTS. This Uniform Agency Project Agreement may not be effectively amended, changed, modified, altered, or terminated except by an instrument in writing executed by the parties hereto.

SECTION 5.05. NOTICES. (A) General. All notices, certificates or other communications hereunder shall be in writing and may be personally served, telecopied or sent by courier service or United States mail and shall be sufficiently given and shall be deemed given when (1) delivered in person or by courier to the applicable address stated below, (2) when received by telecopy or (3) three business days after deposit in the United States, by United States mail (registered or certified mail, postage prepaid, return receipt requested, properly addressed), or (4) when delivered by such other means as shall provide the sender with documentary evidence of such delivery, or when delivery is refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect such delivery.

(B) Addresses. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

IF TO THE COMPANY:

1385 Washington Ave Property Associates, LLC
PO Box 6515
Albany, New York 12206
Attention: Jon M. Grant

WITH A COPY TO:

Donald Zee PC
1 Winners Circle, Suite 10
Albany, New York 12205
Attention: Donald Zee, Esq.
Andrew Brick, Esq.

IF TO THE AGENCY:

City of Albany Industrial Development Agency
21 Lodge Street
Albany, New York 12207
Attention: Chair

WITH A COPY TO:

Office of Corporation Counsel
City Hall, Eagle Street - Room 106
Albany, New York 12207
Attention: William Kelly, Esq.

and

Hodgson Russ LLP
677 Broadway, Suite 301
Albany, New York 12207
Attention: A. Joseph Scott, III, Esq.

(C) Change of Address. 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.

SECTION 5.06. BINDING EFFECT. This Uniform Agency Project Agreement shall inure to the benefit of, and shall be binding upon, the Agency, the Company and their respective successors and assigns. The provisions of this Uniform Agency Project Agreement are intended to be for the benefit of the Agency.

SECTION 5.07. SEVERABILITY. If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this Uniform Agency Project 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 Uniform Agency Project 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 5.08. COUNTERPARTS. This Uniform Agency Project 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 5.09. APPLICABLE LAW. This Uniform Agency Project Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 5.10. SURVIVAL OF OBLIGATIONS. The obligations of the Company to make the filings and listing required by Section 3.02 hereof shall survive the termination of this Uniform Agency Project Agreement, and all such filings and reports after such termination shall be made upon demand of the party to whom such filings and reports are due.

IN WITNESS WHEREOF, the Agency and the Company have caused this Uniform Agency Project Agreement to be executed in their respective names by duly authorized officers thereof, all being done as of the date first above written.

CITY OF ALBANY INDUSTRIAL
DEVELOPMENT AGENCY

BY: TE Metzger
(Vice) Chair

1385 WASHINGTON AVE PROPERTY
ASSOCIATES, LLC,
a Delaware limited liability company

BY: 1385 ALBANY STUDENT HOUSING, LLC,
a Delaware limited liability company, its sole member

BY: _____
Name: Jacky (Yuanliu) He
Title:

SPECIAL PROJECT CERTIFICATION

As required under Section 859-a(6) of the Act, the Company hereby certifies, under penalty of perjury, that the Company is in substantial compliance with all local, state and federal tax, worker protection and environmental laws, rules and regulations.

1385 WASHINGTON AVE PROPERTY
ASSOCIATES, LLC,
a Delaware limited liability company

BY: 1385 ALBANY STUDENT HOUSING, LLC,
a Delaware limited liability company, its sole member

BY: _____
Name: Jacky (Yuanliu) He
Title:

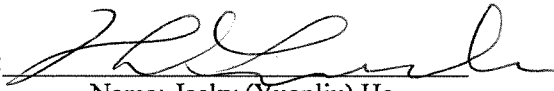
IN WITNESS WHEREOF, the Agency and the Company have caused this Uniform Agency Project Agreement to be executed in their respective names by duly authorized officers thereof, all being done as of the date first above written.

CITY OF ALBANY INDUSTRIAL
DEVELOPMENT AGENCY

BY: _____
(Vice) Chair

1385 WASHINGTON AVE PROPERTY
ASSOCIATES, LLC,
a Delaware limited liability company

BY: 1385 ALBANY STUDENT HOUSING, LLC,
a Delaware limited liability company, its sole member

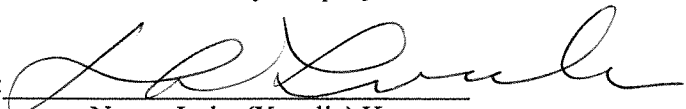
BY: 
Name: Jacky (Yuanliu) He
Title: *EVP*

SPECIAL PROJECT CERTIFICATION

As required under Section 859-a(6) of the Act, the Company hereby certifies, under penalty of perjury, that the Company is in substantial compliance with all local, state and federal tax, worker protection and environmental laws, rules and regulations.

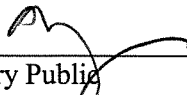
1385 WASHINGTON AVE PROPERTY
ASSOCIATES, LLC,
a Delaware limited liability company

BY: 1385 ALBANY STUDENT HOUSING, LLC,
a Delaware limited liability company, its sole member

BY: 
Name: Jacky (Yuanliu) He
Title: *EVP.*

STATE OF NEW YORK)
)ss:
COUNTY OF ALBANY)

On the 12th day of April, in the year 2017, before me, the undersigned, personally appeared Tracy L. Metzger, 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.

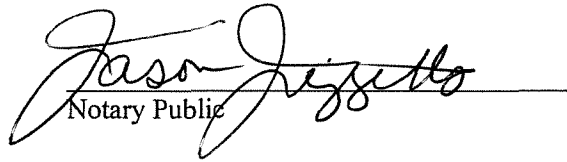


Notary Public

A. Joseph Scott III
Notary Public, State of New York
Qualified in Albany County
No. 02SC4811591
Commission Expires December 31, 2018

STATE OF NEW YORK)
COUNTY OF ^{New York} ~~ALBANY~~) ss.:
)

On the 13th day of April, in the year 2017, before me, the undersigned, a notary public in and for said state, personally appeared Yuan Liu He, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


Notary Public



SCHEDULE A
NYS-45
QUARTERLY REPORT

012001.00150 Business 15088120v1

Withholding
identification number



Part D - Form NYS-1 corrections/additions

Use Part D only for corrections/additions for the quarter being reported in Part B of this return. To correct original withholding information reported on Form(s) NYS-1, complete columns a, b, c, and d. To report additional withholding information not previously submitted on Form(s) NYS-1, complete only columns c and d. Lines 12 through 15 on the front of this return must reflect these corrections/additions.

a Original last payroll date reported on Form NYS-1, line A (mmdd)	b Original total withheld reported on Form NYS-1, line 4	c Correct last payroll date (mmdd)	d Correct total withheld
▶			
▶			
▶			
▶			
▶			
▶			

Part E - Change of business information

22. This line is not in use for this quarter.

23. If you permanently ceased paying wages, enter the date (mmddyy) of the final payroll (see Note below)

24. If you sold or transferred all or part of your business:

- Mark an X to indicate whether in whole ☐ or in part ☐
- Enter the date of transfer (mmddyy)
- Complete the information below about the acquiring entity

Legal name	EIN
Address	

Note: For questions about other changes to your withholding tax account, call the Tax Department at (518) 485-6654; for your unemployment insurance account, call the Department of Labor at (518) 485-8589 or 1 888 899-8810. If you are using a paid preparer or a payroll service, the section below must be completed.

Paid preparer's use	Preparer's signature	Date	Preparer's NYTPRN	Preparer's SSN or PTIN	Mark an X if self-employed <input type="checkbox"/>
	Preparer's firm name (or yours, if self-employed)	Address	Firm's EIN	Telephone number ()	
Payroll service's name			Payroll service's EIN		

Checklist for mailing:

- File original return and keep a copy for your records.
- Complete lines 9 and 19 to ensure proper credit of payment.
- Enter your withholding ID number on your remittance.
- Make remittance payable to *NYS Employment Contributions and Taxes*.
- Enter your telephone number in boxes below your signature.
- See *Need help?* on Form NYS-45-I if you need forms or assistance.

Mail to:

NYS EMPLOYMENT
CONTRIBUTIONS AND TAXES
PO BOX 4119
BINGHAMTON NY 13902-4119

NYS-45 (2/13) (back)

SCHEDULE B

RECAPTURE BENEFITS POLICY

PART 25

POLICY RESPECTING RECAPTURE OF PROJECT BENEFITS

SECTION 2501. PURPOSE AND JUSTIFICATION. (A) The purpose of this Policy is to outline the procedures utilized by City of Albany Industrial Development Agency (the "Agency") to review compliance with (1) the requirements of the Agency relating to job creation and/or retention, other expected public benefits and reporting and (2) the requirements of the State of New York (the "State") relating to sales tax exemptions and reporting.

(B) The Agency was created pursuant to Section 903-a of Title 2 of Article 18-A of the General Municipal Law and Title 1 of Article 18-A the General Municipal Law (collectively, the "Act") for the purpose of promoting employment opportunities for, and the general prosperity and economic welfare of, residents of the City of Albany and the State. Under the Act, the Agency was created in order to advance the job opportunities, health, general prosperity, and economic welfare of the residents of the City of Albany, New York (the "City") and of the State.

(C) The Agency has been advised that a number of other industrial development agencies have adopted policies that (1) contain provisions allowing the industrial development agency to recapture certain financial benefits provided by said agency to a project applicant if said project applicant does not fulfill certain job creation promises contained in its application or fails to fulfill certain other promises made to said agency and (2) allow said agency to take into account exigent circumstances in deciding whether to exercise these provisions respecting the recapture of said financial benefits.

(D) Chapter 59 of the Laws of 2013 (Part J), effective March 28, 2013 (the "2013 Budget Law"), enacted March 28, 2013, established new recordkeeping, reporting, and recapture requirements for industrial development agency projects that receive sales tax exemptions.

(E) The new sales tax recording and reporting requirements required by the 2013 Budget Law include the following: (1) a requirement to keep records of the amount of sales tax benefits provided to each project and make those records available to the State upon request; (2) a requirement to report to the State, within 30 days after providing financial assistance, the amount of sales tax benefits intended to be provided to a project; and (3) a requirement that the Agency post on the internet and make available without charge copies of its resolutions and agreements appointing an agent or project operator or otherwise related to any project it establishes. A project operator ("Project Operator") is appointed by the Agency through the filing of form ST-60 with the New York State Department of Taxation and Finance.

(F) The 2013 Budget Law requires that the Agency recapture State sales tax benefits where: (1) the project is not entitled to receive those benefits; (2) the exemptions exceed the amount authorized or are claimed for unauthorized property or services; or (3) the Project Operator failed to use property or services in the manner required by its agreements with the Agency.

(G) For purposes of this Policy, with respect to a particular calendar year and a particular project, the term "financial assistance" shall include the following:

(1) Proceeds of debt obligations issued by the Agency with respect to said project have been disbursed during the calendar year in question.

(2) Any tax exemption or abatement (a) which may have directly or indirectly benefitted the project or Project Operator shall during such calendar year and (b) which resulted from (i) the Agency's title to, possession of or, control of or other interest in said project, or (ii) the designation by the Agency of said project occupant (or any sublessee, contractor, supplier or other operator of the project) as an agent of the Agency.

(3) Any grant made by the Agency with respect to said project or Project Operator shall during such calendar year.

(4) Any loan made by the Agency with respect to said project or Project Operator shall during such calendar year.

(H) For purposes of this Policy, with respect to a particular project, the term "Project Agreements" shall mean the project documents between the Agency and an applicant with respect to the applicant's project. In addition to a lease agreement or installment sale agreement between the Agency and the applicant, the Project Agreements may also include a payment in lieu of tax agreement, a project agreement, and one or more recapture agreements, as well as security agreements intended to ensure compliance by the applicant with the requirements of the Project Agreements.

SECTION 2502. REQUIREMENTS FOR APPLICANTS. (A) Under the Act, the Agency is required to submit certain annual reports relating to Agency projects to the New York State Office of the Comptroller. In order to satisfy its annual reporting requirements and other requirements under the Act and certain other requirements imposed by the Act, as well as the new requirements imposed upon the Agency by the 2013 Budget Law, the Agency will require each applicant for financial assistance from the Agency agree to satisfy the following requirements as a condition to the receipt of such financial assistance:

(1) Any applicant requesting a sales tax exemption from the Agency must include in the application a realistic estimate of the value of the savings anticipated to be received by the applicant. Each applicant is hereby warned to provide a realistic estimate in the application, as the 2013 Budget Law and the regulations expected to be enacted thereunder are expected to require that the Agency recapture any benefit that exceeds the greater of (a) the amount listed in said application or (b) authorized by the Agency in a separate resolution.

(2) Any applicant requesting a sales tax exemption from the Agency must agree to annually file (and cause any sublessee, contractor, supplier or other operator of the project to file annually) with the State, on a form and in such manner as is prescribed by the State, a statement of the value of all sales and use tax exemptions claimed by the applicant and all contractors, subcontractors, consultants and other agents of the applicant under the authority granted to the applicant by the Agency.

(3) Any applicant requesting a sales tax exemption from the Agency must agree to furnish to the Agency a copy of each such annual report submitted to the State by the applicant or any sublessee, contractor, supplier or other operator of the project.

(4) As required by the 2013 Budget Law, the Project Agreements will provide that any sales tax benefits determined by the Agency to be subject to recapture pursuant to the 2013

Budget Law must be remitted by the applicant to the Agency within 20 days of a request therefor by the Agency.

