

Albany Industrial Development Agency

21 Lodge Street
Albany, New York 12207
Telephone: (518) 434-2532
Fax: (518) 434-9846

Anthony J. Ferrara, *Chairman*
Willard A. Bruce, *Vice-Chairman*
Betty J. Barnette, *Treasurer*
Susan Pado, *Secretary*
Prairie Wells
Gary Simpson
Martin Daley

Michael Yevoli, *Chief Executive Officer*
Erik J. Smith, *Chief Financial Officer*
John Reilly, *Agency Counsel*

To: Anthony J. Ferrara Mike Yevoli
Willard A. Bruce Joe Scott
Betty J. Barnette Jeff Sullivan
Susan Pado John Reilly
Gary Simpson Erik Smith
Prairie Wells Maria Pidgeon
Megan Daly City Clerk
Martin Daley

Date: December 10, 2009

NOTE: (1) The Audit Committee will meet prior to the Regular meeting on 12/17/09 at 11:30am

AGENDA

The regular meeting of the City of Albany Industrial Development Agency will be held on **Thursday, December 17, 2009 at 12:15PM** at the offices of the **ALDC, 21 Lodge Street**, Albany, NY.

Roll Call

Reading of Minutes of the Regular Monthly Meeting of November 19, 2009

Approval of Minutes of the Regular Monthly Meeting of November 19, 2009

Reports of Committees

Report of Chief Executive Officer

Report of Chief Financial Officer

Communications

Unfinished Business

New Business

- Madison Properties of Albany, LLC Project Commercial Findings Resolution
- Madison Properties of Albany, LLC Project PILOT Deviation Approval Resolution
- Madison Properties of Albany, LLC Project SEQR Resolution
- Madison Properties of Albany, LLC Project Approving Resolution
- Albany Medical Center 2006 Project – Restructuring – Issuer Approving Resolution
- Albany Medical Center Hospital 2006 Project – Restructuring – Issuer Approving Resolution
- Memo Re: Albany College of Pharmacy Project
- Albany College of Pharmacy Project – Resolution Authorizing Release of Certain Lands

Other Business

Adjournment

* The next regularly scheduled meeting is January 21, 2010 at the offices of the ALDC, 21 Lodge St.

Albany Industrial Development Agency

21 Lodge Street
Albany, New York 12207
Telephone: (518) 434-2532
Fax: (518) 434-9846

Anthony J. Ferrara, *Chairman*
Willard A. Bruce, *Vice-Chairman*
Betty J. Barnette, *Treasurer*
Susan Pedo, *Secretary*
Prairie Wells
Gary Simpson
Martin Daley

Michael Yevoli, *Chief Executive Officer*
Erik J. Smith, *Chief Financial Officer*
John Reilly, *Agency Counsel*

IDA MINUTES OF REGULAR MEETING Thursday, November 19, 2009

Attending: Anthony Ferrara, Bill Bruce, Susan Pedo, Gary Simpson & Martin Daley

Absent: Betty Barnette & Prairie Wells

Also Present: A. Joseph Scott, John Reilly, Mike Yevoli, Erik Smith & Jeff Sullivan

Chairman Ferrara called the regular meeting of the IDA to order at 12:17 PM.

Roll Call

Chairman Ferrara reported that all Board Members were present with the exception of Betty Barnette and Prairie Wells.

Reading of Minutes of the Regular Meetings of September 17, 2009 and October 22, 2009

Since the minutes of the previous meetings had been distributed to Board members, in advance for review, Chairman Ferrara made a proposal to dispense with the reading of the minutes.

Approval of Minutes of the Regular Meetings of September 17, 2009 and October 22, 2009

Chairman Ferrara made a proposal to approve the minutes of the Regular Board Meetings as presented. No objections, deletions, or changes were rendered. A motion to accept the minutes, as presented, was made by Gary Simpson and seconded by Bill Bruce. A vote being taken, the minutes were accepted unanimously.

Chairman Ferrara recommended the agenda be modified to address New Business. No objection was rendered and the agenda was so modified.

New Business

AIDA Introduction Memo for Members

Joe Scott explained that the memo resulted from meetings with staff to present background information on IDAs in New York and how they operate. This information was for the Board members to review, digest and formulate any questions on any of the information contained within the memo. This would help the Board members feel more comfortable with what they are doing as well as supplementary device in complying with PAAA requirements.

Mr. Yevoli commented that the memo was a great reference item, especially with newer members now joining the Board. After some brief discussion, Chairman Ferrara suggested that the Board members take some time to review the material in the memo and establish a future date to meet and discuss the memo in detail. Susan Pedo reminded the Board that they had discussed meeting with other IDA boards in the area to discuss these types items and their relationship with best practice issues.

AIDA 2009 Audit Engagement Resolution

Erik Smith explained that the Audit Committee was not able to meet prior to this meeting to review and discuss the engagement letter. However, he noted that it was not a requirement for the audit committee to address the letter before the Board could vote to accept it. He recommended that the Board consider the engagement letter, noting that two of the Audit Committee members were present at this meeting. Mr. Smith continued, pointing out that the cost of the audit was \$6,600 – the same price as last years audit and that the auditing firm would hold that price through the engagement for 2010. Bill Bruce asked if the staff was satisfied with the auditors? Mr. Smith responded that staff was very satisfied with the working relationship between staff and the auditors.

Chairman Ferrara asked Susan Pedo and Gary Simpson (Audit Committee Members) if they had any reservations in addressing the resolution at this time. They both responded that they did not. Chairman Ferrara presented the *AIDA 2009 Audit Engagement Resolution* to the Board. A motion to adopt the Resolution was made by Susan Pedo and seconded by Bill Bruce. A vote being taken, the Resolution passed unanimously.

Madison Properties, LLC Project PILOT Deviation Notice Resolution

Chairman Ferrara presented the *Madison Properties, LLC Project PILOT Deviation Notice Resolution* to the Board. A motion to adopt the Resolution was made by Martin Daley and seconded by Gary Simpson. Bill Bruce asked if the taxing jurisdictions would actually get something that showed the amounts of the deviations? Mike Yevoli responded that those figures are not known at this time. Joe Scott added, that while those amounts are not known – we could add the range of the deviations that we are considering which are somewhat known to those jurisdictions. A vote being taken, the Resolution passed unanimously.

Albany Institute of History & Art Series 2004A Bond Project Resolution Approving Extension of LOC

Chairman Ferrara presented the *Resolution Approving Extension of LOC for the Albany Institute of History & Art Series 2004A Bond Project* to the Board. A motion to adopt the Resolution was made by Susan Pedo and seconded by Bill Bruce. Joe Scott reviewed the resolution with the Board. A vote being taken, the Resolution passed unanimously.

Reports of Committees

None

Report of Chief Executive Officer

Mike Yevoli reported that the Capital Resource Corporation approval process had been introduced to the Common Council and was moved to the appropriate committee for review and consideration. Secondly, Mr. Yevoli updated the Board that the Albany College of Pharmacy had notified us that they have succeeded with complying with the Board additional requests of the obtaining of the bondholders consent and support of the project from the local residents. Joe Scott indicated that he had advised them to put together a handout evidencing satisfaction of those requirements, well in advance of the November meeting. Susan Pedo asked if anyone from staff could check with the other colleges to see how they view the proposal from a planning standpoint. Mr. Yevoli said that staff would do what they could to obtain that information.

Report of Chief Financial Officer

Erik Smith reviewed the monthly financials with the Board. He noted that our cash balance at the end of October was approximately \$1.1million and that the Agency fee of \$187,500 had been received from the NS Parking Garage Facility Project.

Communications

None

Unfinished Business

None

Other Business

Susan Pedo recommended that Martin Daley be added as a member of the audit committee. Erik Smith reminded the Board that the Chairman appoints the members to committees. Chairman Ferrara appointed Martin Daley as a member of the audit committee – Mr. Daley accepted the appointment.

There being no further business, Mr. Ferrara adjourned the meeting at 1:58PM.

Respectfully submitted,

Susan Pedo, Secretary

G:Jeff Sullivan,IDA,Minutes 11_19_2009

City of Albany IDA
2009 Monthly Cash Position
November 2009

	ACTUAL											PROJECTED	
	January	February	March	April	May	June	July	August	September	October	November	December	YTD Total
Beginning Balance	\$ 1,132,782	\$ 1,132,324	\$ 1,110,255	\$ 1,033,874	\$ 954,270	\$ 941,194	\$ 857,895	\$ 848,518	\$ 942,664	\$ 928,197	\$ 1,093,876	\$ 1,085,575	\$ 1,132,782
Revenue													
Fee Revenue													
Application Fee	\$ -	\$ -	\$ 1,500	\$ -	\$ 3,000	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ 6,000
Agency Fee ⁽¹⁾	-	-	-	-	-	-	-	108,669	108,373	187,500	-	-	404,542
Administrative Fee	-	-	-	-	500	-	4,023	-	-	-	-	500	5,023
Modification Fee	-	-	500	500	-	-	-	-	-	-	-	-	1,000
Subtotal - Fee Revenue	\$ -	\$ -	\$ 2,000	\$ 500	\$ 3,500	\$ -	\$ 4,023	\$ 110,169	\$ 108,373	\$ 187,500	\$ -	\$ 500	\$ 416,565
Other Revenue													
Loan Repayments - Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loan Repayments - Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	292	302	395	292	225	191	184	205	212	191	149	100	2,737
Sale of Agency Property	-	-	-	-	-	-	-	-	-	-	-	-	-
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - Other Revenue	\$ 292	\$ 302	\$ 395	\$ 292	\$ 225	\$ 191	\$ 184	\$ 205	\$ 212	\$ 191	\$ 149	\$ 100	\$ 2,737
Total - Revenue	\$ 292	\$ 302	\$ 2,395	\$ 792	\$ 3,725	\$ 191	\$ 4,207	\$ 110,374	\$ 108,585	\$ 187,691	\$ 149	\$ 600	\$ 419,302
Expenditures													
Management Contract	\$ -	\$ 16,667	\$ 8,333	\$ -	\$ 16,667	\$ 8,333	\$ 8,333	\$ 8,333	\$ -	\$ 16,667	\$ 8,333	\$ 8,333	\$ 100,000
APA Contract	-	5,250	-	5,250	-	-	5,250	-	-	5,250	-	-	21,000
Audits	-	-	-	-	-	-	-	6,600	-	-	-	-	6,600
Agency Counsel	-	-	21,000	-	-	-	-	-	-	-	-	42,000	63,000
ED Support	-	-	-	75,000	-	75,000	-	-	75,000	-	-	75,000	300,000
Sub-lease AHCC	-	-	49,330	-	-	-	-	-	47,962	-	-	-	97,292
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	1,010	-	-	-	-	1,010
Misc.	750	454	113	147	134	157	-	285	90	95	118	115	2,456
Neighborhood Revitalization Grant	-	-	-	-	-	-	-	-	-	-	-	500,000	500,000
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - Expenditures	\$ 750	\$ 22,370	\$ 78,776	\$ 80,397	\$ 16,800	\$ 83,490	\$ 13,583	\$ 16,228	\$ 123,052	\$ 22,012	\$ 8,451	\$ 625,448	\$ 1,091,357
Ending Balance	\$ 1,132,324	\$ 1,110,255	\$ 1,033,874	\$ 954,270	\$ 941,194	\$ 857,895	\$ 848,518	\$ 942,664	\$ 928,197	\$ 1,093,876	\$ 1,085,575	\$ 460,726	\$ 460,726

City of Albany IDA

Fee Detail by Month

November 2009

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>January</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>February</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>March</i>	Streigel (Capital Partners II)	\$ -	\$ -	\$ -	\$ 500	\$ 500
	16 NS, LLC	1,500	-	-	-	1,500
	TOTAL	\$ 1,500	\$ -	\$ -	\$ 500	\$ 2,000
<i>April</i>	St. Margaret's Child Center	\$ -	\$ -	\$ -	\$ 500	\$ 500
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ 500	\$ 500
<i>May</i>	Creighton Storey	\$ -	\$ -	\$ 500	\$ -	\$ 500
	50 NS, LLC	1,500	-	-	-	1,500
	NS Parking Garage	1,500	-	-	-	1,500
	TOTAL	\$ 3,000	\$ -	\$ 500	\$ -	\$ 3,500
<i>June</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -

City of Albany IDA

Fee Detail by Month

November 2009

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>July</i>	Albany JCC	\$ -	\$ -	\$ 4,023	\$ -	\$ 4,023
		-	-	-	-	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ 4,023	\$ -	\$ 4,023
<i>August</i>	16 NS, LLC	\$ -	\$ 108,669	\$ -	\$ -	\$ 108,669
	Madison Ave. Properties	1,500	-	-	-	\$ 1,500
		-	-	-	-	-
	TOTAL	\$ 1,500	\$ 108,669	\$ -	\$ -	\$ 110,169
<i>September</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	Empire Commons	-	108,373	-	-	\$ 108,373
		-	-	-	-	-
	TOTAL	\$ -	\$ 108,373	\$ -	\$ -	\$ 108,373
<i>October</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	NS Parking Garage	-	187,500	-	-	\$ 187,500
		-	-	-	-	-
	TOTAL	\$ -	\$ 187,500	\$ -	\$ -	\$ 187,500
<i>November</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>December</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	Albany Inst. Of History & Art	-	-	500	-	\$ 500
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ 500	\$ -	\$ 500
	2009 TOTAL	\$ 6,000	\$ 404,542	\$ 5,023	\$ 1,000	\$ 416,565
		<i>Application Fee</i>	<i>Agency Fee</i>	<i>Administration Fee</i>	<i>Modification Fee</i>	<i>TOTAL FEE</i>

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: Anthony DeThomasis & Richard DeThomasis as Madison properties of Albany , LLC.

APPLICANT'S ADDRESS: 1 Rapp Rd.

CITY: Albany STATE: New York ZIP CODE: 12203

PHONE NO.: 518-464-9441 FAX NO.: 518-464-1906 E-MAIL: adtjr2@nycap.rr.com

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION: Anthony DeThomasis

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

NAME OF ATTORNEY: Jim Blackmore

ATTORNEY'S ADDRESS: 20 Corporate Woods Blvd

CITY: Albany STATE: New York ZIP CODE: 12203

PHONE NO.: 810-0506 FAX NO.: E-MAIL:

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

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 twelve (12) copies 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 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 each application. **THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS ACCOMPANIED BY THE APPLICATION FEE.**

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: Anthony DeThomasis & Richard DeThomasis or an LLC to be formed Madison properties of Albany LLC

Contact Person: Anthony DeThomasis

Phone Number: Cell: 857-0678 O: 464-9441

Occupant: NA

Project Location: 686-688-690 Madison Ave.

Approximate Size of Project Site: 20,000 SF

Description of Project:

Conversion of three vacant interconnected buildings into 20 apartments. The three buildings have a combine square footage of 20,000SF. The three buildings were once single family homes. They converted the buildings into apartments and then to the Good Samaritan Nursing Home. The nursing home built a new location in Delmar and sold the property. The next use was as a single room occupancy or SRO. The SRO was to house disabled veterans. The property manager then added tenants from a closed drug rehab house from another site in Albany. The change caused problems with the neighbors; the city declared the building a nuisance and converted back to its R1 zoning. The bank foreclosed on the property and the buildings have remained vacant for three years.

The project with the twenty units has the approval of the neighbors including the two owner occupied homes adjacent to the project. The project received approval from the City Of Albany Board of Zoning Appeals.

The apartments will be market rate rentals. The size of the units will range from 650SF studio to 1750SF 2 bedrooms.

The total project costs are estimated at \$1,350,000 included purchase price and construction. The buildings will be renovated using the federal and state historic tax credits. These credits require the developer use the Secretary of the Interiors standards for rehab of historic buildings.

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

A. Identity of Company:

1. Company Name: Madison properties of Albany LLC

Present Address: 1 Rapp Rd. Albany, New York

Zip Code: 12203

Employer's ID No.: 27-1308307

2. If the Company differs from the Applicant, give details of relationship:
applicant is the member of the LLC

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. X Limited liability company,
Date created? 11/12/2009_____.

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
Anthony DeThomasis 5 Eastland Circle Albany New York 12203	Member	Construction /real-estate
Richard DeThomasis 10 Eastland circle Albany New York 12203	Member	Construction/real-estate

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
------	---------	--------------------------

Anthony DeThomasis	1 Rapp Rd. Albany, New York 12203	50%
Richard DeThomasis	1 Rapp Rd Albany New York 12203	50%

D. Company's Principal Bank(s) of account:

KEY BANK

II. DATA REGARDING PROPOSED PROJECT

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

Conversion of three vacant interconnected buildings into 20 apartments. The three buildings have a combine square footage of 20,000SF.

The project with the twenty units has the approval of the neighbors including the two owner occupied homes adjacent to the project. The project received approval from the City Of Albany Board of Zoning Appeals. The apartments will be market rate rentals. The size of the units will range from 650SF studio to 1750SF 2 bedrooms.

The total project costs are estimated at \$1,350,000 included purchase price and construction. The buildings will be renovated using the federal and state historic tax credits. These credits require the developer use the Secretary of the Interiors standards for rehab of historic buildings.

B. Location of Proposed Project:

1. Street Address 688-690-692 Madison Ave.
2. City of Albany
3. Town of NA
4. Village of NA
5. County of Albany

C. Project Site:

1. Approximate size (in acres or square feet) of Project site: 184X195= 35,880 sf
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:
3 building approximately 20,000 SF

b. Are existing buildings in operation? Yes ____; No X ____.
If yes, describe present use of present buildings: VACANT

c. Are existing buildings abandoned? Yes X ____; No _____. About to be abandoned? Yes ____; No _____. If yes, describe: The properties were foreclosed on 3 years ago and have been vacant since.

d. Attach photograph of present buildings.

688 MADISON AVE



690 MADISON AVE



3. Utilities serving project site:
Water-Municipal:
Other (describe)
Sewer-Municipal:
Other (describe)
692 MADISON AVE



- Electric-Utility:
Other (describe)
Heat-Utility:
Other (describe)

4. Present legal owner of project site: 688 Madison Ave LLC.

- a. If the Company owns project site, indicate date of purchase: _____, 20____; Purchase price: \$ _____.
- 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: 2/27, 2009; and the date the option expires: NA, 20____.
- 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: purchase contract

5. a. Zoning District in which the project site is located: R2

- 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: Zoning Board of Appeals (approved July 8, 2009)

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: 3 building approximately 20,000SF

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

All renovations will be on the interior of the building. The renovations will include new HVAC, plumbing, framing, sprinkler, electrical and other associated items.

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded: 20 market rate apartments. The size of the units will range from 650SF studio to 1750SF 2 bedrooms.

The total project costs are estimated at \$1,350,000 included purchase price and construction. The buildings will be renovated using the federal and state historic tax credits. These credits require the developer use the Secretary of the Interiors standards for rehab of historic buildings.

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

F. Project Use:

1. What are the principal products to be produced at the Project? NA
2. What are the principal activities to be conducted at the Project? NA
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:
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:
- 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____. If yes, please explain: N/A
- d. Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonable 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__x__; No____. If yes, please provide detail: The Project will address the housing shortage in the City of Albany.
- 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: Project is located in a “highly distressed area” – verified with NYSED on 12-7-2009.
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 jobs that are going to be created will be for the owner’s management company they are new hires.
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:

- a. Is the Project reasonably necessary to preserve the competitive position of the Company on such Project Occupant in its industry? Yes ____; No _____. If yes, please provide detail: NA

- 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: NA

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.

Zoning
Building permit,
State Historic Preservation Office

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

Approval of the state and federal historic tax credit.

H. Construction Status:

1. Has construction work on this project begun? Yes ____; No __X__. 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.:

2. Please indicate amount of funds expended on this project by the Company in the past three (3) years and the purposes of such expenditures: NA

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 X; 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 X; 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 X; No _____. If yes, please complete the following for each existing or proposed tenant or subtenant:

1. Sublessee name: To be Determined
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: _____
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:
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? 0%

IV. Employment Impact

A. Indicate below the number of people presently employed at the project site and the number that will be employed at the project site at end of the first and second years after the project has been completed (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.

There is no direct employment impact other than construction jobs. The project will take three blighted building on Madison Ave. across from Washington Park and restore them so than can be a benefit to the neighborhood. There have been homeless people found in and on the property. The property has been vandalized. The neighbors have called the police many times for teen's loitering on the property.

The medical center and the projects in the Park South are bringing employees into the city. These employees need decent housing. The newly renovated apartments may bring up to thirty additional people to the area shopping, dining and spending money that will help the areas businesses and positively effect the employment in the area.

TYPE OF EMPLOYMENT					
	PROFESSIONAL MANAGERIAL	SKILLED	SEMI- SKILLED	UNSKILLED	TOTALS
Present Full Time	0				
Present Part Time	0				
Present Seasonal	0				
First Year Full Time	0				
First Year Part Time	0				
First Year Seasonal	0				
Second Year Full Time	0	0	0		0
Second Year Part Time					
Second Year Seasonal					

B. Please prepare a separate attachment describing in detail the types of employment at the project site. Such attachment should describe the activities or work performed for each type of employment.

V. Project Cost

A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the project site and the construction of the proposed project including 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	\$ inc _____
Buildings	\$ \$640,000
Machinery and equipment costs	\$ _____
Utilities, roads and appurtenant costs	\$ \$30,000 _____
Architects and engineering fees	\$ _____
Costs of Bond issue (legal, financial and printing)	\$ _____

Construction loan fees and interest (if applicable)	\$ _____
Other (specify)	\$ _____
soft costs _____	\$50,000 _____
construction _____	\$ 630,000 _____
_____	\$ _____
 TOTAL PROJECT COST	 \$ __\$1,350,000

B. Have any of the above expenditures already been made by applicant?
Yes ____; No X. (If yes, indicate particular.)

V. 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: NA
 - a. Amount of loan requested: NA Dollars;
 - b. Maturity requested: NA Years.
2. Is the interest on such bonds intended to be exempt from federal income taxation? Yes ____; No ____NA
3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes: NA
 - 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
 - i. skating, skateboard and ice skating): Yes ____; No ____
 - j. racquet sports facility (including
 - k. handball and racquetball court): Yes ____; No ____
 - l. hot tub facility: Yes ____; No ____
 - m. suntan facility: Yes ____; No ____
 - n. 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.
5. Is the Project located in the City's federally designated Enterprise Zone?
Yes X; No ____.

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 X; No ____.

2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes X; No _____. If yes, what is the approximate amount of financing to be secured by mortgages? \$ 1,150,000.

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 X; 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? \$ est 15,000.

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: | \$ <u>est 15,000</u> |
| b. | Mortgage Recording Taxes: | \$ <u>14,375</u> |
| c. | Real Property Tax Exemptions: | \$ <u>196,688</u> |
| d. | Other (please specify): | |
| | _____ | \$ _____ |
| | _____ | \$ _____ |

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's tax-exemption policy contained in its Rules and Regulations? Yes ____; No X. If yes, please explain.

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

- C. Project Benefit Information. Provide the Agency with information 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.). see attached

VI. 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”) 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 agrees to endeavor to comply with the provisions of Article XI, Division 2 of the City Code, entitled “The Omnibus Human Rights Law”. The Applicant understands that it is not subject to the provisions of The Omnibus Human Rights Law.

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.

F. 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.

G. Absence of Conflicts of Interest: The applicant has received from the Agency a list of the members, officers and employees of the Agency. 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:

(Applicant)

BY: _____

NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION
APPEARING ON PAGES 18 THROUGH 21 HEREOF BEFORE A NOTARY PUBLIC AND MUST
SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 22

VERIFICATION

(If Applicant is a Corporation)

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

_____deposes and says that he is the
(Name of chief executive of applicant)

_____of _____,
(Title) (Company Name)

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)

VERIFICATION

(If applicant is sole proprietor)

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

_____, deposes and says
(Name of Individual)

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
 ____ day of _____, 20__.