(5) The applicant agrees that, as required by the 2013 Budget Law, the resolutions of the Agency with respect to the project and the Project Agreements will now be publicly available on the Agency's website. As provided in the New York Freedom of Information Law ("FOIL"), the applicant may request that certain information contained therein be redacted and, if the applicant can demonstrate to the satisfaction of the Agency that release of said information would result in substantial harm to the applicant's competitive position, the Agency may comply with such request.

(6) Except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOC") and with the administrative entity (collectively with the DOC, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA"), as replaced by the Workforce Investment Act of 1998 (Public Law 105-220), in which the Project is located.

(7) Except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by JTPA Entities for new employment opportunities created as a result of the Project.

(8) The applicant agrees, whenever requested by the Agency, to provide and certify or cause to be provided and certified such information concerning the Applicant, its finances 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.

(9) Within sixty (60) days after the end of each calendar year, the applicant shall furnish to the Agency a certificate of an Authorized Representative of the applicant stating that no event of default under the Project Agreements has occurred or is continuing or, if any Event of Default exists, specifying the nature and period of existence thereof and what action the applicant has taken or proposes to take with respect thereto, and setting forth the unpaid principal balance of the Bonds and accrued but unpaid interest thereon and that no defenses, offsets or counterclaims exist with respect to the indebtedness evidenced thereby.

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

(11) The applicant agrees to file with the Agency, no later than sixty (60) days after the end of each calendar year, reports regarding the number of people employed at the project and certain other matters.

(B) In order to ensure that the project will create the public benefits anticipated by the Agency accruing to the residents and taxpayers of the City, the Project Agreements will require that each Agency Project Operator agree that, annually, within 60 days of the end of each calendar year during which a project has received any financial assistance from the Agency, such Agency Project Operator will complete and file with the Agency an annual report (the "Operator Annual Report") describing the status of the project during the calendar year just completed, including such information as: jobs projected to be created/retained; estimated salary of jobs to be created/retained; current number of jobs; construction jobs

created through the year; exemptions from taxes and payments in lieu of tax made; status of local labor; and status of bond financing related to the project.

SECTION 2503. ENFORCEMENT.(A) The Agency will use the information contained in the Operator Annual Report, and may use site visits and follow-ups, to gauge the status of a project in relation to the original commitment of the applicant as stated in the project application.

(B) Should the staff or board members of the Agency find significant deficiencies in any area; the project will be further reviewed. Examples of situations that may trigger review and/or action by the Agency include:

(1) If the Project Operator shifts production activity to a facility outside of the City and, as a result, fails to achieve the economic benefits projected;

(2) If the Project Operator moves all operations outside the City, neglects to move operations to the City, or the project does not otherwise conform to the project described in the Project Agreements;

(3) If a significant shortfall in economic benefits is identified, as compared with the application, such as a significant shortfall in new job creation/retention and/or expected major investments in the business;

(4) Failure to comply with annual reporting requirements or provide the Agency with requested information; or

(5) Closure of a project within the time period the applicant receives Agency financial assistance.

(C) Should the staff or board members of the Agency find significant deficiencies in the achievement of the economic benefits promised as described in the application and the Project Agreements, the Project Operator will be asked to provide justification for said shortfalls. The board members of the Agency will compare these statements against industry standards, as well as the current market and economic conditions, to determine whether the Project Operator did all that it could to meet its obligations as outlined in the application and the Project Agreements.

(D) The board members of the Agency will determine on a case by case basis whether a hearing is appropriate to allow a Project Operator to be heard on the issue regarding said Project Operator's failure to achieve the projected economic benefits.

(E) Should the board members of the Agency find that (1) significant deficiencies in the achievement of the economic benefits promised as described in the application and the Project Agreements have occurred and (2) there appears to be no justification satisfactory to the Agency to explain these deficiencies, the Agency may determine to undertake any enforcement action available to the Agency under the Agency Agreements to seek redress for these deficiencies.

(F) Enforcement action taken by the Agency under the Agency Documents may include, but shall not be limited to, the following:

(1) Requesting cure of the deficiency by a final notice letter.

(2) Forwarding an event of default notice under the Project Agreements.

(3) Notifying appropriate New York State agencies of the Project Operator's failure to comply with such requirements.

(4) Terminating any or all of the Project Agreements early.

(5) Reducing the value of financial assistance moving forward.

(6) Terminating any future financial assistance.

(7) Requiring that the value of all the financial assistance utilized to date to be repaid in full or in part.

(G) In connection with the undertaking of a Project and/or the preparation of Project Agreements, the Agency also reserves the right to negotiate the terms and conditions of these recapture provisions.

SECTION 2504. EFFECTIVE DATE. This policy shall be effective with respect to any project undertaken by the Agency where receipt of the application for the project occurs after the date of approval of this Policy.

SCHEDULE C

COPY OF PAYMENT IN LIEU OF TAX AGREEMENT

- SEE ATTACHED -

CLOSING ITEM NO.: A-7

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

AND

1385 WASHINGTON AVE PROPERTY ASSOCIATES, LLC

PAYMENT IN LIEU OF TAX AGREEMENT

DATED AS OF APRIL 1, 2017

RELATING TO A LEASEHOLD INTEREST AND A LICENSE
INTEREST HELD BY THE LANDLORD IN A CERTAIN PARCEL
OF LAND LOCATED AT 1385 WASHINGTON AVENUE IN THE
CITY OF ALBANY, ALBANY COUNTY, NEW YORK (TAX MAP
NO. 53.00-1-22 AND A PORTION OF TAX MAP NO. 53.00-1-23).

012001.00150 Business 14939417v1

TABLE OF CONTENTS

(This Table of Contents is not part of the Payment in Lieu of Tax Agreement and is for convenience of reference only.)

PARTIES	1
RECITALS.....	1

ARTICLE I

REPRESENTATIONS AND WARRANTIES

Section 1.01. Representations of and Warranties by the Agency	5
Section 1.02. Representations of and Warranties by the Company	5

ARTICLE II

COVENANTS AND AGREEMENTS

Section 2.01. Tax-Exempt Status of the Project Facility	7
Section 2.02. Payments in Lieu of Taxes.....	7
Section 2.03. Credit for Taxes Paid	8
Section 2.04. Late Payments.....	8

ARTICLE III

LIMITED OBLIGATION

Section 3.01. No Recourse; Limited Obligation of the Agency	12
---	----

ARTICLE IV

EVENTS OF DEFAULT

Section 4.01. Events of Default	13
Section 4.02. Remedies on Default.....	13
Section 4.03. Payment of Attorney's Fees and Expenses.....	14
Section 4.04. Remedies; Waiver and Notice	14

ARTICLE V

MISCELLANEOUS

Section 5.01. Term.....	15
Section 5.02. Form of Payments	15
Section 5.03. Company Acts.....	15
Section 5.04. Amendments	15
Section 5.05. Notices	15
Section 5.06. Binding Effect.....	16
Section 5.07. Severability	17

Section 5.08. Counterparts.....	17
Section 5.09. Applicable Law.....	17
TESTIMONIUM.....	18
SIGNATURES.....	18
ACKNOWLEDGEMENTS	19
EXHIBIT A - Description of the Leased Land	A-1
EXHIBIT B – PILOT Payment Terms.....	B-1

PAYMENT IN LIEU OF TAX AGREEMENT

THIS PAYMENT IN LIEU OF TAX AGREEMENT dated as of April 1, 2017 (the "Payment in Lieu of Tax Agreement") by and between CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 21 Lodge Street, Albany, New York (the "Agency"), and 1385 WASHINGTON AVE PROPERTY ASSOCIATES, LLC, a limited liability company organized and existing under the laws of the State of Delaware having an office for the transaction of business located at PO Box 6515, Albany, New York (the "Company");

WITNESSETH:

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York; 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 (the "State") and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and dispose of land and any building or other improvement, 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 and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency, for the purpose of carrying out any of its corporate purposes, to lease or sell any or all of its facilities, whether then owned or thereafter acquired; and

WHEREAS, the Agency was created, pursuant to and in accordance with the provisions of the Enabling Act, by Chapter 325 of the Laws of 1974 of the State (collectively, with the Enabling Act, the "Act") and is empowered under the Act to undertake the Project (as hereinafter defined) in order to so advance the job opportunities, health, general prosperity and economic welfare of the people of the State and improve their standard of living; and

WHEREAS, in March, 2016, 1385 Washington Ave Property Associates, LLC (the "Company"), a limited liability company duly organized and validly existing under the laws of the State of Delaware, presented an application (the "Application") to the Agency, which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project to include the following: (A) (1) the acquisition of an interest in an approximately 4.3 acre parcel of land (tax map number 53.00-1-22 and a portion of tax map number 53.00-1-23) currently with an address of 1385 Washington Avenue in the City of Albany, Albany County, New York (collectively, the "Land"), together with the improvements located thereon (the "Existing Facility"), (2) the demolition of the Existing Facility and the construction on the Land of an approximately 142,000 square foot, four (4) story building and an approximately 48,000 square foot partially underground parking garage (collectively, the "Facility") and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (collectively, the "Equipment") (the Land, the Existing Facility, the Facility, and the Equipment being collectively referred to as the "Project Facility"), all of the foregoing to constitute a student housing

012001.00150 Business 14939417v1

complex to be owned and operated by the Company, and other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on March 17, 2016 (the "Public Hearing Resolution"), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on March 23, 2016 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Public Hearing to be posted on March 29, 2016 on a bulletin board located at Albany City Hall located at 24 Eagle Street in the City of Albany, Albany County, New York, as well as on the Agency's website, (C) caused notice of the Public Hearing to be published on April 2, 2016 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on April 13, 2016 at 12:00 noon, local time at the offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in the City of Albany, Albany County, New York and (E) prepared a report of the Public Hearing (the "Public Hearing Report") fairly summarizing the views presented at such Public Hearing and caused copies of said Public Hearing Report to be made available to the members of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), by resolution adopted by the members of the Agency on April 21, 2016 (the "SEQR Resolution"), the Agency (A) concurred in the determination that the City of Albany Planning Board (the "Planning Board") is the "lead agency" with respect to SEQRA and (B) acknowledged receipt of a negative declaration from the Planning Board issued on March 24, 2016 (the "Negative Declaration"), in which the Planning Board determined that the Project would not have a significant adverse environmental effect on the environment, and therefore, that an environmental statement need not be proposed with respect to the Project; and

WHEREAS, by resolution adopted by the members of the Agency on April 21, 2016 (the "Pilot Deviation Approval Resolution"), the members of the Agency determined to deviate from the Agency's uniform tax exemption policy with respect to the Project; and

WHEREAS, by further resolution adopted by the members of the Agency on April 21, 2016 (the "Commercial/Retail Findings Resolution"), the Agency (A) determined that the Project constituted a "commercial project" within the meaning of the Act, (B) found that although the Project Facility appears to constitute a project where facilities or properties that are primarily used in making the retail sales of goods or services to customers who personally visit such facilities may constitute more than one-third of the costs of the Project, the Agency is authorized to provide financial assistance in respect of the Project pursuant to Section 862(2)(a) of the Act because the Project Facility is located in a highly distressed area, (C) determined, following a review of the Public Hearing Report, that the Project would serve the public purposes of the Act by preserving permanent private sector jobs in the State of New York and (D)

determined that the Agency would proceed with the Project and the granting of the Financial Assistance; provided however, that no financial assistance would be provided to the Project by the Agency unless and until the Mayor of City of Albany, as chief executive officer of City of Albany, New York, pursuant to Section 862(2)(c) of the Act, confirmed the proposed action of the Agency with respect to the Project; and

WHEREAS, by further resolution adopted by the members of the Agency on April 21, 2016 (the "Approving Resolution"), the Agency determined to grant the Financial Assistance and to enter into a lease agreement dated as of April 1, 2017 (the "Lease Agreement") between the Agency and the Company and certain other documents related thereto and to the Project (collectively with the Lease Agreement, the "Basic Documents"). Pursuant to the terms of the Lease Agreement, (A) the Company will agree (1) to cause the Project to be undertaken and completed, and (2) as agent of the Agency, to undertake and complete the Project and (B) the Agency has leased the Project Facility to the Company. The Lease Agreement grants to the Company certain options to acquire the Project Facility from the Agency; and

WHEREAS, by further resolution adopted by the members of the Agency on June 16, 2016 (the "Supplement to Approving Resolution"), the Agency supplemented the Approving Resolution to comply with certain reform laws that became effective June 15, 2016; and

WHEREAS, by certificate dated July 12, 2016, (the "Public Approval"), the Mayor, as chief executive officer of the City of Albany, New York, approved the proposed action to be taken by the Agency with respect to the Project for purposes of Section 862(2)(c) of the Act; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement (the "Closing"), (A) the Company will execute and deliver to the Agency (1) a certain lease to agency dated as of April 1, 2017 (the "Lease to Agency") by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company will lease to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the "Leased Premises"); (2) a certain license agreement dated as of April 1, 2017 (the "License to Agency") by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency (a) a license to enter upon the balance of the Land (the "Licensed Premises") for the purpose of undertaking and completing the Project and (b) in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement; and (3) a bill of sale dated as of April 1, 2017 (the "Bill of Sale to Agency"), which conveys to the Agency all right, title and interest of the Company in the Equipment, (B) the Company and the Agency will execute and deliver (1) a payment in lieu of tax agreement dated as of April 1, 2017 (the "Payment in Lieu of Tax Agreement") by and between the Agency and the Company, pursuant to which the Company will agree to pay certain payments in lieu of taxes with respect to the Project Facility, (2) a certain recapture agreement (the "Section 875 GML Recapture Agreement") by and between the Company and the Agency, required by the Act, regarding the recovery or recapture of certain sales and use taxes, (C) the Agency and the Company will execute and deliver the uniform agency project agreement dated as of April 1, 2017 (the "Uniform Agency Project Agreement") by and between the Agency and the Company relating to the terms of the granting by the Agency of the Financial Assistance to the Company; (D) the Agency will file with the assessor and mail to the chief executive officer of each "affected tax jurisdiction" (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form 412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project Facility under Section 412-a of the Real Property Tax Law) (the "Real Property Tax Exemption Form") relating to the Project Facility and the Payment in Lieu of Tax Agreement, (E) the Agency will execute and deliver to the Company a sales tax exemption letter (the "Sales Tax Exemption Letter") to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance and (F) the

Agency will file with the New York State Department of Taxation and Finance the form entitled "IDA Appointment of Project Operator or Agent for Sales Tax Purposes" (the form required to be filed pursuant to Section 874(9) of the Act) (the "Thirty-Day Sales Tax Report"); 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 "Real Property Tax Law"), 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, pursuant to the provisions of Section 6.6 of the Lease Agreement, the Company has agreed to make payments in lieu of taxes with respect to the Project Facility in an amount equivalent to normal taxes, provided that, so long as this Payment in Lieu of Tax Agreement shall be in effect, the Company shall during the term of this Payment in Lieu of Tax Agreement make payments in lieu of taxes in the amounts and in the manner provided in this Payment in Lieu of Tax Agreement, and during such period the provisions of Section 6.6 of the Lease Agreement shall not control the amounts due as payment in lieu of taxes with respect to that portion of the Project Facility which is covered by this Payment in Lieu of Tax Agreement; and

WHEREAS, all things necessary to constitute this Payment in Lieu of Tax Agreement 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 Payment in Lieu of Tax Agreement have in all respects been duly authorized by the Agency and the Company;

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 OF AND WARRANTIES BY THE AGENCY. The Agency does hereby represent, warrant and covenant as follows:

(A) Power. The Agency is a public benefit corporation of the State, has been duly established under the provisions of the Act, is validly existing under the provisions of the Act and has the power under the laws of the State of New York to enter into the transactions contemplated by this Payment in Lieu of Tax Agreement and to carry out 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 Payment in Lieu of Tax Agreement hereunder.