(Notary Public)

VERIFICATION

(If applicant is partnership)

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

_____, deposes and says
(Name of Individual)

that he is one of the members of the firm of _____,
(Limited Liability Company)

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)

VERIFICATION

(If applicant is limited liability company)

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

_____, deposes and says

(Name of Individual)

that he is one of the members of the firm of _____,

(Partnership Name)

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
___ day of _____, 20__.

(Notary Public)

NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD
HARMLESS AGREEMENT APPEARING ON PAGE 22 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.

(Applicant)

BY: _____

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

(Notary Public)

NOTIFICATION OF LOCAL ACTION

DECISION OF THE CITY OF ALBANY BOARD OF ZONING APPEALS

► Important Note: This is not a building permit. All building permits must be approved and issued by the Division of Building & Codes prior to the start of any construction.

ADDRESS OF SUBJECT PROPERTY: **684-690 Madison Ave.**

IN THE MATTER OF: **Use Variance to allow for the establishment of a 20-unit apartment building in three (3) vacant, interconnected structures to be consolidated on a single tax lot.**

APPLICANT: **Anthony DeThomasis & Richard DeThomasis**

ADDRESS: **1 Rapp Rd., Albany, NY 12203**

CASE NUMBER: **6-09, 1732**

DATE APPLICATION RECEIVED: **6/1/09**

DATE OF HEARING: **6/24/09**

DATE OF DECISION:

WARD: **10**

DECISION:

N.A.: **Washington Park; Park South**

HISTORIC/ SPECIAL DISTRICT(S): **Washington Park Historic District**

The request is **Approved**, by the following vote:

For: 5	Apostol: Y	O'Connor: NIA	Viele: Y
Against: 0	Cronin: Y	Ray: NIA	
Abstain: 0	Moran: Y	Tucker-Ross: Y	

Site Description

The site in question is located on Madison Avenue between Robin Street and South Lake Avenue in an R-2A One- and Two-Family Residential zoning district and the Washington Park Historic District. The lots in question are 46'x 195' (#684), 70'x 195' (#688) and 38'x 195' (#690) lot is improved with a single-story, 3,600 square foot commercial structure.

Proposed Use

The applicant proposes to rehabilitate these three (3) attached residential structures into twenty (20) dwelling units. The complex has been vacant for approximately three (3) years. The prior use of the property was a group home for sixty (60) veterans. This use was revoked on August 27, 2003 when conditions of the approval were violated. The property was subsequently vacated and foreclosed upon by the mortgage holder.

Due to prolonged vacancy, all three (3) properties have substantially deteriorated. The applicant states that all mechanical equipment needs to be replaced including boilers, electrical panels, sprinkler piping and radiators. Additionally, the roofs of the buildings have several leaks, damaging the interiors as well as the exterior brickwork.

Proposed interior floor plans show a total of two (2) studio apartments, twelve (12) one-bedroom apartments, four (4) two-bedroom apartments and two (2) of unspecified nature. The average dwelling size is approximately 704 square feet in size. Apartments are depicted on the site plans by structure and thus are referenced hereto accordingly, with note of the fact that the buildings will remain physically connected upon a single tax parcel:

Building #1 (684 Madison Avenue)

Apartment #	Bedrooms	Square Floor Area
1	2	835 sq. ft.
2	2	878 sq. ft.
3	1	1018 sq. ft.
4	1	601 sq. ft.
5	1	830 sq. ft.
6	Studio	501 sq. ft.

Building #2 (688 Madison Avenue)

Apartment #	Bedrooms	Square Floor Area
1	1	680 sq. ft.
2	1	560 sq. ft.
3	1	696 sq. ft.
4	1	900 sq. ft.
5	1	560 sq. ft.
6	1	690 sq. ft.
7	Studio	500 sq. ft.
8	N/S	600 sq. ft.
9	N/S	600 sq. ft.

Building #3 (690 Madison Ave)

Apartment #	Bedrooms	Square Floor Area
1	1	792 sq. ft.
2	1	722 sq. ft.
3	2	718 sq. ft.
4	2	693 sq. ft.
5	1	700 sq. ft.

The applicant submits the following financial cost estimates in justifying that the proposed residential conversion is consistent with the minimum necessary variance. Expenses are as follows:

Expense	Costs
Purchase	\$620,000
New Mechanicals	\$600,000
Interior Renovations	\$450,000
Exterior Renovations	\$450,000
Total	\$2,120,000

Zoning History

1/12/98 – Special Use Permit to allow an existing 67 unit Good Samaritan Lutheran Home, Inc. to be converted to a home for 60 veterans – **Approved w/Conditions**

8/27/03 - Rehearing of Special Use Permit pursuant to Section 81-a of General City Law which allows

the Board to hold a rehearing to review its 3/10/1998 determination approving the request of the Albany Housing Coalition to for a Special Use Permit to operate a 60-bed SRO community residence for disabled veterans – **Rehearing Granted**

9/10/03 - Special Use Permit to allow for the continuation of a previously granted Special Use Permit to operate a 60-bed community residence for veterans - **Denied**

8/11/04 - Use Variance to allow for the change of use from a shelter for disabled veterans to student housing – **Denied**

4/13/05 - Use Variance to allow for the change of use from a shelter for veterans to a dormitory for 50 graduate students - **Denied**

Findings

When considering a request for a use variance, the Board shall require a showing by the applicant that applicable zoning regulations and restrictions have caused unnecessary hardship. In order to prove such unnecessary hardship, the applicant shall demonstrate to the Board that for each and every permitted use under the zoning regulations for the particular district where the property is located:

[1] The applicant cannot realize a reasonable return, provided that lack of return is substantial as demonstrated by competent financial evidence.

The applicant intends to invest approximately \$2,120,000 to restore these buildings to habitable condition. Without such investment, the buildings could not be rehabilitated and would continue to deteriorate. The R-2A zoning district allows one- and two-family homes as well as houses of worship as permitted uses. It is the conclusion of this Board that the applicant could not realize a reasonable rate of return for any of these permitted uses and that the lack of return is substantial. The buildings are also located within a historic district and therefore redevelopment of the site is not a desirable option.

[2] The alleged hardship relating to the property in question is unique and does not apply to a substantial portion of the district or the neighborhood.

The property is unique due to its historic situation and prior use. The buildings are currently configured to accommodate a group home for sixty veterans. Additionally, the structures have substantially deteriorated due to vacancy. A prospective buyer needs not only to repair the structures in question but also reconfigure them entirely. This is a unique hardship that is not shared among other buildings in this area, which may or may not be similar in their original construction as historically large, single-family homes.

[3] The requested use variance, if granted, will not alter the essential character of the neighborhood.

The assessment data for the subject block of Madison Avenue lists the following real property classifications: 411, Apartment Building (5); 483, Converted Residence (4); 464, Office (2); 210, One-family residence (1); and 220, Two-family residence (1). Though the accuracy of this data is not exact, it is more or less the case that only two (2) of the thirteen (13) buildings are consistent with the permissible uses within the R-2A zoning district. This block is distinguished by large homes and is physically unique in the context of the greater neighborhood and surrounding R-2A zoning district. The Board does not believe that the granting of this variance will alter the essential character of the neighborhood.

[4] The alleged hardship has not been self-created.

The hardship is not self-created. The hardship at this property is resulting from the revocation of the

prior use and subsequent vacancy. The applicant seeks merely to purchase the dilapidated buildings and restore them to the minimum necessary variance.

The Board, when granting a use variance, shall grant the minimum variance that it shall deem necessary and adequate to address the unnecessary hardship proven by the applicant and that also will preserve and protect the character of the neighborhood and the health, safety and welfare of the community.

The proposed variance is the minimum necessary. Until this point, attempts to revitalize the structures have failed. In this case, the applicant submits financial evidence that the proposed situation is the minimum necessary to accommodate a reasonable return and it has been determined that such use will not substantially alter the character of the area. The Board approves this use accordingly.

The Board finds that, in accordance with §375-26(B)(2)(a), the variance granted is the minimum necessary, and that:

- a. The applicant has demonstrated an unnecessary hardship, in that they cannot realize a reasonable return with a permitted use of the building.
- b. This hardship is unique to this property.
- c. Granting the variance will not alter the essential character of the neighborhood.
- d. The hardship was not self-created.

CONDITIONS

- **The applicant shall make modifications to the accessory parking lot design and circulation as required by Planning Staff, the Division of Engineering and the Division of Traffic Safety.**
- **The applicant shall receive a Certificate of Appropriateness from the Historic Resources Commission**

The Board hereby issues a negative declaration under SEQR for this unlisted action, as the proposed construction will not result in any significant adverse environmental impacts.

I, G. Michael Apostol, representing the Board of Zoning Appeals of the City of Albany, hereby certify that the foregoing is a true copy of a decision of the Board made at a meeting thereof duly called and held on July 8, 2009.

Signed: G. Michael Apostol Date: 7/8/09

► Important Note: Unless otherwise specified by the Board, this decision shall expire and become null and void if the applicant fails to obtain any necessary zoning, building, or other permits or comply with the conditions of such decision within six (6) months of the date of signature.



CITY OF ALBANY
DEPARTMENT OF DEVELOPMENT & PLANNING
21 LODGE STREET
ALBANY, NEW YORK 12207
(518) 434-2532 FAX (518) 434-9846

GERALD D. JENNINGS
MAYOR

MICHAEL J. YEVOLI
COMMISSIONER

June 8, 2009

Anthony DeThomasis
1 Rapp Road
Albany, NY 12203

Re: Board of Zoning Appeals Application, 684-690 Madison Ave.

Dear Mr. DeThomasis:

On July 8, 2009 the Board of Zoning Appeals approved your request for a Special Use Permit at the subject address with conditions including the following:

"The applicant shall make modifications to the accessory parking lot design and circulation as required by Planning Staff, the Division of Engineering and the Division of Traffic Safety."

In reference to the above condition the Planning Department requires that the following sign-offs be obtained prior to the issuance of a Certificate of Occupancy:

1. Division of Traffic Safety
2. Division of Engineering
3. Division of Planning, Zoning and Land Use.

The proposed site plan has been circulated accordingly. The applicant shall comply with any additional requests of the above departments.

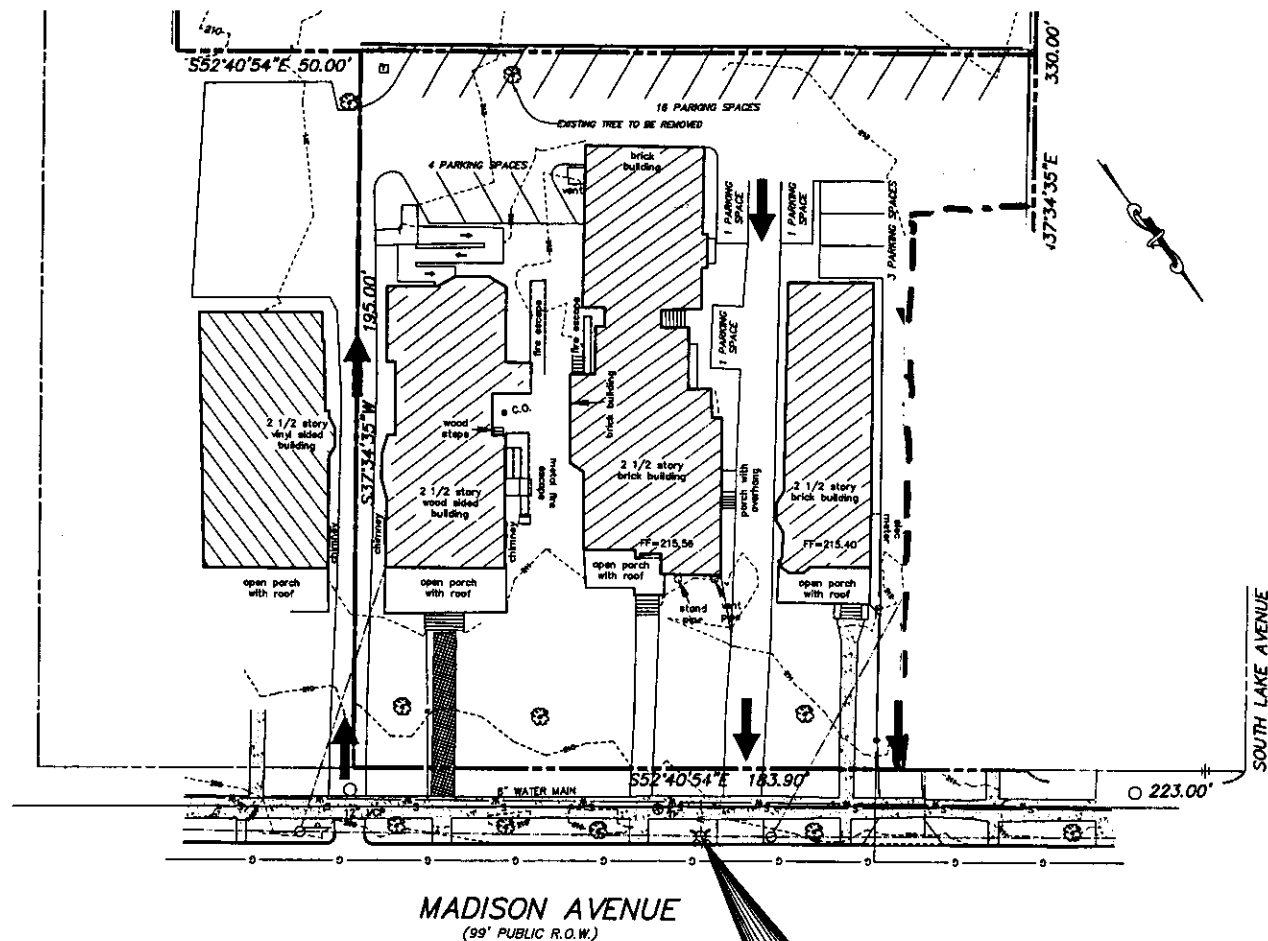
Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bradley Glass", with a long horizontal flourish extending to the right.

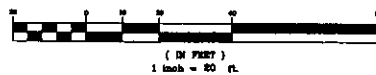
Bradley Glass
Planner

City of Albany
Department of Development & Planning
21 Lodge Street
Albany, NY 12207
Phone: 434-2532 ex.17
Fax: 434-9846



TOTAL PARKING = 26 SPACES

GRAPHIC SCALE



SITE
BENCH MARK
ELEV.=212.43
N.A.H.A.



**HERSHBERG
&
HERSHBERG**

Consulting Engineers
and Land Surveyors
40 Colvin Avenue
Albany, New York 12206

A LICENSED PROFESSIONAL ENGINEER
IN THE STATE OF NEW YORK
NO. 100178



DATE	REVISIONS

PARKING LAYOUT PLAN FOR
Nos. 684-692 MADISON AVENUE
ALBANY, NEW YORK

1 OF 1

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.

Since we need this Questionnaire to 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”):	Madison Properties of Albany LLC (to be formed)
2. Brief Identification of the Project:	688-690-692 Madison Ave. Conversion into 20 apartments
3. Estimated Amount of Project Benefits Sought:	Est >\$182,253
A. Amount of Bonds Sought:	\$ _____ NA _____
B. Value of Sales Tax Exemption Sought	\$ _est_ 15,000 _____
C. Value of Real Property Tax Exemption Sought	\$ _ 196,688 _____
D. Value of Mortgage Recording Tax Exemption Sought	\$ ____ 14,375 _____

PROJECTED PROJECT INVESTMENT

A. Land-Related Costs	
1. Land acquisition	\$ _____
2. Site preparation	\$ _30,000_____
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	\$ _640,000_____
2. Renovation of existing structures	\$ _515,000_____
3. New construction costs	\$ _____
4. Electrical systems	\$ _25,000_____
5. Heating, ventilation and air conditioning	\$ 65,000 _____
6. Plumbing	\$ 35,000 _____
7. Other building-related costs (describe) soft costs	\$ 40,000 _____

C.	Machinery and Equipment Costs	
1.	Production and process equipment	\$ _____
2.	Packaging equipment	\$ _____
3.	Warehousing equipment	\$ _____
4.	Installation costs for various equipment	\$ _____
5.	Other equipment-related costs (describe)	\$ _____
D.	Furniture and Fixture Costs	
1.	Office furniture	\$ _____
2.	Office equipment	\$ _____
3.	Computers	\$ _____
4.	Other furniture-related costs (describe)	\$ _____
E.	Working Capital Costs	
1.	Operation costs	\$ _____
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	\$ _____
2.	Accounting/legal	\$ _____
3.	Other service-related costs (describe)	\$ _____
G.	Other Costs	
1.	_____	\$ _____
2.	_____	\$ _____
H.	Summary of Expenditures	
1.	Total Land-Related Costs	\$ _____
2.	Total Building-Related Costs	\$ _____
3.	Total Machinery and Equipment Costs	\$ _____
4.	Total Furniture and Fixture Costs	\$ _____
5.	Total Working Capital Costs	\$ _____
6.	Total Professional Service Costs	\$ _____
7.	Total Other Costs	\$ _____
8.	Total Costs	\$ 1,350,000

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	\$_-5,977_____	\$_19,641_____
2	\$_-7375_____	\$_18,438_____
3	\$_3,650_____	\$_26,901_____
4	\$_2,690_____	\$_24,339_____
5	\$_11,788_____	\$_33,535_____

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		\$_0_____	\$_0_____
Year 1	20	\$_130,000_ est_____	\$_9,100_ est_____
Year 2	8	\$_50,000_ est_____	\$_3,500_ est_____
Year 3		\$_____	\$_____
Year 4		\$_____	\$_____
Year 5		\$_____	\$_____

PROJECTED PERMANENT EMPLOYMENT IMPACT

- I. Please provide estimates of total number of existing permanent jobs to be preserved or retained as a result of the Project:

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year	0	0	0	0
Year 1	0	0	0	0
Year 2	0	0	0	0
Year 3	0	0	0	0
Year 4	0	0	0	0
Year 5	0	0	0	0

- II. Please provide estimates of total new permanent jobs to be created at the Project:

Year	Professional	Skilled	Semi-Skilled	Unskilled
Current Year	0	0	0	0
Year 1	0	0	0	0
Year 2	0	0	0	0
Year 3	0	0	0	0
Year 4	0	0	0	0
Year 5	0	0	0	0

- 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: _____100%_____

- A. Provide a brief description of how the project expects to meet this percentage: All of my employees are residents who reside in the City of Albany or contractors with places of business in the City of Albany.

PROJECTED OPERATING IMPACT

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

Additional Purchases (1 st year following project completion)	\$ _____0_____
Additional Sales Tax Paid on Additional Purchases	\$ _____0_____
Estimated Additional Sales (1 st full year following project completion)	0
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ _____0_____

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

		PROPOSED PILOT DEVIATION		
% Proposed abatement		\$ Proposed abatement	PILOT Payments	Payment variance
	0%	\$0	\$21,825	\$0
Year 1:	100%	\$33,269	\$21,825	\$33,269
Year 2:	90%	\$30,840	\$25,906	\$30,840
Year 3:	80%	\$27,962	\$29,920	\$27,962
Year 4:	70%	\$25,201	\$34,418	\$25,201
Year 5:	60%	\$22,033	\$38,778	\$22,033
Year 6:	50%	\$18,911	\$43,724	\$18,911
Year 7:	40%	\$15,432	\$48,456	\$15,432
Year 8:	30%	\$11,921	\$53,883	\$11,921
Year 9:	20%	\$8,106	\$59,014	\$8,106
Year 10:	10%	\$4,175	\$64,959	\$4,175

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

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.

Date Signed: November _ 16, 2009.	Name of Person Completing Project Questionnaire on behalf of the Company. Name: Anthony DeThomasis_____ Title: _____Member_____ Phone Number: 518-857-0678_____ Address: 1 Rapp Rd Albany, NY 12203_____ Signature: _____
--	--

SCHEDULE A

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.

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

**COMMERCIAL FINDINGS RESOLUTION
MADISON PROPERTIES OF ALBANY, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the Agency's office located at 21 Lodge Street in the City of Albany, Albany County, New York on December 17, 2009 at 12:15 p.m., local time.

The meeting was called to order by the (Vice) Chairman of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Anthony J. Ferrara	Chairman
Willard A. Bruce	Vice Chairman
Hon. Betty J. Barnette	Treasurer
Susan Pedo	Secretary
Martin Daley	Member
Gary Simpson	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael Yevoli	CEO - ALDC
Erik Smith	CFO - ALDC
John J. Reilly, Esq.	Corporation Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. ____

**RESOLUTION (A) DETERMINING THAT THE PROPOSED MADISON PROPERTIES
OF ALBANY, LLC PROJECT IS A COMMERCIAL PROJECT, AND (B) MAKING
CERTAIN FINDINGS REQUIRED UNDER THE GENERAL MUNICIPAL LAW.**

WHEREAS, City of Albany Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreation facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and

economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, reconstruct, renovate and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, reconstructed, renovated and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Anthony and Richard DeThomasis, on behalf of Madison Properties of Albany, LLC (a limited liability company to be formed) (the "Company") presented an application (the "Application") to the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in certain parcels of real estate located at 688 Madison Avenue, 690 Madison Avenue and 692 Madison Avenue in the City of Albany, Albany County, New York (the "Land"), together with the existing buildings located thereon containing in the aggregate approximately 20,000 square feet of space (collectively the "Facility"), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment being hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company and leased to various tenants for residential uses 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 taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (collectively, the "Financial Assistance"); and (C) the lease 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, pursuant to the authorization contained in a resolution adopted by the Agency on August 20, 2009 (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 October 13, 2009 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) to be posted on October 13, 2009 on a bulletin board located at the City Hall Rotunda located at 24 Eagle Street, in the City of Albany, Albany County, New York, (C) caused notice of the Public Hearing to be published on October 19, 2009 in The Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany, New York, (D) conducted the Public Hearing on November 19, 2009 at 12:00 o'clock p.m., local time at offices of the City of Albany Industrial Development Agency, 21 Lodge Street in the City of Albany, Albany County, and (E) prepared a report of the Public Hearing (the "Hearing Report") fairly summarizing the views presented at such Public Hearing and caused copies of said 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 "DEC Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, "SEQRA"), the Corporation has not yet made a preliminary determination as to the potential environmental significance of the Project and therefore has not yet determined whether an environmental impact statement is required to be prepared with respect to the Project; and

WHEREAS, to aid the Agency in determining whether the Project qualifies for Financial Assistance as a commercial project within the meaning of the Act, the Agency has reviewed the following (collectively, the "Project Qualification Documents"): (A) the Application, including the attached Cost Benefit Analysis; (B) a report dated March 31, 2005 and entitled the "Midtown Colleges and University District Plan Report"

(the “Midtown Report”); and (C) a report dated March 28, 2006 and entitled the “Park South Urban Renewal Plan” (the “Park South Plan”);

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. Based upon an examination of the Project Qualification Documents and based further upon the Agency's knowledge of the area surrounding the Project and such further investigation of the Project and its economic effects as the Agency has deemed appropriate, the Agency makes the following findings and determinations with respect to the Project:

A. The Application indicates that the Project will create approximately 28 construction jobs during the acquisition, renovation, reconstruction and installation of the Project Facility.

B. The Project is located in a “highly distressed area” (as defined in the Act).

C. The Project is located in a neighborhood that contains a mixture of residential, not-for-profit, commercial, retail, and service uses.

D. The Midtown Report makes the following comments/findings regarding the development of the general area surrounding the Project Facility and the need for parking in such area:

- That expansion in the area is challenging, and the challenges include the fact that the area is largely built-out and includes mature residential neighborhoods. (*Midtown Report*, p. 6).
- That residential development is needed and contemplated. (*Midtown Report*, p. 10).
- That new residential construction is recommended in the area. (*Midtown Report*, p. 15).
- That the “four retail nodes” with the “Study Area” can be strengthened with increase residential development. (*Midtown Report*, p. 16).
- That expansion of housing will assist in development of the medical institutions in the area. (*Midtown Report*, Appendix B, pp. 25).
- There is a general need for housing in the neighborhood. (*Midtown Report*, Appendix B, pp.47-57).
- Increase in housing development will assist in retail development. (*Midtown Report*, Appendix B, p.68).