(B) Authorization. The Agency is authorized and has the corporate power under the Act, its by-laws and the laws of the State to enter into this Payment in Lieu of Tax 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 Payment in Lieu of Tax Agreement. By proper corporate action on the part of its members, the Agency has duly authorized the execution, delivery and performance of this Payment in Lieu of Tax Agreement and the consummation of the transactions herein contemplated.

(C) Conflicts. The Agency is not prohibited from entering into this Payment in Lieu of Tax Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement by the terms, conditions or provisions of any order, judgment, decree, law, ordinance, rule or regulation 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.

SECTION 1.02. REPRESENTATIONS OF AND WARRANTIES BY THE COMPANY. The Company does hereby represent, warrant and covenant as follows:

(A) Power. The Company is a limited liability company duly organized and validly existing under the laws of the State of Delaware, is duly authorized to do business in the State of New York and has the power under the laws of the State to enter into this Payment in Lieu of Tax 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 Payment in Lieu of Tax Agreement, and by proper action of its members has been duly authorized to execute, deliver and perform this Payment in Lieu of Tax Agreement.

(B) Authorization. The Company is authorized and has the power under its certificate of formation, operating agreement and the laws of the State to enter into this Payment in Lieu of Tax 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 Payment in Lieu of Tax Agreement. By proper action of its members, the Company has duly authorized the execution, delivery and performance of this Payment in Lieu of Tax Agreement and the consummation of the transactions herein contemplated.

(C) Conflicts. The Company is not prohibited from entering into this Payment in Lieu of Tax Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement by (and the execution, delivery and

performance of this Payment in Lieu of Tax Agreement, the consummation of the transactions contemplated hereby and the fulfillment of and compliance with the provisions of this Payment in Lieu of Tax Agreement will not conflict with or violate or constitute a breach of or a default under) the terms, conditions or provisions of its certificate of formation or operating agreement or any other restriction, 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 neither the Company's entering into this Payment in Lieu of Tax Agreement nor the Company's discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Payment in Lieu of Tax Agreement will 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, or 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 Payment in Lieu of Tax Agreement is the legal, valid and binding obligation of the Company enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(D) Governmental Consent. No 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 Payment in Lieu of Tax Agreement by the Company or as a condition to the validity of this Payment in Lieu of Tax Agreement.

ARTICLE II
COVENANTS AND AGREEMENTS

SECTION 2.01. TAX-EXEMPT STATUS OF THE PROJECT FACILITY. (A) Assessment of the Project Facility. Pursuant to Section 874 of the Act and Section 412-a of the Real Property Tax Law, the parties hereto understand that, upon acquisition of the Project Facility by the Agency and the filing by the Agency of a New York State Board of Real Property Services Form RP-412-a (a "Real Property Tax Exemption Form") with respect to the Project Facility, and for so long thereafter as the Agency shall own the Project Facility, the Project Facility shall be assessed by the various taxing entities having jurisdiction over the Project Facility, including, without limitation, any county, city, school district, town, village or other political unit or units wherein the Project Facility is located (such taxing entities being sometimes collectively hereinafter referred to as the "Taxing Entities", and each of such Taxing Entities being sometimes individually hereinafter referred to as a "Taxing Entity") as exempt upon the assessment rolls of the respective Taxing Entities prepared subsequent to the acquisition by the Agency of the leasehold interest to the Project Facility created by the Underlying Lease and the filing of the Real Property Tax Exemption Forms. The Company shall, promptly following acquisition by the Agency of the leasehold interest to the Project Facility created by the Underlying Lease, take such action as may be necessary to ensure that the Project Facility shall be assessed as exempt upon the assessment rolls of the respective Taxing Entities prepared subsequent to such acquisition by the Agency, including ensuring that a Real Property Tax Exemption Form shall be filed with the appropriate officer or officers of each respective Taxing Entity responsible for assessing properties on behalf of each such Taxing Entity (each such officer being hereinafter referred to as an "Assessor"). For so long thereafter as the Agency shall own such leasehold interest in the Project Facility, the Company shall take such further action as may be necessary to maintain such exempt assessment with respect to each Taxing Entity. The parties hereto understand that the Project Facility shall not be entitled to such tax-exempt status on the tax rolls of any Taxing Entity until the first tax year of such Taxing Entity following the tax status date of such Taxing Entity occurring subsequent to the date upon which the Agency becomes the owner of record of such leasehold interest in the Project Facility and the Real Property Tax Exemption Forms are filed with the Assessors. Pursuant to the provisions of the Lease Agreement, the Company will be required to pay all taxes and assessments lawfully levied and/or assessed against the Project Facility, including taxes and assessments levied for the current tax year and all subsequent tax years until the Project Facility shall be entitled to exempt status on the tax rolls of the respective Taxing Entities. The Agency will cooperate with the Company to obtain and preserve the tax-exempt status of the Project Facility.

(B) Special Assessments. The parties hereto understand that the tax exemption extended to the Agency by Section 874 of 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. Pursuant to the Lease Agreement, 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 annual payments in lieu of property taxes in the amounts hereinafter provided to the respective Taxing Entities entitled to receive same pursuant to the provisions hereof. The Company also agrees to give the Assessors a copy of this Payment in Lieu of Tax Agreement. The payments due hereunder shall be paid by the Company to the respective appropriate officer or officers of the respective Taxing Entities charged with receiving payments of taxes for such Taxing Entities (such officers being collectively hereinafter referred to as the "Receivers of Taxes") for distribution by the Receivers of Taxes to the appropriate Taxing Entities entitled to receive same pursuant to the provisions hereof.

(B) Valuation of the Project Facility. (1) The value of the Project Facility (hereinafter referred to as the "Assessed Value") for purposes of determining payments in lieu of taxes due hereunder is fixed for the term of this Payment in Lieu of Tax Agreement, as described in Exhibit B attached hereto. The Company agrees to give the Assessors a copy of this Payment in Lieu of Tax Agreement.

(2) However, the Agency and the Company agree and understand that the Assessors may determine an Assessed Value of the Project Facility separately for purposes other than determining payments in lieu of taxes due hereunder and that such Assessed Value may be different than the fixed values described in Exhibit B attached. The parties hereto agree that the Assessors, in establishing such Assessed Value, shall (a) appraise the Facility and any portion of the Equipment assessable as real property pursuant to the New York Real Property Tax Law (collectively with the Facility, the "Improvements") in the same manner as other similar properties in the general area of the Improvements, and (b) place an Assessed Value upon the Improvements, equalized if necessary by using the appropriate equalization rates as apply in the assessment and levy of real property taxes. The Company shall be entitled to written notice of the initial determination of the Assessed Value of the Land or the Improvements and of any change in the Assessed Value of the Land or the Improvements.

(3) If the Company is dissatisfied with the amount of the Assessed Value of the Project Facility as initially established or as changed by the Assessors, the Company shall be entitled to challenge the Assessed Value in accordance with the terms and conditions contained in Article 7 of the Real Property Tax Law. The Company shall be entitled to take any actions under Article 7 of the Real Property Tax Law notwithstanding the fact that the Agency has an interest in the Land pursuant to the Lease to Agency.

(4) Any payments in lieu of taxes due upon such Project Facility pursuant to Section 2.02(C) hereof may not be withheld by the Company pending determination of the Assessed Value.

(5) The parties hereto understand and agree that any challenge to an Assessed Value under this Payment in Lieu of Tax Agreement shall not affect the Project Base Assessed Value or the Project Improvements Assessed Value, as each amount is described and defined in Exhibit B attached. The Project Base Assessed Value and the Project Improvements Assessed Value are for purposes of this Payment in Lieu of Tax Agreement intended to be set at the fixed amounts described in Exhibit B and are not intended to be subject to modification during the term of this Payment in Lieu of Tax Agreement.

(C) Amount of Payments in Lieu of Taxes. The payments in lieu of taxes to be paid by the Company to the Receivers of Taxes annually on behalf of each Taxing Entity pursuant to the terms of this Payment in Lieu of Tax Agreement shall be the amount computed separately for each Taxing Entity as set forth in Exhibit B attached.

(D) 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 Project Facility or any portion thereof or any additional building or other structure shall be constructed on the Land (such structural additions and additional buildings and other structures being hereinafter referred to as "Additional Facilities") the Company agrees to make additional annual payments in lieu of property taxes with respect to such Additional Facilities (such additional payments being hereinafter collectively referred to as "Additional Payments") to the Receivers of Taxes with respect to such Additional Facilities, such Additional Payments to be computed separately for each Taxing Entity as follows:

(1) Determine the amount of general taxes and general assessments (hereinafter referred to as the "Additional Normal Tax") which would be payable to each Taxing Entity with respect to such Additional Facilities if such Additional Facilities were owned by the Company and not the Agency as follows: (a) multiply the Additional Assessed Value (as hereinafter defined) of such Additional Facilities determined pursuant to subsection (E) of this Section 2.02 by (b) the tax rate or rates of such Taxing Entity that would be applicable to such Additional Facilities if such Additional Facilities were owned by the Company and not the Agency, and (c) reduce the amount so determined by the amounts of any tax exemptions that would be afforded to the Company by such Taxing Entity if such Additional Facilities were owned by the Company and not the Agency.

(2) In each fiscal tax year during the term of this Payment in Lieu of Tax Agreement (commencing in the fiscal tax year when such Additional Facilities would first appear on the assessment roll of any Taxing Entity) if such Additional Facilities were owned by the Company and not the Agency, the amount payable by the Company to the Receivers of Taxes on behalf of each Taxing Entity as a payment in lieu of property tax with respect to such Additional Facilities pursuant to this Payment in Lieu of Tax Agreement shall be an amount equal to one hundred percent (100%) of the Normal Tax due each Taxing Entity with respect to such Additional Facilities for such fiscal tax year (unless the Agency and the Company shall enter into a separate written agreement regarding payments in lieu of property taxes with respect to such Additional Facilities, in which case the provisions of such separate written agreement shall control).

(E) Valuation of Additional Facilities. (1) The value of Additional Facilities for purposes of determining payments in lieu of taxes due under Section 2.02(D) hereof shall be determined by the Assessors of each respective Taxing Entity. The parties hereto agree that the Assessors shall (a) appraise the Additional Facilities in the same manner as other similar properties in the general area of the Project Facility, and (b) place a value for assessment purposes (hereinafter referred to as the "Additional Assessed Value") upon the Additional Facilities, equalized if necessary by using the appropriate equalization rates as apply in the assessment and levy of real property taxes. The Company shall be entitled to written notice of the initial establishment of such Additional Assessed Value and of any change in such Additional Assessed Value.

(2) If the Company is dissatisfied with the amount of the Additional Assessed Value of the Additional Facilities as initially established or as changed, the Company shall be entitled to challenge the Additional Assessed Value in accordance with the terms and conditions contained in Article 7 of the Real Property Tax Law. The Company shall be entitled to take any actions under Article 7 of the Real Property Tax Law notwithstanding the fact that the Agency has an interest in the Land pursuant to the Lease to Agency.

(F) Statements. Pursuant to Section 858(15) of the Act, the Agency agrees to give each Taxing Entity a copy of this Payment in Lieu of Tax Agreement within fifteen (15) days of the execution and delivery hereof, together with a request that a copy hereof be given to the appropriate officer or officers of the respective Taxing Entities responsible for preparing the tax rolls for said Tax Entities (each, a "Tax Billing Officer") and a request that said Tax Billing Officers submit to the Company and to the appropriate Receiver of Taxes periodic statements specifying the amount and due date or dates of the payments due each Taxing Entity hereunder, such periodic statements to be submitted to the Company at approximately the times that tax bills are mailed by such Taxing Entities.