E. The Park South Plan makes the following comments/findings regarding the development of the general area surrounding the Project Facility and the need for parking in such area:

- That the Park South Plan is considering a “viable redevelopment pattern” involving multiple land uses such as: residential units (both ownership and rental), retail and mixed use structures, commercial and general office space, medical office space, accessory open space and public facilities. (*Park South Plan*, p. 2).

- That the plan in the Park South Report (as referred to in the Park South Plan) contemplates new retail development with residential spaces in the upper floors. (*Park South Plan*, p. 6).

F. That undertaking the Project is consistent with both the Midtown Report and the Park South Plan and will encourage future commercial and residential development and expansion in the neighborhood area.

Section 2. Based upon the foregoing review of the Project Qualification Documents and based further upon the Agency's knowledge of the area surrounding the Project Facility and such further investigation of the Project and its economic effects as the Agency has deemed appropriate, the Agency makes the following determinations with respect to the Project:

A. That although the Project constitutes a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the Project is located in a "highly distressed area" within the meaning of the Act and, accordingly, the Project is not prohibited by the provisions of Section 862(2)(a) of the Act.

B. That the acquisition, reconstruction and installation of the Project Facility is essential to the retention of existing employment and the creation of new employment opportunities and is essential to the prevention of economic deterioration of businesses and neighborhoods located in the City of Albany.

C. That the Project constitutes a "commercial" project, within the meaning of the Act.

Section 3. This Resolution shall take effect immediately.

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

Anthony J. Ferrara	VOTING	_____
Willard A. Bruce	VOTING	_____
Hon. Betty J. Barnette	VOTING	_____
Susan Pado	VOTING	_____
Martin Daley	VOTING	_____
Gary Simpson	VOTING	_____
Prairie Wells	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the resolution contained therein, held on December 17, 2009, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

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

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 17th day of December, 2009.

(Assistant) Secretary

(SEAL)

**PILOT DEVIATION APPROVAL RESOLUTION
MADISON PROPERTIES OF ALBANY, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the Agency's office located at 21 Lodge Street in the City of Albany, Albany County, New York on December 17, 2009 at 12:15 p.m., local time.

The meeting was called to order by the (Vice) Chairman of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Anthony J. Ferrara	Chairman
Willard A. Bruce	Vice Chairman
Hon. Betty J. Barnette	Treasurer
Susan Pedo	Secretary
Martin Daley	Member
Gary Simpson	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael Yevoli	CEO - ALDC
Erik Smith	CFO - ALDC
John J. Reilly, Esq.	Corporation Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. ____

**RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY'S UNIFORM TAX
EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN LIEU OF
TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN CONNECTION WITH
THE PROPOSED MADISON PROPERTIES OF ALBANY, LLC PROJECT.**

WHEREAS, the Agency is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreation facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job

opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, reconstruct, renovate and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, reconstructed, renovated and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Anthony and Richard DeThomasis, on behalf of Madison Properties of Albany LLC (a limited liability company to be formed) (the “Company”) presented an application (the “Application”) to the Agency, requesting that the Agency consider undertaking a project (the “Project”) consisting of the following: (A) (1) the acquisition of an interest in certain parcels of real estate located at 688 Madison Avenue, 690 Madison Avenue and 692 Madison Avenue in the City of Albany, Albany County, New York (the “Land”), together with the existing buildings located thereon containing in the aggregate approximately 20,000 square feet of space (collectively the “Facility”), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment being hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned and operated by the Company and leased to various tenants for residential uses 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 taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (collectively, the “Financial Assistance”); and (C) the lease 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, pursuant to the authorization contained in a resolution adopted by the Agency on August 20, 2009 (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 October 13, 2009 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) to be posted on October 13, 2009 on a bulletin board located at the City Hall Rotunda located at 24 Eagle Street, in the City of Albany, Albany County, New York, (C) caused notice of the Public Hearing to be published on October 19, 2009 in The Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany, New York, (D) conducted the Public Hearing on November 19, 2009 at 12:00 o’clock p.m., local time at offices of the City of Albany Industrial Development Agency, 21 Lodge Street in the City of Albany, Albany County, and (E) prepared a report of the Public Hearing (the “Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said 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 “DEC Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, “SEQRA”), the Agency has not yet made a preliminary determination as to the potential environmental significance of the Project and therefore has not yet determined whether an environmental impact statement is required to be prepared with respect to the Project; and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility, which proposed deviation is outlined in the

letter dated December 7, 2009 (the "Pilot Deviation Letter"), a copy of which Pilot Deviation Letter is attached hereto as **Schedule A**; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency's uniform tax exemption policy, the Agency must give the chief executive officers of the county and each city, town, village and school district in which the Project Facility is located (collectively, the "Affected Tax Jurisdictions") written notice of the proposed deviation from the Agency's uniform tax exemption policy and the reasons therefor prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, on December 8, 2009, the Chief Executive Officer of the Agency sent a copy of the Pilot Deviation Letter to the Affected Tax Jurisdictions to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency's uniform tax exemption policy in connection with the Project; and

WHEREAS, through the Pilot Deviation Letter, the Chief Executive Officer of the Agency notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency's uniform tax exemption policy and further notified said chief executive officers that the members of the Agency would consider whether to approve such proposed deviation at this meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Letter.

(B) The Agency has reviewed and responded to all written comments received from the Affected Tax Jurisdictions with respect to the proposed deviation.

(C) The Agency has given all representatives from the Affected Tax Jurisdictions in attendance at this meeting the opportunity to address the members of the Agency regarding the proposed deviation.

Section 2. Based upon (A) the findings and determinations in Section 1 above, (B) comments received at the Public Hearing, (C) input received at this meeting from the Affected Tax Jurisdictions with respect to the proposed deviation, (D) the Agency's knowledge of the Project, (E) the recommendations of Agency staff, and (F) such further investigation of the Project and the effect of the proposed deviation as the Agency has deemed appropriate, the Agency hereby determines to deviate from the Agency's uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility for the reasons set forth in the Pilot Deviation Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Agency's uniform tax exemption policy, the terms of the approved deviation to be as described in **Schedule B** attached to this Resolution and made a part hereof.

Section 3. Upon preparation by Special Counsel to the Agency of a payment in lieu of tax agreement with respect to the Project Facility reflecting the terms of this resolution (the "Payment in Lieu of Tax Agreement") and approval of same by the Chairperson (or Vice Chairperson) of the Agency, the Chairperson (or Vice Chairperson) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Payment in Lieu of Tax Agreement, and, where appropriate, the Secretary (or Assistant Secretary) of the

Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in such form as is approved by the Chairperson (or Vice Chairperson), the execution thereof by the Chairperson (or Vice Chairperson) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Payment in Lieu of Tax Agreement, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Payment in Lieu of Tax Agreement binding upon the Agency.

Section 5. This Resolution shall take effect immediately.

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

Anthony J. Ferrara	VOTING	_____
Willard A. Bruce	VOTING	_____
Hon. Betty J. Barnette	VOTING	_____
Susan Peto	VOTING	_____
Martin Daley	VOTING	_____
Gary Simpson	VOTING	_____
Prairie Wells	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the resolution contained therein, held on December 17, 2009, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

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

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 17th day of December, 2009.

(Assistant) Secretary

(SEAL)

SCHEDULE "A"

PILOT DEVIATION LETTER

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

21 Lodge Street
Albany, New York 12207
Tel: 518-434-2532 ext. 16
Fax: 518-434-9846

December 7, 2009

Hon. Gerald D. Jennings, Mayor
City of Albany
City Hall
Eagle Street
Albany, New York 12207

Hon. Michael G. Breslin, County Executive
Office of the County Executive
County Office Building
112 State Street, Room 200
Albany, New York 12207

Dr. Raymond Colucciello
Interim Superintendent of Schools
Albany City School District
Academy Park
Albany, New York 12207

RE: Proposed Deviation from Uniform Tax Exemption Policy by
City of Albany Industrial Development Agency in connection
with its Proposed Madison Properties of Albany LLC Project

Dear Ladies and Gentlemen:

In July, 2009, Anthony and Richard DeThomasis, on behalf of Madison Properties of Albany LLC (a limited liability company to be formed) (the "Company") presented an application (the "Application") to the City of Albany Industrial Development Agency (the "Agency"), requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in certain parcels of real estate located at 688 Madison Avenue, 690 Madison Avenue and 692 Madison Avenue in the City of Albany, Albany County, New York (the "Land"), together with the existing buildings located thereon containing in the aggregate approximately 20,000 square feet of space (collectively the "Facility"), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment being hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company and leased to various tenants for residential and commercial uses 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 taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (collectively, the "Financial Assistance"); and (C) the lease of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

To ensure that the economics of the Project (i.e., debt coverage ratios and profit margins) are sufficient to obtain the financing necessary to complete the Project, the Company has asked the Agency to consider entering into a payment in lieu of tax agreement (the "Pilot Request") that would provide the Company with real property tax abatements according to the following schedule (the "Requested Pilot Agreement"): a 100% abatement in real property taxes on 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 year one of the Proposed Pilot Agreement with a 10% per year decrease in the percentage of real property tax abatement over the remainder of the ten year payment in lieu of tax agreement.

The Company has represented to the Agency that, without the Requested Pilot Agreement, the Company will not be able to obtain financing for the Project. Without financing, the Company will not be able to complete the Project. The Requested Pilot Agreement would not provide any abatement for any special assessments levied on the Project Facility. The Requested Pilot Agreement represents a deviation from the Agency's Uniform Tax Exemption Policy (the "Tax Exemption Policy").

Under the Tax Exemption Policy, for a facility similar to the Facility, payments in lieu of taxes would normally be abated as follows: 50% abatement in real property taxes in year one of the payment in lieu of tax agreement with a 10% per year decrease in the percentage of real property tax abatement over the remainder of the five year payment in lieu of tax agreement (the terms of the Agency's standard payment in lieu of tax agreement being referred to hereinafter as the "Basic Pilot Agreement").

In addition to the Basic Pilot Agreement, the Tax Exemption Policy also offers projects that qualify for the Agency's Urban Reinvestment Incentive Program ("URTIP") a payment in lieu of tax agreement that provides a 100% abatement in real property taxes for years 1 through 7 of the payment in lieu of tax agreement with a 25% per year decrease in the percentage of real property tax abatement over the remainder of the ten year payment in lieu of tax agreement. The Project does not qualify for URTIP and a decision by the Agency to provide the Company with an URTIP based payment in lieu of tax agreement would be a deviation from the Tax Exemption Policy.

The Agency is in the process of determining whether to provide the Company with a payment in lieu of tax agreement that is consistent with the terms of the Requested Pilot Agreement and will utilize the real property tax abatement schedules provided under the Basic Pilot Agreement and URTIP as guidelines to craft a payment in lieu of tax agreement that is commensurate with the benefits that the residents of the City of Albany, New York will receive as a result of the Project.

The purpose of this letter is to inform you of the Pilot Request and that the Agency is considering whether to grant the Pilot Request and deviate from the Tax Exemption Policy. The Agency expects to consider whether to approve the Pilot Request at its meeting scheduled for December 17, 2009 at 12:15 p.m., local time at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York (the "Meeting"). As described later in this letter, during the meeting on December 17, 2009, the Agency will review the terms of the Pilot Request and, based on the discussions during such meeting the terms of the Pilot Request may be modified. However, in no case will the real property tax abatements that will be provided to the Company be any greater than those set forth in the URTIP-based payment in lieu of tax agreement.

This letter is forwarded to you for purposes of complying with Section 874 of the General Municipal Law of the State of New York, which requires the Agency, prior to taking any action, to notify the chief executive officers of the affected tax jurisdictions in which a project is located if the proposed payment in lieu of tax agreement may deviate from the provisions of the Agency's Tax Exemption Policy.

The Agency is considering the following factors in connection with its decision on the proposed deviation:

1. The nature of the proposed Project:

The Project involves the renovation and reconstruction of three vacant buildings that will ultimately provide additional housing options for residents of the City of Albany, New York.

2. The nature of the property before the Project begins:

The property, consisting of three interconnected buildings, is vacant and has fallen into disrepair. The renovation of the buildings has the support of neighboring property owners

3. The economic condition of the area at the time of the application and the economic multiplying effect that the Project will have on the area:

The property is located in a “highly distressed area” within the meaning of Section 854 of the General Municipal Law, and, accordingly, the area is in need of economic growth. The Project will create additional housing options and construction jobs, thus generating additional revenue for the affected tax jurisdictions.

4. The extent to which the Project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary range of such jobs:

The Project will create approximately 20 construction jobs over the two-year construction period with a payroll of approximately \$180,000. The Company has indicated that they will be using local labor to undertake the construction of the Facility.

5. The estimated value of tax exemptions to be provided:

Based on conversations with the City of Albany Assessor, the real property tax payments would be approximately \$618,732 over a 10 year period on said building without any real property tax abatements from the Agency. If the Agency approved the Requested Pilot Agreement, the real property tax payments would be \$420,883 over a 10 year period. If the Agency approved the Basic Pilot Agreement, the real property tax payments would be \$567,033 over a 10 year period. Finally, if the Agency approved an URTIP-based payment in lieu of tax agreement, the real property tax payments would be \$306,615 over a 10 year period.

6. The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:

The Project will provide much needed housing for the residents of the City of Albany, New York. In addition, local retail and service industries will benefit from the additional residents who will be living in the community as a result of the additional housing options provided by the Project.

7. The impact of the proposed Project on existing and proposed businesses and economic development projects in the vicinity:

The impact of the Project is a positive one on the community; it creates construction jobs for local workers and addresses the housing shortage in the City of Albany, New York.

8. The amount of private sector investment generated or likely to be generated by the proposed Project:

The investment by the Company will be approximately \$1,350,000.

9. The effect of the proposed Project on the environment:

It is likely that the Project will not have a significant effect on the environment.

10. The likelihood of accomplishing the proposed Project in a timely fashion:

It is anticipated that the Project will be accomplished in a timely fashion.

11. The extent to which the Proposed Pilot Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services:

It is anticipated that the Project will not place a significant burden on the educational, transportation, police/emergency services or school district within the City of Albany, Albany County, New York.

12. Anticipated tax revenues:

The Company has requested a deviation from the Tax Exemption Policy to ensure that the economics of the Project (i.e., debt coverage ratios and profit margins) are sufficient to obtain the financing necessary to complete the Project. The Company has represented to the Agency that, without the Requested Pilot Agreement, the Company will not be able to obtain financing for the Project. Without financing, the Company will not be able to complete the Project.

The Project is expected to significantly increase the value of the Facility and, even with the Agency providing the Company with real property tax abatements under a payment in lieu of tax agreement, the affected tax jurisdictions will receive an increase in tax revenues in the near future.

13. The extent to which the Proposed Pilot Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located:

The benefit is a positive one economically in that the Project will create 20 construction jobs and add attractive housing options to residents of the City of Albany, New York.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Policy) at the Meeting. The discussion at the Meeting will include a review of (a) the terms of the Pilot Request, (b) other projects where the Agency has approved a deviation from its Policy, and (c) the information contained in this letter and other materials provided by the Company supporting the Pilot Request. Based on the discussion at the Meeting, and the review of any comments received by the Agency

with respect to the Pilot Request, the Agency may determine to modify the terms of the Pilot Request.

The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Policy. In accordance with Section 874(4)(c) of the General Municipal Law, prior to taking final action at the Meeting, the Agency will review and respond to any written comments received from any affected tax jurisdiction with respect to the proposed deviation. The Agency will also allow any representative of any affected tax jurisdiction present at the Meeting to address the Agency regarding the proposed deviation.

If you have any questions or comments regarding the foregoing, please do not hesitate to contact me at the above telephone number.

Sincerely yours,

/s/ Michael J. Yevoli
Michael J. Yevoli
Chief Executive Officer

SCHEDULE "B"

APPROVED TERMS OF THE PAYMENT IN LIEU OF TAX AGREEMENT

[TO BE COMPLETED AT THE AGENCY MEETING]

**SEQR RESOLUTION – TYPE II ACTION
MADISON PROPERTIES OF ALBANY, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the Agency’s office located at 21 Lodge Street in the City of Albany, Albany County, New York on December 17, 2009 at 12:15 p.m., local time.

The meeting was called to order by the (Vice) Chairman of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Anthony J. Ferrara	Chairman
Willard A. Bruce	Vice Chairman
Hon. Betty J. Barnette	Treasurer
Susan Pedo	Secretary
Martin Daley	Member
Gary Simpson	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael Yevoli	CEO - ALDC
Erik Smith	CFO - ALDC
John J. Reilly, Esq.	Corporation Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. _____

**RESOLUTION DETERMINING THAT ACTION TO UNDERTAKE A
COMMERCIAL PROJECT FOR MADISON PROPERTIES OF ALBANY, LLC IS A
“TYPE II ACTION” AND NO FURTHER ACTION IS REQUIRED UNDER SEQRA.**

WHEREAS, the Agency is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research, recreation and civic facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people

of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, reconstruct, renovate and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, reconstructed, renovated and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Anthony and Richard DeThomasis, on behalf of Madison Properties of Albany, LLC (a limited liability company to be formed) (the “Company”) presented an application (the “Application”) to the Agency, requesting that the Agency consider undertaking a project (the “Project”) consisting of the following: (A) (1) the acquisition of an interest in certain parcels of real estate located at 688 Madison Avenue, 690 Madison Avenue and 692 Madison Avenue in the City of Albany, Albany County, New York (the “Land”), together with the existing buildings located thereon containing in the aggregate approximately 20,000 square feet of space (collectively the “Facility”), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment being hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned and operated by the Company and leased to various tenants for residential uses 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 taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (collectively, the “Financial Assistance”); and (C) the lease 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, 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 adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the “Regulations” and collectively with the SEQR Act, “SEQRA”), the Agency must satisfy the requirements contained in SEQRA and the Regulations prior to making a final determination whether to undertake the Project; and

WHEREAS, pursuant to the Regulations, the Agency has examined the Application and the Project in order to make an initial determination as to the potential environmental significance of the Project; and

WHEREAS, the Project appears to constitute a “Type II Action” (as said quoted term is defined in the Regulations), and therefore no environmental impact statement or any other determination or procedure under the Regulations is necessary;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Based upon an examination of the Project, the Agency makes the following findings with respect to the Project:

(A) The Project consists of the following: (A) (1) the acquisition of an interest in certain parcels of real estate located at 688 Madison Avenue, 690 Madison Avenue and 692 Madison Avenue in the City of Albany, Albany County, New York (the “Land”), together with the existing buildings located thereon containing in the aggregate approximately 20,000 square feet of space (collectively the “Facility”), (2) the reconstruction and renovation of the Facility and

(3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment being hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be owned and operated by the Company and leased to various tenants for residential and commercial uses and other directly and indirectly related activities; (B) the granting of 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.

(B) The Project consists of the renovation and reconstruction of a structure or facility, in kind, on the same site.

Section 2. Based upon the foregoing, the Agency makes the following findings and determinations with respect to the Project:

(A) Pursuant to Section 617.5(c)(2) of the Regulations, the Project is a "Type II action" (as said quoted term is defined in the Regulations); and

(B) Therefore, the Agency hereby determines that no environmental impact statement or any other determination or procedure is required under the Regulations.

Section 3. The Chairman of the Agency is hereby directed to file a copy of this Resolution with respect to the Project in the office of the Agency.

Section 4. This Resolution shall take effect immediately.

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

Anthony J. Ferrara	VOTING	_____
Willard A. Bruce	VOTING	_____
Hon. Betty J. Barnette	VOTING	_____
Susan Pado	VOTING	_____
Martin Daley	VOTING	_____
Gary Simpson	VOTING	_____
Prairie Wells	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the “Agency”), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on December 17, 2009 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of such proceedings of the Agency and of such Resolution set forth therein so far as the same relates to the subject matters therein referred to.

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

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 17th day of December, 2009.

(Assistant) Secretary

(SEAL)

**APPROVING RESOLUTION
MADISON PROPERTIES OF ALBANY, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the Agency's office located at 21 Lodge Street in the City of Albany, Albany County, New York on December 17, 2009 at 12:15 p.m., local time.

The meeting was called to order by the (Vice) Chairman of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Anthony J. Ferrara	Chairman
Willard A. Bruce	Vice Chairman
Hon. Betty J. Barnette	Treasurer
Susan Pedo	Secretary
Martin Daley	Member
Gary Simpson	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael Yevoli	CEO - ALDC
Erik Smith	CFO - ALDC
John J. Reilly, Esq.	Corporation Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. ____

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR MADISON
PROPERTIES OF ALBANY, LLC.**

WHEREAS, the Agency is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreation facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to

improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, reconstruct, renovate and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, reconstructed, renovated and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Anthony and Richard DeThomasis, on behalf of Madison Properties of Albany, LLC (a limited liability company to be formed) (the “Company”) presented an application (the “Application”) to the Agency, requesting that the Agency consider undertaking a project (the “Project”) consisting of the following: (A) (1) the acquisition of an interest in certain parcels of real estate located at 688 Madison Avenue, 690 Madison Avenue and 692 Madison Avenue in the City of Albany, Albany County, New York (the “Land”), together with the existing buildings located thereon containing in the aggregate approximately 20,000 square feet of space (collectively the “Facility”), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment being hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned and operated by the Company and leased to various tenants for residential uses 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 taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (collectively, the “Financial Assistance”); and (C) the lease 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, pursuant to the authorization contained in a resolution adopted by the Agency on August 20, 2009 (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 October 13, 2009 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) to be posted on October 13, 2009 on a bulletin board located at the City Hall Rotunda located at 24 Eagle Street, in the City of Albany, Albany County, New York, (C) caused notice of the Public Hearing to be published on October 19, 2009 in The Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany, New York, (D) conducted the Public Hearing on November 19, 2009 at 12:00 o’clock p.m., local time at offices of the City of Albany Industrial Development Agency, 21 Lodge Street in the City of Albany, Albany County, and (E) prepared a report of the Public Hearing (the “Hearing Report”) fairly summarizing the views presented at such Public Hearing and caused copies of said 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 adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (the “Regulations”, and collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on December 17, 2009 (the “SEQR Resolution”), the Agency determined that the Project constitutes a “Type II Action” (as such quoted term is defined under SEQRA), and therefore that no further action with respect to the Project was required under SEQRA; and

WHEREAS, by resolution adopted by the members of the Agency on December 17, 2009 (the “Commercial Findings Resolution”), the Agency determined that Project constituted a “commercial project” within the meaning of the Act; and

WHEREAS, the Agency's Uniform Tax Exemption Policy (the "Policy") provides a standardized method for the determination of payments in lieu of taxes for a facility similar to the Project Facility. In connection with the Application, the Company made a request to the Agency (the "Pilot Request") that the Agency deviate from the Policy with respect to Project Facility. In connection with the Pilot Request, the Chief Executive Officer of the Agency sent a notice to the chief executive officers of the "Affected Tax Jurisdictions" (as defined in the Act) pursuant to Section 874(4) of the Act, informing said individuals that the Agency had received the Pilot Request and that the members of the Agency would consider said request at a meeting of the members of the Agency scheduled to be held on December 17, 2009. The Chief Executive Officer of the Agency caused a letter dated December 7, 2009 (the "Pilot Deviation Notice Letter") to be mailed to the chief executive offices of the Affected Tax Jurisdictions, informing said individuals that the Agency would, at its meeting on December 17, 2009, consider a proposed deviation from the Policy with respect to the payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility (the "Payment in Lieu of Tax Agreement") and the reasons for the proposed deviation; and