(G) Time of Payments. The Company agrees to pay the amounts due hereunder to the Receivers of Taxes for the benefit of each particular Taxing Entity in any fiscal tax year to the appropriate

Receiver of Taxes within the period that such Taxing Entity allows payment of taxes levied in such fiscal tax year without penalty. The Company shall be entitled to receive receipts for such payments.

(H) Method of Payment. All payments by the Company hereunder shall be paid to the Receivers of Taxes in lawful money of the United States of America. The Receivers of Taxes shall in turn distribute the amounts so paid to the various Taxing Entities entitled to same.

SECTION 2.03. CREDIT FOR TAXES PAID. (A) Amount of Credit. The parties hereto acknowledge and agree that the obligation of the Company to make the payments provided in Section 2.02 of this Payment in Lieu of Tax Agreement shall be in addition to any and all other taxes and governmental charges of any kind whatsoever which the Company may be required to pay under the Lease Agreement. It is understood and agreed, however, that, should the Company pay in any fiscal tax year to any Taxing Entity any amounts in the nature of general property taxes, general assessments, service charges or other governmental charges of a similar nature levied and/or assessed upon the Project Facility or the interest therein of the Company or the occupancy thereof by the Company (but not including, by way of example, (1) sales and use taxes, and (2) special assessments, special ad valorem levies or governmental charges in the nature of utility charges, including but not limited to water, solid waste, sewage treatment or sewer or other rents, rates or charges), then the Company's obligation to make payments in lieu of property taxes attributed to such fiscal tax year to such Taxing Entity hereunder shall be reduced by the amounts which the Company shall have so paid to such Taxing Entity in such fiscal tax year, but there shall be no cumulative or retroactive credit as to any payment in lieu of property taxes due to any other Taxing Entity or as to any payment in lieu of property taxes due to such Taxing Entity in any other fiscal tax year.

(B) Method of Claiming Credits. If the Company desires to claim a credit against any particular payment in lieu of tax due hereunder, the Company shall give the governing body of the affected Taxing Entity and the Agency prior written notice of its intention to claim any credit pursuant to the provision of this Section 2.03, said notice to be given by the Company at least thirty (30) days prior to the date on which such payment in lieu of tax is due pursuant to the provisions of Section 2.02(G) hereof. In the event that the governing body of the appropriate Taxing Entity desires to contest the Company's right to claim such credit, then said governing body, the Agency and the Company shall each select an arbitrator in accordance with the rules of the American Arbitration Association, each of whom shall meet the qualifications set forth in Section 2.02(B) hereof, which arbitrators shall, at the sole cost and expense of the Company, determine whether the Company is entitled to claim any credit pursuant to the provisions of this Section 2.03 and, if so, the amount of the credit to which the Company is entitled. It is understood that the arbitrators are empowered to confirm the amount of the credit claimed by the Company or to determine a lower or higher credit. When the Company shall have given notice, as provided herein, that it claims a credit, the amount of any payment in lieu of property taxes due hereunder against which the credit may be claimed may be withheld (to the extent of the credit claimed by the Company, but only to the extent that such credit may be claimed against said payment in lieu of taxes pursuant to the provisions of this Section 2.03) until the decision of the arbitrators is rendered. After the decision of the arbitrators is rendered, the payment in lieu of taxes due with respect to any reduction or disallowance by the arbitrators in the amount of the credit claimed by the Company shall, to the extent withheld as aforesaid, be immediately due and payable and shall be paid by the Company within thirty (30) days of said decision.

SECTION 2.04. LATE PAYMENTS. (A) First Month. Pursuant to Section 874(5) of the Act, if the Company shall fail to make any payment required by this Payment in Lieu of Tax Agreement when due, the Company shall pay the same, together with a late payment penalty equal to five percent (5%) of the amount due.

(B) Thereafter. If the Company shall fail to make any payment required by this Payment in Lieu of Tax Agreement when due and such delinquency shall continue beyond the first month, the Company's obligation to make the payment so in default shall continue as an obligation of the Company to the affected Taxing Entity until such payment in default shall have been made in full, and the Company shall pay the same to the affected Taxing Entity together with (1) a late payment penalty of one percent (1%) per month for each month, or part thereof, that the payment due hereunder is delinquent beyond the first month, plus (2) interest thereon, to the extent permitted by law, at the greater of (a) one percent (1%) per month, or (b) the rate per annum which would be payable if such amount were delinquent taxes, until so paid in full.

ARTICLE III
LIMITED OBLIGATION

SECTION 3.01. NO RECOURSE; LIMITED OBLIGATION OF THE AGENCY. (A) No Recourse. All obligations, covenants, and agreements of the Agency contained in this Payment in Lieu of Tax Agreement shall be deemed to be the obligations, covenants, and agreements of the Agency and not of any member, 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 Payment in Lieu of Tax Agreement, or otherwise based upon or in respect of this Payment in Lieu of Tax Agreement, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, officer, agent (other than the Company), servant or employee, as such, of the Agency or any successor public benefit corporation or political subdivision or any person executing this Payment in Lieu of Tax 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 Payment in Lieu of Tax Agreement, it being expressly understood that this Payment in Lieu of Tax 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, officer, agent (other than the Company), servant or employee of the Agency or of any successor public benefit corporation or political subdivision or any person so executing this Payment in Lieu of Tax Agreement under or by reason of the obligations, covenants or agreements contained in this Payment in Lieu of Tax Agreement or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, officer, agent (other than the Company), servant or employee under or by reason of the obligations, covenants or agreements contained in this Payment in Lieu of Tax 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 Payment in Lieu of Tax Agreement by the Agency.

(B) Limited Obligation. The obligations, covenants and agreements of the Agency contained herein shall not constitute or give rise to an obligation of the State of New York or City of Albany, New York, and neither the State of New York nor City of Albany, New York shall be liable thereon, and further such obligations, covenants 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 (except for revenues derived by the Agency with respect to the Unassigned Rights, as defined in the Lease Agreement).

(C) Further Limitation. Notwithstanding any provision of this Payment in Lieu of Tax Agreement to the contrary, the Agency shall not be obligated to take any action pursuant to any provision hereof unless (1) the Agency shall have been requested to do so in writing by the Company, and (2) if compliance with such request is reasonably expected to result in the incurrence by the Agency (or any of its members, officers, agents, servants or employees) of any liability, fees, expenses or other costs, the Agency shall have received from the Company security or indemnity and an agreement from the Company to defend and hold harmless the Agency 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 Payment in Lieu of Tax Agreement, and the terms "Event of Default" or "default" shall mean, whenever they are used in this Payment in Lieu of Tax Agreement, any one or more of the following events:

(A) Failure of the Company to pay when due any amount due and payable by the Company pursuant to this Payment in Lieu of Tax Agreement and continuance of said failure for a period of fifteen (15) days after written notice to the Company stating that such payment is due and payable;

(B) Failure of the Company to observe and perform any other covenant, condition or agreement on its part to be observed and performed hereunder (other than as referred to in paragraph (A) above) 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; provided that if such default cannot reasonably be cured within such thirty (30) day period and if the Company shall have commenced action to cure the breach of covenant, condition or agreement within said thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as the Company shall require in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of ninety (90) days in the aggregate from the date of default; or

(C) Any warranty, representation or other statement by or on behalf of the Company contained in this Payment in Lieu of Tax 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 Payment in Lieu of Tax Agreement and (1) shall be materially adverse to the Agency at the time when the notice referred to below shall have been given to the Company and (2) if curable, shall not have been cured within thirty (30) days after written notice of such incorrectness shall have been given to a responsible officer of the Company, provided that if such incorrectness cannot reasonably be cured within said thirty-day period and the Company shall have commenced action to cure the incorrectness within said thirty-day period and, thereafter, diligently and expeditiously proceeds to cure the same, such thirty-day period shall be extended for so long as the Company shall require, in the exercise of due diligence, to cure such default.

SECTION 4.02. REMEDIES ON DEFAULT. (A) General. Whenever any Event of Default shall have occurred with respect to this Payment in Lieu of Tax Agreement, the Agency (or if such Event of Default concerns a payment required to be made hereunder to any Taxing Entity, then with respect to such Event of Default such Taxing Entity) may take whatever action at law or in equity 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 Payment in Lieu of Tax Agreement.

(B) Cross-Default. In addition, an Event of Default hereunder shall constitute an event of default under Article X of the Lease Agreement. Upon the occurrence of an Event of Default hereunder resulting from a failure of the Company to make any payment required hereunder, the Agency shall have, as a remedy therefor under the Lease Agreement, among other remedies, the right to terminate the Lease Agreement and convey the Project Facility to the Company, thus subjecting the Project Facility to immediate full taxation pursuant to Section 520 of the Real Property Tax Law of the State.

(C) Separate Suits. Each such Event of Default shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder as each cause of action arises.

(D) Venue. The Company irrevocably agrees that any suit, action or other legal proceeding arising out of this Payment in Lieu of Tax Agreement may be brought in the courts of record of the State, consents to the jurisdiction of each such court in any such suit, action or proceeding, and waives any objection which it may have to the laying of the venue of any such suit, action or proceeding in any of such courts.

SECTION 4.03. PAYMENT OF ATTORNEY'S FEES AND EXPENSES. Pursuant to Section 874(6) of the Act, if the Company should default in performing any of its obligations, covenants or agreements under this Payment in Lieu of Tax Agreement and the Agency or any Taxing Entity should employ attorneys or incur other expenses for the collection of any amounts payable hereunder or for the enforcement of performance or observance of any obligation, covenant or agreement on the part of the Company herein contained, the Company agrees that it will, on demand therefor, pay to the Agency or such Taxing Entity, as the case may be, not only the amounts adjudicated due hereunder, together with the late payment penalty and interest due thereon, but also the reasonable fees and disbursements of such attorneys and all other expenses, costs and disbursements so incurred, whether or not an action is commenced.

SECTION 4.04. REMEDIES; WAIVER AND NOTICE. (A) No Remedy Exclusive. No remedy herein conferred upon or reserved to the Agency or any Taxing Entity 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 Payment in Lieu of Tax 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 any Taxing Entity to exercise any remedy reserved to it in this Payment in Lieu of Tax Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Payment in Lieu of Tax Agreement.

(D) No Waiver. In the event any provision contained in this Payment in Lieu of Tax 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 Payment in Lieu of Tax Agreement shall be established by conduct, custom or course of dealing.

ARTICLE V
MISCELLANEOUS

SECTION 5.01. TERM. (A) General. This Payment in Lieu of Tax Agreement shall become effective and the obligations of the Company shall arise absolutely and unconditionally upon the approval of this Payment in Lieu of Tax Agreement by resolution of the Agency and the execution and delivery of this Payment in Lieu of Tax Agreement by the Company and the Agency. Unless otherwise provided by amendment hereof, this Payment in Lieu of Tax Agreement shall continue to remain in effect until the earlier to occur of (1) December 31, 2025 or (2) the date on which the Project Facility is reconveyed by the Agency to the Company pursuant to Article X or Article XI of the Lease Agreement.

(B) Extended Term. In the event that (1) the Project Facility shall be reconveyed to the Company, (2) on the date on which the Company obtains the Agency's interest in the Project Facility, the Project Facility shall be assessed as exempt upon the assessment roll of any one or more of the Taxing Entities, and (3) the fact of obtaining title to the Agency's interest in the Project Facility shall not immediately obligate the Company to make pro-rata tax payments pursuant to legislation similar to Chapter 635 of the 1978 Laws of the State (codified as subsection 3 of Section 302 of the Real Property Tax Law and Section 520 of the Real Property Tax Law), this Payment in Lieu of Tax Agreement shall remain in full force and effect and the Company shall be obligated to make payments to the Receiver of Taxes in amounts equal to those amounts which would be due from the Company to the respective Taxing Entities if the Project Facility were owned by the Company and not the Agency until the first tax year in which the Company shall appear on the tax rolls of the various Taxing Entities having jurisdiction over the Project Facility as the legal owner of record of the Project Facility.

SECTION 5.02. FORM OF PAYMENTS. The amounts payable under this Payment in Lieu of Tax Agreement shall be payable in such coin and currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

SECTION 5.03. 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 5.04. AMENDMENTS. This Payment in Lieu of Tax Agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing executed by the parties hereto.

SECTION 5.05. NOTICES. (A) General. All notices, certificates or other communications hereunder shall be in writing and may be personally served, telecopied or sent by courier service or United States mail and shall be sufficiently given and shall be deemed given when (1) delivered in person or by courier to the applicable address stated below, (2) when received by telecopy or (3) three business days after deposit in the United States, by United States mail (registered or certified mail, postage prepaid, return receipt requested, property addressed), or (4) when delivered by such other means as shall provide the sender with documentary evidence of such delivery, or when delivery is refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect such delivery.

(B) Notices Given by Taxing Entities. Notwithstanding the foregoing, notices of assessment or reassessment of the Project Facility and other notices given by a Taxing Entity under Article II hereof shall be sufficiently given and shall be deemed given when given by the Taxing Entity in the same manner in which similar notices are given to owners of taxable properties by such Taxing Entity.

(C) Addresses. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

IF TO THE COMPANY:

1385 Washington Ave Property Associates, LLC
PO Box 6515
Albany, New York 12206
Attention: Jon M. Grant

WITH A COPY TO:

Donald Zee PC
1 Winners Circle, Suite 10
Albany, New York 12205
Attention: Donald Zee, Esq.
Andrew Brick, Esq.

IF TO THE AGENCY:

City of Albany Industrial Development Agency
21 Lodge Street
Albany, New York 12207
Attention: Chair

WITH A COPY TO:

Office of Corporation Counsel
City Hall, Eagle Street - Room 106
Albany, New York 12207
Attention: William G. Kelly, Jr., Esq.

and

Hodgson Russ LLP
677 Broadway, Suite 301
Albany, New York 12207
Attention: A. Joseph Scott, III, Esq.