WHEREAS, by resolution adopted by the members of the Agency on December 17, 2009 (the "Pilot Deviation Approval Resolution"), the members of the Agency approved the Pilot Request and determined to enter into the Payment in Lieu of Tax Agreement; and

WHEREAS, the Agency has given due consideration to the Application, and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in the City of Albany, New York and (B) the completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Albany, New York by undertaking the Project in the City of Albany, New York; and

WHEREAS, in order to consummate the Project and grant the Financial Assistance described in the notice of the Public Hearing, the Agency proposes to enter into the following documents (hereinafter collectively referred to as the "Agency Documents"): (A) a certain lease to agency (the "Lease to Agency" or the "Underlying Lease") 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"); (B) a certain license agreement (the "License to Agency" or the "License Agreement") by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company will grant to the Agency (1) a license to enter upon the balance of the Land (the "Licensed Premises") for the purpose of undertaking and completing the Project and (2) 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 (as hereinafter defined); (C) a lease agreement (and a memorandum thereof) (the "Lease Agreement") by and between the Agency and the Company, pursuant to which, among other things, the Company agrees to undertake the Project as agent of the Agency and the Company further agrees to lease the Project Facility from the Agency and, as rental thereunder, to pay the Agency's administrative fee relating to the Project and to pay all expenses incurred by the Agency with respect to the Project; (D) a payment in lieu of tax agreement (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, (E) if the Company intends to finance the Project with borrowed money, one or more mortgages and any other security

documents and related documents (collectively, the “Mortgage”) from the Agency and the Company to the Company’s lenders with respect to the Project (the “Lender”), which Mortgage will grant liens on and security interests in the Project Facility to secure one or more loans from the Lender to the Company with respect to the Project (collectively, the “Loan”); (F) all building loan and other agreements requested by the Lender in connection with the Loan (collectively with the Mortgage, the “Loan Documents”); and (G) various certificates relating to the Project (the “Closing Documents”);

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act;

(B) The Project constitutes a “project,” as such term is defined in the Act;

(C) The Project site is located entirely within the boundaries of the City of Albany, New York;

(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction, and installation of the Project Facility (collectively, the “Project Costs”) will be approximately \$1,350,000;

(E) The completion of the Project will not result in the removal of a plant or facility of any proposed occupant of the Project Facility from one area of the State of New York to another area in the State of New York and will not result in the abandonment of one or more plants or facilities of any occupant of the Project Facility located in the State of New York;

(F) Although the Project constitutes a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the Project is located in a “highly distressed area” within the meaning of the Act and, accordingly, the Project is not prohibited by the provisions of Section 862(2)(a) of the Act;

(G) The granting of the Financial Assistance by the Agency with respect to the Project will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of the City of Albany, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act;

(H) The Agency has reviewed the Hearing Report and has fully considered all comments contained therein; and

(I) It is desirable and in the public interest for the Agency to enter into the Agency Documents.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (A) proceed with the Project; (B) acquire the Project Facility; (C) lease the Project Facility to the Company pursuant to the Lease Agreement; (D) enter into the Payment in Lieu of Tax Agreement; (E) secure the Loan by entering into

the Loan Documents; and (F) grant the Financial Assistance with respect to the Project.

Section 3. The Agency is hereby authorized (A) to acquire a license in the Licensed Premises pursuant to the License Agreement, (B) to acquire a leasehold interest in the Leased Premises pursuant to the Underlying Lease, (C) to acquire title to the Equipment pursuant to a bill of sale (the "Bill of Sale to Agency") from the Company to the Agency, and (D) to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisitions are hereby approved, ratified and confirmed.

Section 4. The Agency is hereby authorized to acquire, reconstruct, renovate and install the Project Facility as described in the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition, reconstruction, renovation and installation are hereby ratified, confirmed and approved.

Section 5. The Chairperson (or Vice Chairperson) of the Agency, with the assistance of Agency Counsel, is authorized to negotiate and approve the form and substance of the Agency Documents.

Section 6. (A) The Chairperson (or Vice Chairperson) of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents, and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in the forms thereof as the Chairperson (or Vice Chairperson) shall approve, the execution thereof by the Chairperson (or Vice Chairperson) to constitute conclusive evidence of such approval.

(B) The Chairperson (or Vice Chairperson) of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 7. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 8. This Resolution shall take effect immediately.

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

Anthony J. Ferrara	VOTING	_____
Willard A. Bruce	VOTING	_____
Hon. Betty J. Barnette	VOTING	_____
Susan Peto	VOTING	_____
Martin Daley	VOTING	_____
Gary Simpson	VOTING	_____
Prairie Wells	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the resolution contained therein, held on December 17, 2009, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

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

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 17th day of December, 2009.

(Assistant) Secretary

(SEAL)

**ISSUER APPROVING RESOLUTION
ALBANY MEDICAL CENTER 2006 PROJECT- RESTRUCTURING**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Department of Development and Planning at 21 Lodge Street in the City of Albany, Albany County, New York on December 17, 2009 at 12:15 o'clock p.m., local time.

The meeting was called to order by the (Vice) Chairman of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Anthony J. Ferrara	Chairman
Willard A. Bruce	Vice Chairman
Susan Pedo	Secretary
Hon. Betty J. Barnette	Treasurer
Martin Daley	Member
Gary Simpson	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael Yevoli	CEO - ALDC
Erik Smith	CFO - ALDC
Jeffrey Sullivan	Department of Development and Planning
John J. Reilly, Esq.	Corporation Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____, to
wit:

Resolution No. ____

RESOLUTION AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS BY CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY (THE "ISSUER") IN CONNECTION WITH THE AMENDMENT AND REISSUANCE OF THE OUTSTANDING PRINCIPAL AMOUNT OF THE TAX-EXEMPT MULTI-MODE VARIABLE RATE CIVIC FACILITY REVENUE BONDS (ALBANY MEDICAL CENTER PROJECT - LETTER OF CREDIT SECURED), SERIES 2006A AND THE TAXABLE MULTI-MODE VARIABLE RATE CIVIC FACILITY REVENUE BONDS (ALBANY MEDICAL CENTER PROJECT - LETTER OF CREDIT SECURED), SERIES 2006B.

WHEREAS, City of Albany Industrial Development Agency (the "Issuer") is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the

“Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehouse and commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Act to issue its revenue bonds to finance the cost of the acquisition, construction, reconstruction and installation of one or more “projects” (as defined in the Act), to acquire, construct, reconstruct and install said projects or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on May 3, 2006 (the “Closing Date”), the Issuer issued its Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Project - Letter of Credit Secured), Series 2006A in the original aggregate principal amount of \$4,800,000 (the “Series 2006A Bonds”) and its Taxable Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Project - Letter of Credit Secured), Series 2006B in the original aggregate principal amount of \$4,470,000 (the “Series 2006B Bonds” and collectively with the Series 2006A Bonds, the “Initial Bonds”); and

WHEREAS, the Initial Bonds were issued under a resolution adopted by the members of the Issuer on April 20, 2006 (the “Initial Bond Resolution”) and a trust indenture dated as April 1, 2006 (the “Initial Indenture”) by and between the Issuer and The Bank of New York, as trustee (the “Trustee”) for the holders of the Initial Bonds and any additional bonds issued by the Issuer under the Initial Indenture (the “Additional Bonds”, and collectively with the Initial Bonds, the “Bonds”); and

WHEREAS, the Initial Bonds were issued for the purpose of financing a portion of the costs of a project (the “Initial Project”) consisting of the following: (A) (1) the acquisition of an interest in the following parcels of real estate located in the City of Albany, Albany County, New York: (a) 31 Hackett Boulevard and containing approximately 2.10 acres of land (the “31 Hackett Parcel”), together with the existing building located thereon containing approximately 59,565 square feet of space (the “31 Hackett Facility”), (b) 35 Hackett Boulevard and containing approximately 0.46 acres of land (the “35 Hackett Parcel”), together with the existing building located thereon containing approximately 20,000 square feet of space (the “35 Hackett Facility”), (c) 25 Hackett Boulevard and containing approximately 7.29 acres of land (the “25 Hackett Parcel”), together with the existing building located thereon containing approximately 88,066 square feet of space (the “25 Hackett Facility”), (d) 23 Hackett Boulevard and containing approximately 0.35 acres of land (the “23 Hackett Parcel”), together with the existing building located thereon containing approximately 15,065 square feet of space (the “23 Hackett Facility”), and (e) 628 Madison Avenue and containing approximately 1.9 acres of land (the “628 Madison Parcel”), together with the existing building located thereon containing approximately 58,659 square feet of space (the “628 Madison Facility”) (the 31 Hackett Parcel, the 35 Hackett Parcel, the 25 Hackett Parcel, the 23 Hackett Parcel and the 628 Madison Parcel collectively referred to as the “Initial Land”) (the 31 Hackett Facility, the 35 Hackett Facility, the 25 Hackett Facility, the 23 Hackett Facility and the 628 Madison Facility collectively referred to as the “Facility”), (2) the renovation of the 31 Hackett Facility, (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Initial Equipment”) (the Initial Land, the Initial Facility and the Initial Equipment hereinafter collectively referred to as the “Initial Project Facility”), (4) the refinancing of certain bank mortgage financings, which financed capital improvements to the 25 Hackett Facility, the 23 Hackett Facility and the 628 Madison Facility, all of the foregoing to constitute facilities to be owned by the Institution for use by the

Institution and/or its affiliates, Albany Medical Center Hospital and Albany Medical College as facilities for patient health care services, related administrative support services and other directly and indirectly related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Initial Bonds; (C) the payment of a portion of the costs incidental to the issuance of the Initial Bonds, including issuance costs of the Initial Bonds and any reserve funds as may be necessary to secure the Initial Bonds; (D) the granting of certain other "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 estate transfer taxes and mortgage recording taxes (collectively with the Initial Bonds, the "Financial Assistance"); and (E) the sale of the Initial Project Facility to Albany Medical Center (the "Company") pursuant to the terms of an installment sale agreement dated as of April 1, 2006 (the "Initial Installment Sale Agreement") between the Issuer, as seller, and the Company, as purchaser; and

WHEREAS, simultaneously with the issuance of the Initial Bonds, (A) the Company and the Issuer executed and delivered a certain lease agreement (the "Lease to Issuer"), pursuant to which the Company leased the Initial Land and the Initial Facility to the Issuer, (B) the Company executed and delivered (1) a certain license agreement dated as of April 1, 2006 (the "License to Issuer") by and between the Company, as licensor, and the Issuer, as licensee, pursuant to which the Company granted to the Issuer a license to enter upon the Initial Land for the purpose of undertaking and completing the Initial Project and in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Initial Land for the purpose of pursuing its remedies under the Installment Sale Agreement (as hereinafter defined), and (2) a bill of sale dated as of April 1, 2006 (the "Bill of Sale to Issuer") from the Company to the Issuer, pursuant to which the Company conveyed to the Issuer the Company's interest in the portion of the Initial Project Facility constituting fixtures and other personal property, (C) the Issuer executed and delivered (1) the Initial Installment Sale Agreement, pursuant to which the Issuer sold the Initial Project Facility to the Company on an installment basis and the Company agreed to make installment purchase payments to the Issuer in an amount sufficient to enable the Issuer to pay the debt service payments due on the Bonds and (2) certain other documents related to the Initial Project and to the Initial Bonds (collectively with the Initial Indenture and the Initial Installment Sale Agreement, the "Initial Financing Documents"); and

WHEREAS, the Initial Bonds were purchased by Jefferies and Company, as successor to First Albany Capital, Inc., as underwriter (the "Initial Underwriter") pursuant to a bond purchase agreement dated May 3, 2006 (the "Initial Bond Purchase Agreement") by and among the Issuer, the Initial Underwriter and the Company; and