(D) Copies. A copy of any notice given hereunder by the Company which affects in any way a Taxing Entity shall also be given to the chief executive officer of such Taxing Entity.

(E) Change of Address. 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.

SECTION 5.06. BINDING EFFECT. This Payment in Lieu of Tax Agreement shall inure to the benefit of, and shall be binding upon, the Agency, the Company and their respective successors and assigns. The provisions of this Payment in Lieu of Tax Agreement are intended to be for the benefit of the Agency and the respective Taxing Entities.

SECTION 5.07. SEVERABILITY. If any article, section, subdivision, paragraph, sentence, clause, phrase, provision or portion of this Payment in Lieu of Tax 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 Payment in Lieu of Tax 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 5.08. COUNTERPARTS. This Payment in Lieu of Tax 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 5.09. APPLICABLE LAW. This Payment in Lieu of Tax Agreement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Agency and the Company have caused this Payment in Lieu of Tax Agreement to be executed in their respective names by duly authorized officers thereof, all being done as of the date first above written.

CITY OF ALBANY INDUSTRIAL
DEVELOPMENT AGENCY

BY: T. Metzger
(Vice) Chair

1385 WASHINGTON AVE PROPERTY
ASSOCIATES, LLC,
a Delaware limited liability company

BY: 1385 ALBANY STUDENT HOUSING, LLC,
a Delaware limited liability company, its sole member

BY: _____
Name: Jacky (Yuanliu) He
Title:


IN WITNESS WHEREOF, the Agency and the Company have caused this Payment in Lieu of Tax Agreement to be executed in their respective names by duly authorized officers thereof, all being done as of the date first above written.

CITY OF ALBANY INDUSTRIAL
DEVELOPMENT AGENCY

BY: _____
(Vice) Chair

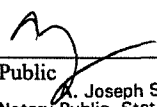
1385 WASHINGTON AVE PROPERTY
ASSOCIATES, LLC,
a Delaware limited liability company

BY: 1385 ALBANY STUDENT HOUSING, LLC,
a Delaware limited liability company, its sole member

BY: 
Name: Jacky (Yuanliu) He
Title: *EVP.*

STATE OF NEW YORK)
)ss:
COUNTY OF ALBANY)

On the 12th day of April, in the year 2017, before me, the undersigned, personally appeared Tracy L. Metzger, 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.



Notary Public

A. Joseph Scott III
Notary Public, State of New York
Qualified in Albany County
No. 02SC4811591
Commission Expires December 31, 2018

STATE OF NEW YORK)
 New York)ss:
COUNTY OF ALBANY)

On the 15th day of April, in the year 2017, before me, the undersigned, personally appeared Yuanlin He, 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.

Jason Jiggetts
Notary Public

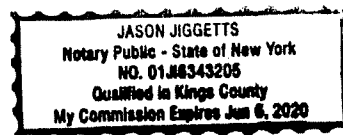


EXHIBIT A

DESCRIPTION OF THE LEASED LAND

A leasehold interest created by a certain lease to agency dated as of April 1, 2017 (the "Lease to Agency") between 1385 Washington Ave Property Associates, LLC (the "Company"), as landlord, and City of Albany Industrial Development Agency (the "Agency"), as tenant, in an approximately 4.3 acre parcel of land (the "Leased Land") located at 1385 Washington Avenue in the City of Albany, Albany County, New York, said Leased Land being more particularly described below), together with any improvements now or hereafter located on the Leased Land (the Leased Land and all such improvements being sometimes collectively referred to as the "Leased Premises"):

ALL THAT CERTAIN TRACT, PIECE OR PARCEL OF LAND situate, lying and being in City of Albany, Albany County, New York, bounded and described as follows:

BEGINNING at a point located South 52°18'20" East, 31.79 feet as measured along the northerly bounds of Washington Avenue from its intersection with the easterly bounds of the lands now or formerly of BRE/ESA Portfolio as described in Book 2830 of Deeds at Page 570;

THENCE along the division line between No. 1385 Washington Avenue to the East and No. 1389 Washington Avenue to the west the following five (5) courses and distances:

1. North 38°48'12" East a distance of 9.13 feet to a point;
2. North 35°02'56" East a distance of 39.10 feet to a point;
3. South 57°46'09" East a distance of 18.00 feet to a point;
4. North 32°13'51" East a distance of 117.94 feet to a point;
5. North 37°26'57" East a distance of 313.71 feet to a point on southwesterly bounds of Interstate Route 504 (Fuller Road- Everett Road) also known as I-90;

THENCE along the southwesterly bounds of Interstate Route 504 (Fuller Road- Everett Road) also known as I-90 for following nine (9) courses and distances:

1. South 39°36'22" East a distance of 30.74 feet to a point;
2. North 80°12'08" East a distance of 111.35 feet to a point;
3. North 20°51'50" West a distance of 25.38 feet to a point;
4. North 55°01'43" West a distance of 131.26 feet to a point;
5. South 63°29'09" East a distance of 139.07 feet to a point;
6. South 18°29'37" East a distance of 62.13 feet to a point;
7. South 66°08'10" East a distance of 88.58 feet to a point;
8. South 53°38'22" East a distance of 114.32 feet to a point;
9. South 65°56'59" East a distance of 320.92 feet to a point;

THENCE South 37°41'40" West along the division line between the lands now or formerly of HTA-Washington Medical Arts II Fee LLC as described in Book 2933 of Deeds at Page 572 to the East and the herein described parcel to the West a distance of 255.27 feet to a point;

A-1

012001.00150 Business 14939417v1

THENCE along the division line between the lands now or formerly of 1110 Western Albany Management Co. Inc. as described in Book 2645 of Deeds at Page 181 to the south and east, and the herein described parcel to the north and west the following five (5) courses and distances:

1. North 52°18'20" West a distance of 504.01 feet to a point;
2. South 37°41'40" West a distance of 43.66 feet to a point;
3. South 12°07'55" East a distance of 19.01 feet to a point;
4. South 77°50'31" West a distance of 22.53 feet to a point;
5. South 37°41'40" West a distance of 326.86 feet to a point lying in the Northerly bounds of Washington Avenue;

THENCE North 52°18'20" West along the Northerly bounds of Washington Avenue a distance of 152.40 feet to the point of beginning.

Subject to any and all easements, restrictions and right-of-way records.

Containing 180,040 Square Feet or 4.13 Acres more or less.

Date: 11/15/2016

File: S:/docs/greg/160112-LD.doc

EXHIBIT B
PILOT PAYMENT TERMS

I. Assessed Value:

(A) The Assessed Value of the Project Facility shall consist of two components, the base Assessed Value (the "Project Base Assessed Value") and the additional Assessed Value (the "Project Improvements Assessed Value").

(B) The Project Base Assessed Value shall be set at a fixed amount equal to \$1,500,000, and shall represent the value of the Land and the Facility without taking into account the undertaking and completion of the Project.

(C) The Project Improvements Assessed Value shall equal the value of the Facility improved pursuant to the undertaking and completion of the Project (the "Improvements"). The Project Improvements Assessed Value shall be set at a fixed amount equal to \$9,402,400.

(D) The parties hereto understand and agree that, except as provided by (E) below, the Project Base Assessed Value is intended to remain fixed at an amount equal to \$1,500,000 during the term of this Payment in Lieu of Tax Agreement. The parties hereto further understand and agree that, except as provided by (E) below, the Project Improvements Assessed Value is intended to remain fixed at an amount equal to \$9,402,400 during the term of this Payment in Lieu of Tax Agreement.

(E) Commencing on the first tax year following the tax status date on which any Taxing Entity switches from its present system of "fractional assessment" (i.e., valuing real property for taxing purposes at a percentage of full value significantly below 100% of full value) to a system of "full value assessment" (i.e., a system of valuing real property for taxing purposes at a percentage of full value approximately equal to 100% of the full value), (1) the Project Base Assessed Value of the Land and the Facility for purposes of determining payments in lieu of property taxes due such Taxing Entity hereunder shall be in such new amounts as shall be determined by multiplying the Project Base Assessed Value by a fraction, the numerator of which is 100% and the denominator of which is the state equalization rate for the assessment roll of such Taxing Entity completed immediately prior to such switch to a system of "full value assessment" and (2) the Project Improvements Assessed Value of the Facility for purposes of determining payments in lieu of property taxes due such Taxing Entity hereunder shall be in such new amount as shall be determined by multiplying the Project Improvements Assessed Value by a fraction, the numerator of which is 100% and the denominator of which is the state equalization rate for the assessment roll of such Taxing Entity completed immediately prior to such switch to a system of "full value assessment".

II. Amount of Payments in Lieu of Taxes:

(A) The amount of payments in lieu of taxes shall be the sum of the following: (1) the amount of payments in lieu of taxes payable with respect to the Land and Facility based on the Project Base Assessed Value, and (2) the amount of payments in lieu of taxes payable with respect to the Improvements based on the Project Improvements Assessed Value.

(1) Payments - Project Base Assessed Value. (a) First, determine the amount of general taxes and general assessments (hereinafter referred to as the "Normal Tax") which would be payable to each Taxing Entity if the Land and the Facility were owned by the Company and

B-1

012001.00150 Business 14939417v1

not the Agency by multiplying (i) the Project Base Assessed Value of the Land and the Facility by (ii) the tax rate or rates of such Taxing Entity that would be applicable to the Land and the Facility if the Land and the Facility were owned by the Company and not the Agency.

(b) Then, in each tax year during the term of this Payment in Lieu of Tax Agreement, commencing on the first tax year following the date on which the Land and the Facility shall be assessed as exempt on the assessment roll of any Taxing Entity, the amount payable by the Company to the Receivers of Taxes on behalf of each Taxing Entity as a payment in lieu of property tax pursuant to this Payment in Lieu of Tax Agreement with respect to the Land and the Facility shall be an amount equal to one hundred percent (100%) of the Normal Tax due each Taxing Entity with respect to the Land and the Facility for such tax year.

(2) Payments - Project Improvements Assessed Value. (a) First, determine the Normal Tax which would be payable to each Taxing Entity if the Improvements were owned by the Company and not the Agency by multiplying (i) the Project Improvements Assessed Value by (ii) the tax rate or rates of such Taxing Entity that would be applicable to the Improvements if the Improvements were owned by the Company and not the Agency.

(b) Then, in each tax year during the term of this Payment in Lieu of Tax Agreement, commencing on the first tax year following the date on which the Improvements shall be assessed as exempt on the assessment roll of any Taxing Entity, the amount payable by the Company to the Receivers of Taxes on behalf of each Taxing Entity as a payment in lieu of property tax pursuant to this Payment in Lieu of Tax Agreement with respect to the Improvements shall be an amount equal to the applicable percentage of the Normal Tax due each Taxing Entity with respect to the Improvements for such tax year, as shown in the following table:

<u>Tax Year Commencing in Calendar Year</u>	<u>County/ City Percentage of Normal Tax on Assessed Value of the Improvements</u>	<u>School Percentage of Normal Tax on Assessed Value of the Improvements</u>
2018	N/A	0%
2019	0%	0%
2020	0%	50%
2021	50%	60%
2022	60%	70%
2023	70%	80%
2024	80%	90%
2025	90%	100%
2026 and thereafter during the term of this Payment in Lieu of Tax Agreement	100%	100%

(B) In each tax year during the term of this Payment in Lieu of Tax Agreement, commencing on the first tax year following the date on which any portion of the Project Facility shall be assessed as exempt on the assessment roll of any Taxing Entity, the amount payable by the Company to the Receivers of Taxes on behalf of each Taxing Entity as a payment in lieu of property tax pursuant to this Payment in Lieu of Tax Agreement with respect to the Project Facility shall be the sum of (1) the amount due each Taxing Entity with respect to the Land and the Facility for such tax year, as determined pursuant to

subsection (A)(1) hereof, plus (2) the amount due each Taxing Entity with respect to the Improvements for such tax year, as determined pursuant to subsection (A)(2) hereof.

012001.00150 Business 14939417v1

B-3

C-30

012001.00150 Business 15088120v1

SCHEDULE D
COPY OF APPLICATION

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from the City of Albany Industrial Development Agency. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to acceptance by the Agency.

TO: CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
c/o Department of Economic Development
21 Lodge Street
Albany, New York 12207

This application by applicant respectfully states:

APPLICANT: 1385 Washington Avenue Property Associates, LLC

APPLICANT'S ADDRESS: c/o Corporation Service Company – 2711 Centerville Rd. Suite 400

CITY: Wilmington STATE: Delaware ZIP CODE: 19808

PHONE NO.: 410.230.0003 FAX NO.: 443.782.0653 E-MAIL: jgrant@grantarchitects.com

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO
THIS APPLICATION: Donald Zee, Jon Grant, Patrick Rhodes, Cheryl Henry-Fawcett

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF ATTORNEY: Donald Zee

ATTORNEY'S ADDRESS: 1 Winners Circle, Suite 140

CITY: Albany STATE: New York ZIP CODE: 12205

PHONE NO.: 518-489-9423 FAX NO.: 518-489-9428 E-MAIL: donaldzee@msn.com

NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 HEREOF BEFORE FILLING OUT
THIS FORM.

Error! Unknown document property name.

INSTRUCTIONS

1. The Agency will not approve any application unless, in the judgment of the Agency, said application and the summary contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using "none" or "not applicable" or "N/A" where the question is not appropriate to the project which is the subject of this application (the "Project").
3. If an estimate is given as the answer to a question, put "(est)" after the figure or answer which is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return one (1) copy of this application to the Agency at the address indicated on the first page of this application.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form concerning the Project which is the subject of this application.
7. Please note that Article 6 of the 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 applicant feels that there are elements of the Project 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 applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the Project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel/special counsel to the Agency. The costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered as a part of the Project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of One Thousand Five Hundred Dollars (\$1,500) to cover the anticipated costs of the Agency in processing this application. A check or money order made payable to the Agency must accompany

- 2 -

Error! Unknown document property name.

each application. THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.

10. The Agency has also established an administrative fee equal to (A) one percent (1%) of the cost of the Project in the case of an Agency Straight Lease Transaction, and (B) one percent (1%) of the aggregate principal amount of the bonds to be issued by the Agency in the case of an Agency Bond Transaction. The Agency has also established an administrative fee for the issuance of refunding bonds for Agency Bond Transactions. The formula for the calculation of the administrative fee for the issuance of refunding bonds is outlined in the Agency's Policy Manual. THESE FEES ARE PAYABLE ON THE CLOSING DATE.

FOR AGENCY USE ONLY

1. Project Number	_____
2. Date application Received by Agency	_____, 20____
3. Date application referred to attorney for review	_____, 20____
4. Date copy of application mailed to members	_____, 20____
5. Date notice of Agency meeting on application posted	_____, 20____
6. Date notice of Agency meeting on application mailed	_____, 20____
7. Date of Agency meeting on application	_____, 20____
8. Date Agency conditionally approved application	_____, 20____
9. Date scheduled for public hearing	_____, 20____
10. Date Environmental Assessment Form ("EAF") received	_____, 20____
11. Date Agency completed environmental review	_____, 20____
12. Date of final approval of application	_____, 20____

SUMMARY OF PROJECT

Applicant: 1385 Washington Ave Property Associates, LLC

Contact Person: Jon M. Grant

Phone Number: 410-230-0003

Occupant: Owned and operated by Applicant

Project Location: 1385 Washington Avenue, Albany, NY

Approximate Size of Project Site: 4.3 AC

Description of Project:

A to-be-constructed four-story student housing complex consisting of approximately 322 student housing beds (101 units) over a partial underground parking level of 146 parking spaces, with total parking spaces of 170-178.

Type of Project:

☐ Manufacturing

☐ Warehouse/Distribution

☐ Commercial ☒ X

☐ Not-For-Profit

Other-Specify
[student housing]

Employment Impact: Existing Jobs 3 FTE + 4 P/T Seasonally

New Jobs 90 construction jobs
7 ongoing FTE Jobs Associated
(5 during lease-up period)

Project Cost: \$ 30,535,000 est.

Type of Financing: ☐ Tax-Exempt ☐ Taxable ☒ X Straight Lease

Amount of Bonds Requested: \$ N/A

Estimated Value of Tax-Exemptions:

- 5 -

Error! Unknown document property name.

N.Y.S. Sales and Compensating Use Tax:	\$ 820,000 (est)
Mortgage Recording Taxes:	\$ 267,185 (est)
Real Property Tax Exemptions:	\$ 1,400,597 (aggregate, non-discounted)
Other (please specify):	\$ _____

Provide estimates for the following:

Number of Full Time Employees at the Project Site before IDA Status:	3
Estimate of Jobs to be Created:	7
Estimate of Jobs to be Retained:	0
Average Estimated Annual Salary of Jobs to be Created:	\$ 43,965
Annualized Salary Range of Jobs to be Created:	\$20,000-\$60,000
Estimated Average Annual Salary of Jobs to be Retained:	N/A

- 6 -

Error! Unknown document property name.

I. INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT
(HEREINAFTER, THE "COMPANY").

A. Identity of Company:

1. Company Name: 1385 Washington Ave Property Associates, LLC

Present Address: 2711 Centerville Rd, Ste 400 Wilmington, DE

Zip Code: 19808

Employer's ID No.: 81-1582431
2. If the Company differs from the Applicant, give details of relationship: N/A
3. Indicate type of business organization of Company:
 - a. _____ Corporation (If so, incorporated in what country?
What State? _____ Date Incorporated? _____ Type of
Corporation? _____ Authorized to do business in New York?
Yes ____; No ____).
 - b. Partnership (if so, indicate type of partnership _____, Number
of general partners _____, Number of limited partners ____).
 - c. ☒ Limited liability company,
Date created? 02/16/2016
 - d. _____ Sole proprietorship
4. Is the Company a subsidiary or direct or indirect affiliate of any other
organization(s)? If so, indicate name of related organization(s) and relationship:
No.

B. Management of Company:

1. List all owners, officers, members, directors and partners (complete all columns
for each person):

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
GSX Solutions, LLC 7 Old Solomon's Island Rd Suite 200 Annapolis, MD 21401	Sole Member	Real Estate Development

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes ____; No X.
3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes ____; No X..
4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes ____; No X... (If yes to any of the foregoing, furnish details in a separate attachment).
5. If the answer to any of questions 2 through 4 is yes, please, furnish details in a separate attachment.

C. Principal Owners of Company:

1. Principal owners of Company: Is Company publicly held? Yes ____; No X
If yes, list exchanges where stock traded:
2. If no, list all stockholders having a 5% or more interest in the Company:

NAME	ADDRESS	PERCENTAGE OF HOLDING
1385 Washington Ave Partners LLC	c/o Corporation Service Company 2711 Centerville Rd, Suite 400 Wilmington, Delaware 19808	100%

- D. Company's Principal Bank(s) of account:
To Be Determined

II. DATA REGARDING PROPOSED PROJECT

- A. Summary: (Please provide a brief narrative description of the Project.)

A to-be-constructed four-story student housing complex consisting of approximately 322 student housing beds (101 units) over a partial underground parking level of 146 parking spaces, with total parking spaces of 170-178.

See attached narrative for more information.

- B. Location of Proposed Project:

1. Street Address 1385 Washington Avenue
2. City of Albany
3. Town of N/A
4. Village of N/A
5. County of Albany

- C. Project Site:

1. Approximate size (in acres or square feet) of Project site: 4.3 AC

- Is a map, survey, or sketch of the project site attached? Yes X ; No ____.
2. Are there existing buildings on project site? Yes X ; No ____.
- a. If yes, indicate number and approximate size (in square feet) of each existing building: 10,092 SF
- b. Are existing buildings in operation? Yes X ; No _____. If yes, describe present use of present buildings: Red Carpet Inn – Hotel
- c. Are existing buildings abandoned? Yes ____; No X. About to be abandoned? Yes ____; No _____. If yes, describe:
- d. Attach photograph of present buildings. Attached
3. Utilities serving project site:
4. Water-Municipal: Yes
Other (describe)
- Sewer-Municipal: Yes
Other (describe)
- Electric-Utility: Yes
Other (describe)
- Heat-Utility: N/A
Other (describe)
5. Present legal owner of project site:
- a. If the Company owns project site, indicate date of purchase: _____, 20____; Purchase price: \$_____. N/A
- b. If Company does not own the Project site, does Company have option signed with owner to purchase the Project site? Yes X ; No _____. If yes, indicate date option signed with owner: February 12, 2016; and the date the option expires: February 1, 2017.
- c. If the Company does not own the project site, is there a relationship legally or by common control between the Company and the present owners of the project site? Yes X ; No _____. If yes, describe: Signed Purchase and Sale agreement with extension option.

- 10 -

Error! Unknown document property name.

5. a. Zoning District in which the project site is located: C-2 Highway Commercial

b. Are there any variances or special permits affecting the site? Yes X ; No ____.
If yes, list below and attach copies of all such variances or special permits:

Seeking Special Use Permit (§375-73C), Area Variances (§375-73D) and a Parking Lot Permit (§375-174) to allow for construction of a four (4) story, 314-bed student housing structure (SRO) to a height of +/- 55 feet, with project lot coverage of +/- 75.1% (structure lot coverage of 19.6%), a front yard setback of +/- 47.63 feet, a rear yard setback of +/- 27.19 feet, and parking spaces of 170-178.

BZA Public Hearing scheduled for March 9th, 2016.

D. Buildings:

1. Does part of the Project consist of a new building or buildings? Yes X ; No ____.
If yes, indicate number and size of new buildings:

One (1) new building with a total floor area of approximately 142,000 Square Feet with a partially-underground parking garage area of approximately 48,000 Square Feet

2. Does part of the Project consist of additions and/or renovations to the existing buildings? Yes ____; No X . If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation:

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed, or expanded: Ownership and operations of a rental student housing complex.

E. Description of the Equipment:

1. Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? Yes X ; No ____ . If yes, describe the Equipment:

Furniture, fixtures and equipment related to the common areas of the building and individual units.

2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes ____; No X . If yes, please provide detail:
3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:

Building décor and everyday utilization by rental residents.

F. Project Use:

1. What are the principal products to be produced at the Project?
Student rental housing
2. What are the principal activities to be conducted at the Project?
Student rental housing
3. Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? Yes X ; No ____ . If yes, please provide detail:
Student rental housing
4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? 100%
5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:
 - a. Will the Project be operated by a not-for-profit corporation? Yes ____; No X ;. If yes, please explain:
 - b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes ____; No X ;. If yes, please explain:

- 12 -

Error! Unknown document property name.

- c. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes ____; No X ;. If yes, please explain:
- d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? Yes ____; No X ;. If yes, please provide detail:
- e. Will the Project be located in one of the following: (i) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (ii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? Yes X; No _____. If yes, please explain: _____
Contiguous to census tract 7

6. If the answers to any of subdivisions c. through e. of question 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York? Yes X ; No _____. If yes, please explain:

The project is expected to generate 7 new FTEs working on-site at stabilization. This is an increase of 4 FTEs from the previous business in operation.

7. Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York? Yes ____; No X. If yes, please explain:

8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York? Yes ____; No X. If yes, please provide detail:

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project: N/A

- a. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes ____; No ____.
If yes, please provide detail:
- b. Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York? Yes ____; No ____.
If yes, please provide detail:

G. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals.

City of Albany Planning Board, City of Albany Board of Zoning Appeals, City of Albany Water Board, New York State Department of Transportation, City of Albany Department of Buildings and Regulatory Compliance

2. Describe the nature of the involvement of the federal, state, or local agencies described above:

Municipal zoning and planning board approval; local building permit approval; adequate public facilities.

H. Construction Status:

1. Has construction work on this Project begun? Yes ____; No ☒. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.:

Please indicate amount of funds expended on this Project by the Company in the past three (3) years and the purposes of such expenditures: Project has spent and/or committed to approximately \$357,000 to date, and includes land deposits, letters of credit, architectural fees, MEP and structural engineering, travel expenses, surveys, civil engineering, traffic engineering, site assessment, environmental testing, economic analysis, etc.

2. Please indicate the date the applicant estimates the Project will be completed:

July 2017.

I. Method of Construction After Agency Approval:

1. If the Agency approves the Project which is the subject of this application, there are two methods that may be used to construct the Project. The applicant can construct the Project privately and sell the Project to the Agency upon completion. Alternatively, the applicant can request to be appointed as "agent" of the Agency, in which case certain laws applicable to public construction may apply to the Project. Does the applicant wish to be designated as "agent" of the Agency for purposes of constructing the Project? Yes ☒; No ____.

2. If the answer to question 1 is yes, does the applicant desire such "agent" status prior to the closing date of the financing? Yes ____; No ☒.

III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT. (PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS TO LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).

- A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes ☒; No _____. If yes, please complete the following for each existing or proposed tenant or subtenant:

Individual units and/or bedrooms will be leased to students on an annual or 9-month basis.

1. Sublessee name: N/A

Present Address:

City: _____ State: _____ Zip: _____

Employer's ID No.:

Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship
Relationship to Company:

Percentage of Project to be leased or subleased:

Use of Project intended by Sublessee:

Date of lease or sublease to Sublessee:

Term of lease or sublease to Sublessee:

Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project?

Yes ____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

2. Sublessee name: N/A

Present Address:

City: _____ State: _____ Zip: _____

Employer's ID No.: Sublessee is:

_____ Corporation: _____ Partnership: _____ Sole Proprietorship

Relationship to Company:

Percentage of Project to be leased or subleased:

Use of Project intended by Sublessee:

Date of lease or sublease to Sublessee:

Term of lease or sublease to Sublessee:

Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project?

Yes ____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

3. Sublessee name: N/A

Present Address:

City: _____ State: _____ Zip: _____

Employer's ID No.:

Sublessee is: _____ Corporation: _____ Partnership: _____ Sole Proprietorship

Relationship to Company:

Percentage of Project to be leased or subleased:

Use of Project intended by Sublessee:

Date of lease or sublease to Sublessee:

Term of lease or sublease to Sublessee:

Will any portion of the space leased by this sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project?

Yes ____; No _____. If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such sublessee.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? None.

IV. Employment Impact

- A. Indicate the number of people presently employed at the Project site and the additional number that will be employed at the Project site at the end of the first and second years after the Project has been completed, using the tables below for (1) employees of the Applicant, (2) independent contractors, and (3) employees of independent contractors. (Do not include construction workers). Also indicate below the number of workers

employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the applicant. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

TYPE OF EMPLOYMENT Employees of Applicant					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time	2 (Full-Time)			1(FTE)	3
Present Part Time					
Present Seasonal				4 (Part-Time)	4
First Year Full Time	2 (Full-Time)	1(FTE)	1(FTE)	3 (FTEs)	7
First Year Part Time					
First Year Seasonal					
Second Year Full Time	2 (Full-Time)	1 (Full-Time)	1(FTE)	3 (FTEs)	7
Second Year Part Time					
Second Year Seasonal					

TYPE OF EMPLOYMENT Independent Contractors - N/A					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					
Present Part Time					
Present Seasonal					
First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					

TYPE OF EMPLOYMENT Employees of Independent Contractors – N/A					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					
Present Part Time					
Present Seasonal					

- 18 -

Error! Unknown document property name.

First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					

- B. Indicate below (1) the estimated salary and fringe benefit averages or ranges and (2) the estimated number of employees residing in the Capital District Economic Development Region for all the jobs at the Project site, both retained and created, listed in the tables described in subsection A above for each of the categories of positions listed in the chart below.

RELATED EMPLOYMENT INFORMATION				
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled
Estimated Salary and Fringe Benefit Averages or Ranges	\$40,000 - \$60,000 Up to \$7,000	\$30,000 - \$45,000 Up to \$4,000	\$25,000 - \$35,000 Up to \$4,000	\$25,000 Up to \$2,000
Estimated Number of Employees Residing in the Capital District Economic Development Region ¹	1			1

- C. Please describe the projected timeframe for the creation of any new jobs with respect to the undertaking of the Project:

Upon commencement of construction project will contract temporary lease-up/marketing staff to market and pre-lease units. Three to six (3-6) months prior to opening project will hire a full-time employee (FTE) to assist with the pre-leasing and marketing, and this employee will continue with company on an on-going basis. Two to four (2-4) months prior to opening company will hire a Location Manager, who will oversee all operations, an on-going position. End of July/Early August 2017 a Lead Maintenance, accountant/bookkeeper will be hired as well as three (3) employees for the Concierge Desk/Security.

¹ The Capital District Economic Development Region consists of the following counties: Albany, Schenectady, Rensselaer, Greene, Columbia, Saratoga, Warren and Washington.

- D. Description of activities and/or work performed is included in Schedule A – Description Included in Schedule A

V. Project Cost and Financing Sources

- A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ 2,850,000 (est)
Buildings	\$ 20,500,000 (est)
Machinery and equipment costs	\$ 992,000 (est)
Utilities, roads and appurtenant costs	\$ N/A
Architects and engineering fees	\$ 1,125,000 (est)
Costs of Bond Issue (legal, financial and printing)	\$ N/A
Construction loan fees and interest (if applicable)	\$ 892,000 (est)
Other (specify)	
Contingency (Hard & Soft)	\$ 1,462,000 (est)
Admin, Indirect Costs & Taxes during Construction	\$ 1,552,000 (est)
Other Soft Costs	\$ 1,162,000 (est)
TOTAL PROJECT COSTS	\$ 30,535,000 (est)

- B. Anticipated Project Financing Sources. State the sources reasonably necessary for the financing of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Sources</u>	<u>Amount</u>
Private Sector Financing	\$ 21,375,000 (est)
Public Sector	\$ 0
Federal Programs	\$ 0
State Programs	\$ 0
Local Programs	\$ 0
Applicant Equity	\$ 9,160,000 (est)
Other (specify, e.g., tax credits)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL AMOUNT OF PROJECT FINANCING SOURCES	\$ 30,535,000 (est)

- C. Have any of the above expenditures already been made by the applicant?
Yes X ; No _____. If yes, indicate particulars.

Funds have been spent and/or committed on land deposits, due diligence, legal fees, surveys, traffic studies, market studies, environmental studies, architecture, engineering approvals, fees and other predevelopment expenses.

- D. Amount of loan requested: \$; Not requested yet.
Maturity requested: 30 years.

- E. Has a commitment for financing been received as of this application date, and if so, from whom?

Yes ____; No X. Institution Name: _____

Provide name and telephone number of the person we may contact.

Name: _____ Phone: _____

F. The percentage of Project costs to be financed from public sector sources is estimated to equal the following: 0 %

G. The total amount estimated to be borrowed to finance the Project is equal to the following:
\$ 21,375,000

VI. BENEFITS EXPECTED FROM THE AGENCY

A. Financing

1. Is the applicant requesting that the Agency issue bonds to assist in financing the Project?
Yes ____; No X. If yes, indicate:

- a. Amount of loan requested: ____ Dollars;
- b. Maturity requested: ____ Years.

2. Is the interest on such bonds intended to be exempt from federal income taxation?
N/A Yes ____; No ____.

3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes: N/A

- a. retail food and beverage services: Yes ____; No ____
- b. automobile sales or service: Yes ____; No ____
- c. recreation or entertainment: Yes ____; No ____
- d. golf course: Yes ____; No ____
- e. country club: Yes ____; No ____
- f. massage parlor: Yes ____; No ____
- g. tennis club: Yes ____; No ____
- h. skating facility (including roller skating, skateboard and ice skating): Yes ____; No ____
- i. racquet sports facility (including handball and racquetball court): Yes ____; No ____
- j. hot tub facility: Yes ____; No ____
- k. suntan facility: Yes ____; No ____
- l. racetrack: Yes ____; No ____

4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment. N/A

5. Is the Project located in the City's federally designated Enterprise Zone? Yes ____; No X.

6. Is the applicant requesting the Agency to issue federally tax-exempt Enterprise Zone bonds? Yes ____; No X.

B. Tax Benefits

1. Is the applicant requesting any real property tax exemption that would not be available to a project that did not involve the Agency? Yes ☒ ; No ☐

2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes ☒ ; No ☐. If yes, what is the approximate amount of financing to be secured by mortgages? \$21,375,000.

3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes ☒ No ☐. If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$ 10,250,000 est.

4. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of the exemption.

a.	N.Y.S. Sales and Compensating Use Taxes:	\$820,000
b.	Mortgage Recording Taxes:	\$267,185
c.	Real Property Tax Exemptions:	\$1,400,597 (aggregate, non-discounted)
d.	Other (please specify):	
		\$ _____
		\$ _____

The present value of the requested real property tax exemption is \$1,110,000 (rounded) based on a 9.0% discount rate, which is the unlevered discount rate typically utilized to calculate the value of real property tax abatements that occur over multiple periods.

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax Exemption Policy? Yes ☒ ; No ☐. If yes, please explain.

The applicant is seeking deviation from the Agency's Uniform Tax Exemption Policy.

6. Is the Project located in the City's state designated Empire Zone? Yes ☐ ; No ☒.

C. Project Cost/Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

VII. REPRESENTATIONS BY THE APPLICANT. The applicant understands and agrees with the Agency as follows:

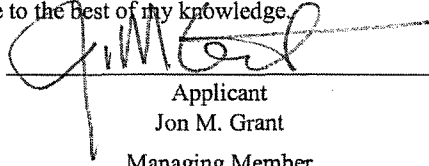
- A. Job Listings. Except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOC") and with the administrative entity (collectively with the DOC, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA"), as replaced by the Workforce Investment Act of 1998 (Public Law 105-220), in which the Project is located.
- B. First Consideration for Employment. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C. City Human Rights Law. The applicant has reviewed the provisions of Chapter 48, Article III of the City Code, entitled "The Omnibus Human Rights Law" and agrees to comply with such provisions to the extent that such provisions are applicable to the applicant and the Project.
- D. Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.
- E. Annual Employment Reports. The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the Project site, including (1) the NYS-45 – Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return – for the quarter ending December 31 (the "NYS-45"), and (2) the US Dept. of Labor BLS 3020 Multiple Worksite report if applicable. The applicant also agrees, whenever requested by the Agency, to provide and certify or cause to be provided and certified such information concerning the participation of individuals from minority groups as employees or applicants for employment with regard to the project.
- F. Local Labor Information. The applicant is aware of and understands the provisions of Part 24 of the Policy Manual of the Agency. Pursuant to Part 24 of the Policy Manual of the Agency, the applicant agrees to provide information, in form and substance satisfactory to the Agency, relating to construction activities for projects; specifically: (i) the Company's contact person responsible and accountable for providing information about the bidding for and awarding of construction contracts relative to this Application and the Project, (ii) the nature of construction jobs created by the Project, including the number, type, and duration of construction positions; and (iii) submit to the Agency a "Construction

Completion Report” listing the names and business locations of prime contractors, subcontractors, and vendors who were engaged in the construction phase of the Project.

- G. Additional Fee for Low Income Housing/Tax Credit (9% only) Projects. An annual administrative fee equal to \$10,000 shall be payable annually by the applicant on each January 1 for a term equal to ten (10) years. This annual administrative fee is in addition to the standard administrative fee for Agency Straight Lease Transactions and Agency Bond Transactions and is applicable to Projects which provide for low income housing/tax credit (9% only) projects.
- H. Project Benefits Agreement. The applicant agrees to enter into a project benefits agreement with the Agency where the applicant agrees that (1) the amount of Financial Assistance to be received shall be contingent upon, and shall bear a direct relationship to the success or lack of success of such project in delivering certain described public benefits (the “Public Benefits”) and (2) the Agency will be entitled to recapture some or all of the Financial Assistance granted to the applicant if the project is unsuccessful in whole or in part in delivering the promised Public Benefits.
- I. Assignment of Agency Abatements. In connection with any Agency Straight Lease Transaction or Agency Bond Transaction, the Agency may grant to the applicant certain exemptions from mortgage recording taxes, sales and use taxes and real property taxes. The applicant understands that the grant of such exemptions by the Agency is intended to benefit the applicant. Subsequently, if the applicant determines to convey the Project and, in connection with such conveyance to assign such exemptions to the purchaser, the applicant understand that any such assignment is subject to review and consent by the Agency, together with the satisfaction of any conditions that may be imposed by the Agency.
- J. Post Closing Cost Verification. The applicant agrees (1) the scope of the Project will not vary significantly from the description in the public hearing resolution for the project and (2) to deliver to the Agency within sixty (60) days following the completion date of a project an affidavit providing the total costs of the project. In the event that the amount of the total project costs described in the affidavit at the completion date exceeds the amount described in an affidavit provided by the applicant on the closing date of the project, the applicant agrees to adjust the amounts payable by the applicant to the Agency by such larger amount and to pay to the Agency such additional amounts. In the event that the amount described is less, there shall not be any adjustment to the Agency fees.
- K. Representation of Financial Information. Neither this Application nor any other agreement, document, certificate, project financials, or written statement furnished to the Agency or by or on behalf of the applicant in connection with the project contemplated by this Application contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. There is no fact within the special knowledge of any of the officers of the applicant which has not been disclosed herein or in writing by them to the Agency and which materially adversely affects or in the future in their opinion may, insofar as they can now reasonably foresee, materially adversely affect the business, properties, assets or condition, financial or otherwise, of the applicant.

- L. Agency Financial Assistance Required for Project. The Project would not be undertaken but for the Financial Assistance provided by the Agency or, if the Project could be undertaken without the Financial Assistance provided by the Agency, then the Project should be undertaken by the Agency for the following reasons:
- M. Relocation or Abandonment. The provisions of subdivision one of Section 862 of the General Municipal Law will not be violated if Financial Assistance is provided for the Project.
- N. Compliance with Federal, State, and Local Laws. The applicant is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.
- O. False or Misleading Information. The applicant understands that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of Agency involvement in the Project.
- P. Absence of Conflicts of Interest. The applicant acknowledges that the members, officers and employees of the Agency are listed on the Agency's website. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:
- Q. Additional Information. Additional information regarding the requirements noted in this Application and other requirements of the Agency is included the Agency's Policy Manual which can be accessed at www.albanyida.com.

I affirm under penalty of perjury that all statements made on this application are true,
accurate and complete to the best of my knowledge.



By: Applicant
Jon M. Grant
Title: Managing Member

NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION APPEARING
ON PAGES 26 THROUGH 29 HEREOF BEFORE A NOTARY PUBLIC AND MUST
SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 30

- 27 -

Error! Unknown document property name.

VERIFICATION

STATE OF _____

(If Applicant is a Corporation)

)
) SS.:
)

COUNTY OF _____

Jon M. Grant deposes and says that he is the

Managing Member of 1385 Washington Ave Property Associates, LLC,
the corporation named in the attached application; that he has read the foregoing application and knows the
contents thereof; and that the same is true and complete and accurate to the best of his knowledge. Deponent
further says that the reason this verification is made by the deponent and not by said company is because
the said company is a corporation. The grounds of deponent's belief relative to all matters in the said
application which are not stated upon his own personal knowledge are investigations which deponent has
caused to be made concerning the subject matter of this application as well as information acquired by
deponent in the course of his duties as an officer of and from the books and papers of said corporation.

(officer of applicant)

Sworn to before me this ____ day
of _____, 20_.

(Notary Public)

(If applicant is sole proprietor)

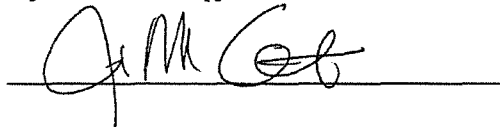
- 28 -

Error! Unknown document property name.

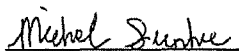
VERIFICATION

STATE OF MD)
) SS.:
COUNTY OF A.A)

Jon M. Grant, deposes and says
that he has read the foregoing application and knows the contents thereof; and that the same is true and
complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters
in the said application which are not stated upon his own personal knowledge are investigations which
deponent has caused to be made concerning the subject matter of this application.

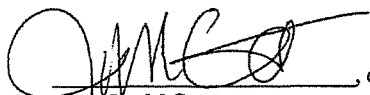


Sworn to before me this 24 day
of February, 2016


(Notary Public)

MICHAEL DOUGLAS STEINHICE JR
NOTARY PUBLIC
QUEEN ANNES COUNTY
MARYLAND
My Commission Expires 01-14-2020

(If applicant is limited liability company)


Jon M Grant, deposes and says

that he is one of the members of the firm of 1385 Washington Ave Property Associates LLC,

VERIFICATION

STATE OF _____)
) SS.:
COUNTY OF _____)

1385 Washington Ave Property Associates LLC
the limited liability company named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said limited liability company.

Sworn to before me this ____ day
of _____, 20__.

(Notary Public)

(If applicant is partnership)

_____, deposes and says
Jon M Grant
that he is one of the members of the firm of 1385 Washington Ave Property Associates LLC,

- 30 -

Error! Unknown document property name.

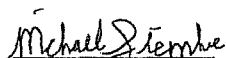
VERIFICATION

STATE OF Maryland)
) SS.:
COUNTY OF Anne Arundel)

1385 Washington Ave Property
Associates LLC the partnership named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as a member of and from the books and papers of said partnership.



Sworn to before me this 24 day
of February, 2016


(Notary Public)

MICHAEL DOUGLAS STEINHICE JR
NOTARY PUBLIC
QUEEN ANNES COUNTY
MARYLAND
My Commission Expires 01-14-2020

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD
HARMLESS AGREEMENT APPEARING ON PAGE 30 IS SIGNED BY THE APPLICANT.


HOLD HARMLESS AGREEMENT

Applicant hereby releases City of Albany Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (i) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the application or the project described therein or the issue of bonds requested therein are favorably acted upon by the Agency, and (ii) the Agency's financing of the Project described therein; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

Jon M Grant/1385 Washington Ave Property Associates LLC

BY: 

Sworn to before me this 24 day
of February, 2016


(Notary Public)

MICHAEL DOUGLAS STEINHICE JR
NOTARY PUBLIC
QUEEN ANNES COUNTY
MARYLAND
My Commission Expires 01-14-2020

TO: Project Applicants
FROM: City of Albany Industrial Development Agency
RE: Cost/Benefit Analysis

In order for the City of Albany Industrial Development Agency (the "Agency") to prepare a Cost/Benefit Analysis for a proposed project (the "Project"), the Applicant must answer the questions contained in this Project Questionnaire (the "Questionnaire") and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

- 32 -

Error! Unknown document property name.

This Questionnaire must be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

PROJECT QUESTIONNAIRE

1. Name of Project Beneficiary ("Company"):	1385 Washington Ave Property Associates, LLC
2. Brief Identification of the Project:	322 bed student housing development
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	N/A
B. Value of Sales Tax Exemption Sought	\$820,000
C. Value of Real Property Tax Exemption Sought	(aggregate, non-discounted) \$1,400,597
D. Value of Mortgage Recording Tax Exemption Sought	\$267,185

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ 2,850,000
2. Site preparation	\$
3. Landscaping	\$
4. Utilities and infrastructure development	\$
5. Access roads and parking development	\$
6. Other land-related costs (describe)	\$
B. Building-Related Costs	
1. Acquisition of existing structures	\$
2. Renovation of existing structures	\$
3. New construction costs	\$ 20,500,000 (est)
4. Electrical systems	\$
5. Heating, ventilation and air conditioning	\$
6. Plumbing	\$
7. Other building-related costs (describe)	\$
C. Machinery and Equipment Costs	
1. Production and process equipment	\$
2. Packaging equipment	\$
3. Warehousing equipment	\$
4. Installation costs for various equipment	\$

Error! Unknown document property name.

5. Other equipment-related costs (describe)	\$ _____
D. Furniture and Fixture Costs	
1. Office furniture	\$ _____
2. Office equipment	\$ _____
3. Computers	\$ _____
4. Other furniture-related costs (common area and units)	\$ 992,000 (est)
E. Working Capital Costs	
1. Operation costs	\$ 108,500 (est)
2. Production costs	\$ _____
3. Raw materials	\$ _____
4. Debt service	\$ _____
5. Relocation costs	\$ _____
6. Skills training	\$ _____
7. Other working capital-related costs (describe)	\$ _____
F. Professional Service Costs	
1. Architecture and engineering	\$ 1,125,000 (est)
2. Accounting/legal	\$ 231,500 (est)
3. Other service-related costs (studies and surveys)	\$ 103,000 (est)
G. Other Costs	
1. Construction Loan Fees & Interest Reserve	\$ 892,000 (est)
2. Permits & Impact Fees	\$ 394,000 (est)
3. Hard and Soft Contingency	\$ 1,462,000 (est)
4. Start-up Marketing Costs	\$ 325,000 (est)
5. Administrative, Indirect costs & Taxes during Construction	\$ 1,552,000 (est)
H. Summary of Expenditures	
1. Total Land-Related Costs	\$ 2,850,000
2. Total Building-Related Costs	\$ 20,500,000 (est)
3. Total Machinery and Equipment Costs	\$ _____
4. Total Furniture and Fixture Costs	\$ 992,000 (est)
5. Total Working Capital Costs	\$ 108,500 (est)
6. Total Professional Service Costs	\$ 1,462,000 (est)
7. Total Other Costs	\$ 4,622,500 (est)

Error! Unknown document property name.

PROJECTED PROFIT

I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization:

YEAR	Without IDA benefits*	With IDA benefits*
1	\$ 477,794	\$ 708,272
2	\$ 618,055	\$ 854,016
3	\$ 641,926	\$ 762,704
4	\$ 666,161	\$ 765,066
5	\$ 690,753	\$ 766,678

* Includes accrued losses carried forward

PROJECTED CONSTRUCTION EMPLOYMENT IMPACT

I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project:

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	45	\$ 3,199,117	\$ 206,343
Year 1	45	\$ 3,199,117	\$ 206,343
Year 2		\$ _____	\$ _____
Year 3		\$ _____	\$ _____
Year 4		\$ _____	\$ _____
Year 5		\$ _____	\$ _____

1. Includes only direct construction jobs. However, it should be noted that the project is expected to generate a significant amount of indirect and induced jobs and economic output.
2. Estimated \$32.9 million in one-time direct, indirect and induced economic output

PROJECTED PERMANENT EMPLOYMENT IMPACT

I. Estimates of the total number of existing permanent jobs to be preserved or retained as a result of the Project are described in the tables in Section IV of the Application.

Error! Unknown document property name.

II. Estimates of the total new permanent jobs to be created at the Project are described in the tables in Section IV of the Application.

III. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

IV. Provide the projected percentage of employment that would be filled by City of Albany residents: 30% (est)

A. Provide a brief description of how the project expects to meet this percentage:

1385 Washington Ave Property Associates is currently working with a local general contractor and all local professionals to advance the project. In all of our projects, we make a conscious effort to work with local labor and professionals to the extent possible.

PROJECTED OPERATING IMPACT

I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 st year following project completion)	\$ 78,500 (Repairs and Maintenance - est.)
Additional Sales Tax Paid on Additional Purchases	\$ 6,280
Estimated Additional Sales (1 st full year following project completion)	N/A
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	N/A

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"):

Error! Unknown document property name.

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year	\$72,922	\$72,922	0
Year 1	\$457,051	\$72,922	\$384,129
Year 2	\$466,192	\$72,922	\$393,270
Year 3	\$475,516	\$274,219	\$201,297
Year 4	\$485,026	\$320,184	\$164,842
Year 5	\$494,726	\$368,185	\$126,541
Year 6	\$504,621	\$418,281	\$86,340
Year 7	\$514,713	\$470,534	\$44,179
Year 8	\$535,008	-	
Year 9	\$546,218	-	
Year 10	\$557,142	-	

The proposed PILOT structure consists of a payment equal to the existing real estate taxes for the construction period (estimated to be 12–16 months) and the first two operating years before commencement of the prototypical abatement beginning at 50% of the incremental taxes amortizing over a five year period at 10% per year. This structure is a critically important risk mitigant that offsets the lease-up risk associated with the limited target market, which is a result of the subject site's use restriction.

An important aspect of the proposed PILOT structure is establishing a firm PILOT payment schedule in lieu of a schedule of percentages of assessed real property taxes. Based on all assessment information available, the full annual real estate taxes for the stabilized project are estimated to be \$1,419 per bed (est). 1385 Washington Ave Property Associates, LLC seeks to establish this assessment within the framework of the PILOT agreement with the IDA by way of fixing the full assessment based on guidance received from the assessor.

III. Please provide a brief description for the impact of other economic benefits expected to be produced as a result of the Project:

The subject is an older property and currently only generates approximately \$72,922 in annual real estate taxes. With the proposed improvements, the project will generate additional income of \$274,219 in year three with the PILOT program in place and escalate to a total tax income total of \$525,008 est in its first year of full assessment, an increase of approximately 85%. With the assistance of the Albany IDA, the proposed project, based on estimates to be confirmed, will be an economically impactful development solution with the benefit of supporting an estimated 190 jobs during its construction phase (direct, indirect and induced FTEs) and 7 new ongoing F/T jobs at stabilization. Those estimated 190 new jobs would be associated with more than \$10.6 million in employee compensation equating to over \$50,000 per position. Beyond the cost of purchasing the necessary materials for the project, a cost of approximately \$14 million, total Albany regional business sales are estimated to be augmented by almost \$33 million.

Error! Unknown document property name.

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge; such responses are true, correct, and complete.

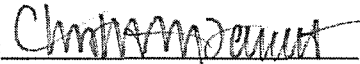
I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

I affirm under penalty of perjury that all statements made on this application are true, accurate and complete to the best of my knowledge.

Date Signed: February 24, 2016.

Name of Person Completing Project Questionnaire on behalf of the Company.

Name: Cheryl Henry-Fawcett
Title: Executive Project Manager
Phone Number: 410.230.0003 ext 3
Address: 7 Old Solomon's Island Road, #200
Annapolis, Maryland 21401

Signature: 

Error! Unknown document property name.

CREATION OF NEW JOB SKILLS

Please list the projected new job skills for the new permanent jobs to be created at the Project as a result of the undertaking of the Project by the Company.

[illegible]

Should you need additional space, please attach a separate sheet.

Error! Unknown document property name.

SCHEDULE E

ANNUAL EMPLOYMENT VERIFICATION/COMPLIANCE REPORT

This Annual Employment Verification/Compliance Report and all applicable attachments must be completed and provided to the Agency by **(INSERT DATE)**. Kindly provide the following information for calendar year (January 1, YEAR - December 31, YEAR).

Project or Company Name: _____

1. Original Estimate of Jobs to be Created and Retained (from the project Application or Initial Employment Plan)....._____

2. Number of Current Full Time Employees (as of 12/31/xx).....

3. Number of Full Time Construction Jobs During Fiscal Year (20xx)..... _____

4. If "Original Estimate of Jobs to be Created and Retained" does not equal "Number of Current Full Time Employees (as of 12/31/xx)," please explain:

5. Did the Company receive a mortgage recording tax exemption in 20xx (Y/N)? _____

If yes, indicate the amount (\$) of mortgage recording tax exemption received in 20xx _____

6. Did the Company receive a real property tax exemption in 20xx (Y/N)? _____

If yes, indicate if the Company has paid its annual PILOT payments in 20xx (Y/N) _____

If outstanding 20xx PILOT payments remain due, please explain:

7. Did the Company receive a sales tax exemption in 20xx (Y/N)? _____

If yes, ***please attach*** a copy of a filed NYS Dept. of Taxation and Finance Form **ST-340** Annual Report of Sales and Use Tax Exemptions for 20xx (applicable to projects with sales tax exemption letters for construction phase).

8. Does the Company have a Project Benefit Agreement (Y/N)?

If yes, ***please attach*** a copy of a filed 20xx **NYS-45** Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return for the last payroll date in the month of December 20xx (applicable to project applicants that submitted a project application after **March 19, 2015** and that have a Project Benefit Agreement).

9. **Attach** an updated Certificate of Insurance naming the Agency as "Additional Insured." Please refer to your Project Documents for information about required insurance.

10. Has an event of default under the Project Documents occurred or is continuing during FY 20xx? (Y/N) ____ If yes, please explain: _____

CERTIFICATION

I hereby certify that I am the owner of the project site or am the duly authorized representative and may sign this data submission on behalf of the owner(s) of said project site. I have read and understand all of the requirements contained within the Project Documents and I have read the foregoing Annual Employment Verification/Compliance Report and know the contents thereof; and that the same is true and complete and accurate to the best of my knowledge.

Name (Print)

Title

Signature

Phone Number

Email Address

Company Address

NOTE: The following must be completed for all Projects closed on or after **June 15, 2016:**

RETAINED JOBS

	Professional	Skilled	Semi-Skilled	Un-Skilled	Total
Full Time					
Part Time					
Seasonal					
Independent Contractors					
Contract Employees					

CREATED JOBS

	Professional	Skilled	Semi-Skilled	Un-Skilled	Total
Full Time					
Part Time					
Seasonal					
Independent Contractors					
Contract Employees					

SALARY AND FRINGE BENEFITS

Is the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created described in the Application or the Initial Employment Plan still complete, true, and accurate:

Yes: _____ No: _____

If not, please provide the revised amounts using the table below and attach an explanation of the changes:

<u>RELATED EMPLOYMENT INFORMATION</u>				
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled
Estimated Salary and Fringe Benefit Averages or Ranges				
Estimated Number of Employees Residing in the Capital Region Economic Development Region ²				

² The Capital Region Economic Development Region consists of the following counties: Albany, Schenectady, Rensselaer, Greene, Columbia, Saratoga, Warren, and Washington.

Officer's Certification

I further certify that to the best of my knowledge and belief all of the information under the headings "Retained Jobs," "Created Jobs," and "Salary and Fringe Benefits" above is complete, true, and accurate. I also understand that failure to report completely and accurately may result in enforcement of provisions of the Uniform Agency Project Agreement dated as of April 1, 2017 by and between the Company and City of Albany Industrial Development Agency (the "Project Agreement"), including but not limited to the suspension, discontinuance, and potential claw back of financial assistance provided for the project.

Signed: _____
(Authorized Company Representative)

Date: _____