WHEREAS, the Initial Bonds were initially issued in the Weekly Rate, whereby Jefferies and Company, as successor to First Albany Capital, Inc., acting as remarketing agent for the Initial Bonds (the "Remarketing Agent") would determine the Weekly Tax-Exempt Interest Rate and the Weekly Taxable Interest Rate, as the case may be, on the Initial Bonds pursuant to the provisions of a remarketing agreement dated as of April 1, 2006 (the "Remarketing Agreement") by and between the Remarketing Agent and the Company; and

WHEREAS, as security for the Initial Bonds, the Company entered into a reimbursement agreement dated as of April 1, 2006 (the "Initial Reimbursement Agreement") with Citizens Bank, N. A., a national banking association organized and existing under the laws of the United States of America (the "Bank"), pursuant to which the Bank issued in favor of the Trustee (A) an irrevocable transferable direct-pay letter of credit (the "Series 2006A Letter of Credit"), and (B) an irrevocable transferable direct-pay letter of credit (the "Series 2006B Letter of Credit and collectively with the Series 2006A Letter of Credit, the "Letters of Credit"), said Letter of Credit to be in a maximum amount (which shall decline at fixed

intervals) equal to the aggregate of (A) the principal amount of the Initial Bonds outstanding, plus (B) thirty-five (35) days' interest thereon (at an assumed interest rate of twelve percent (12%)); and

WHEREAS, as further security for the Initial Bonds, (A) the Issuer executed and delivered to the Trustee a pledge and assignment dated as of April 1, 2006 (the "Initial Pledge and Assignment") from the Issuer to the Trustee, which Pledge and Assignment assigned to the Trustee certain of the Issuer's rights under the Installment Sale Agreement, and (B) the Company executed and delivered to the Trustee a guaranty dated as of April 1, 2006 (the "Initial Guaranty") from the Company to the Trustee, pursuant to which the Company guaranteed to the Trustee (1) the Company's obligation (a) to make all installment purchase payments under the Initial Installment Sale Agreement and (b) to perform all obligations related thereto and (2) the Issuer's obligation to repay the Initial Bonds; and

WHEREAS, as security for the Company's obligations under the Initial Reimbursement Agreement, (A) the Institution and the Issuer executed and delivered to the Bank (1) a mortgage dated as of April 1, 2006 (the "Mortgage") from the Institution and the Issuer to the Bank, which granted to the Bank, among other things, a mortgage lien on and security interest in the Initial Project Facility and (2) a security agreement dated as of April 1, 2006 (the "Security Agreement") from the Institution to the Bank, which granted to the Bank, among other things, a security interest in the Initial Equipment, and (B) the Institution executed and delivered to the Bank a pledge agreement dated as of April 1, 2006 (the "Pledge Agreement") from the Institution to the Bank, which pledges to the Bank (1) all gross revenues of the Institution, and (2) all rights of the Institution to the funds established under the Indenture; and

WHEREAS, the Issuer has received a letter from the Company dated November 25, 2009 (the "Request"), which Request is attached hereto as Exhibit A, (A) indicating that (1) present market conditions and other factors have resulted in the Initial Bonds bearing interest at interest rates significantly higher than the Company had expected and (2) the Company has made arrangements with the Bank for the Federal Home Loan Bank (the "Confirming Bank") to issue confirming letters of credit to further secure the Series 2006A Bonds and the Series 2006B Bonds (collectively, the "Confirming Letters of Credit"), and (B) requesting that the Issuer agree to make certain amendments to the Initial Indenture and the Initial Bonds necessary in order to implement the issuance by the Confirming Bank of the Confirming Letters of Credit; and

WHEREAS, pursuant to Section 802 of the Initial Indenture, the Issuer and the Trustee may, with the consent of the Holders of not less than fifty-one (51%) percent of the aggregate principal amount of Bonds then Outstanding under the Initial Indenture, enter into one or more supplemental indentures for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Initial Indenture or in any supplemental indenture; provided, however, that nothing contained in said Section 802 shall permit or be construed as permitting (1) without the consent of the Holder of such Bond, (a) a reduction in the rate, or extension of the time of payment, of interest on any Bond, (b) a reduction of any premium payable on the redemption of any Bond, or an extension of time for such payment, or (c) a reduction in the principal amount payable on any Bond, or an extension of time in which the principal amount of any Bond is payable, whether at the stated or declared maturity or redemption thereof, (2) the creation of any Lien prior to or on a parity with the Lien of the Initial Indenture (other than that parity Lien created to secure the Additional Bonds), (3) a reduction in the aforesaid aggregate principal amount of Bonds, the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of all the Bonds at the time Outstanding which would be affected by the action to be taken, (4) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (5) a privilege or priority of any Bond or Bonds over any other Bond or Bonds; and

WHEREAS, with the consent of the Company and the Bank, the Issuer and the Trustee desire to enter into a First Supplemental Indenture dated as of December 1, 2009 (the "First Supplemental Indenture") by and between the Issuer and the Trustee (the First Supplemental Indenture and the Initial Indenture being sometimes hereinafter referred to as the "Indenture") to amend the Initial Indenture for the following purpose(s), among others: (A) to add a provision to provide for the purchase in lieu of redemption of the Initial Bonds, and (B) any other provisions necessary to provide for the tender of the Initial Bonds and to implement the Request; and

WHEREAS, upon the execution and delivery of the First Supplemental Indenture, the Company, the Bank and the Remarketing Agent will proceed to provide for the tender of the Initial Bonds and the purchase of the Initial Bonds by draws under the Letters of Credit; and

WHEREAS, once the Initial Bonds have been tendered and purchased by draws under the Letters of Credit and with the consent of the Company, the Bank and the holders of the Initial Bonds, the Issuer and the Trustee further desire to enter into a Second Supplemental Indenture dated as of January 1, 2010 (the "Second Supplemental Indenture") by and between the Issuer and the Trustee (the Second Supplemental Indenture, the First Supplemental Indenture and the Initial Indenture being sometimes hereinafter referred to as the "Indenture") to amend the Initial Indenture for the following purpose(s), among others: (A) to add to the Initial Bonds an additional interest rate mode (the "Monthly Interest Rate Mode") (the Initial Bonds as amended to include the Monthly Interest Rate Mode and otherwise reflect the Second Supplemental Indenture being sometimes referred to as the "Reissued Initial Bonds"), (B) to provide that certain interest rate adjustments will apply to Reissued Initial Bonds in the Monthly Interest Rate Mode, (C) to provide terms for the prepayment of Reissued Initial Bonds in the Monthly Interest Rate Mode, (D) to provide terms for the conversion of Reissued Initial Bonds to and from the Monthly Interest Rate Mode, (E) to provide for the Confirming Letters of Credit to secure the Initial Bonds, (F) to provide for certain events of default, redemption provisions, and tender provisions to be added to the Initial Indenture and the other Initial Financing Documents in connection with the additional of the Confirming Letters of Credit, and (G) any other provisions necessary to provide for the tender of the Initial Bonds, the inclusion of the Confirming Letters of Credit as security for the Initial Bonds and the implementation of the Request; and

WHEREAS, simultaneously with the execution and delivery of the Second Supplemental Indenture, (A) the Issuer and the Company will execute and deliver a First Amendment to Installment Sale Agreement dated as of January 1, 2010 (the "First Amendment to Installment Sale Agreement"), which amends the Initial Installment Sale Agreement to reflect the provisions of the First Supplemental Indenture (the Initial Installment Sale Agreement as amended by the First Amendment to Installment Sale Agreement being sometimes referred to as the "Installment Sale Agreement"), (B) the Issuer, the Company and the Trustee will execute and deliver a First Amendment to Pledge and Assignment dated as of January 1, 2010 (the "First Amendment to Pledge and Assignment"), which amends the Initial Pledge and Assignment to reflect the provisions of the First Amendment to Installment Sale Agreement and the Second Supplemental Indenture (the Initial Pledge and Assignment as amended by the First Amendment to Pledge and Assignment being sometimes referred to as the "Pledge and Assignment"), and (C) the Company and the Trustee will execute and deliver a First Amendment to Guaranty dated as of January 1, 2010 (the "First Amendment to Guaranty"), which amends the Initial Guaranty to reflect the provisions of the Second Supplemental Indenture (the Initial Guaranty as amended by the First Amendment to Guaranty being sometimes referred to as the "Guaranty"); and

WHEREAS, simultaneously with the execution of the Second Supplemental Indenture, the Bank and the Company will execute and deliver a supplement to reimbursement agreement dated as of January 1, 2010 (the "First Supplement to Reimbursement Agreement", and collectively with the Initial Reimbursement Agreement, the "Reimbursement Agreement"); and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, (A) the Issuer will (1) execute an arbitrage certificate dated the date of delivery of the Reissued Initial Bonds (the "Reissued Initial Arbitrage Certificate") relating to certain requirements set forth in Section 148 of the Code relating to the Reissued Tax-Exempt Initial Bonds (as defined in the Indenture), (2) execute a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Reissued Tax-Exempt Initial Bonds (the "Reissued Initial Information Return") pursuant to Section 149(e) of the Code, and (3) file the Reissued Initial Information Return with the Internal Revenue Service, (B) the Company will (1) execute a tax regulatory agreement dated the date of delivery of the Reissued Tax-Exempt Initial Bonds (the "Reissued Initial Tax Regulatory Agreement") concerning the requirements in Section 145 through Section 150 of the Code relating to the Reissued Tax-Exempt Initial Bonds and (2), if necessary, execute a certificate of designation (the "Certificate of Designation") designating the Reissued Tax-Exempt Initial Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code, and (C) the Bank will execute a letter (the "Issue Price Letter") confirming the issue price of the Reissued Tax-Exempt Initial Bonds for purposes of Section 148 of the Code, and further confirming the difference between the interest rate payable on the Reissued Tax-Exempt Initial Bonds and the interest rate payable on the Tax-Exempt Initial Bonds immediately preceding the execution and delivery of the Second Supplemental Indenture; 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"), the Issuer must determine the potential environmental significance of the execution and delivery of the Reissued Initial Bonds, the First Supplemental Indenture, the Second Supplemental Indenture, the First Amendment to Installment Sale Agreement, the First Amendment to Pledge and Assignment, the Reissued Initial Arbitrage Certificate, and the Reissued Initial Information Return (collectively, the "Supplemental Documents");

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. Pursuant to SEQRA, the Issuer hereby finds and determines that:

(A) Pursuant to Sections 617.5(c)(23) of the Regulations, the execution and delivery of the Supplemental Documents (the "Reissuance") is a "Type II action" (as said quoted term is defined in the Regulations); and

(B) Therefore, the Issuer hereby determines that no environmental impact statement or any other determination or procedure is required under the Regulations with respect to the Reissuance.

Section 2. The Issuer hereby finds and determines that:

(A) By virtue of the Act, the Issuer has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Reissuance will enhance the marketability of the Reissued Initial Bonds;

(C) It is desirable and in the public interest for the Issuer to enter into the Supplemental Documents.

Section 3. The form and substance of the Supplemental Documents are hereby approved.

Section 4. The execution and delivery by the Issuer of the Second Supplemental Indenture and the balance of the Supplemental Documents (except for the First Supplemental Indenture) is subject to receipt by the Issuer of the consent of 100% of the holders of the Initial Bonds.

Section 5. Subject to the execution and delivery of the Supplemental Documents and receipt by the Issuer of the direction to convert the Initial Bonds from the Company, the Issuer determines to issue the Reissued Initial Bonds; provided that:

(a) The Reissued Initial Bonds authorized to be issued, executed, sold and delivered pursuant to this Section 5 shall (1) be issued, executed and delivered at such time as the Chairman (or Vice Chairman) of the Issuer shall determine, and (2) bear interest at the rate or rates, be issued in such form, be subject to redemption prior to maturity, be subject to conversion from the Monthly Interest Rate Mode back to the Weekly Mode and have such other terms and provisions and be issued in such manner and on such conditions as are set forth in the Reissued Initial Bonds and the Second Supplemental Indenture or as are hereinafter approved by the Chairman or Vice Chairman of the Issuer in accordance with Section 6 hereof, which terms are specifically incorporated herein by reference with the same force and effect as if fully set forth in this Issuer Approving Resolution.

(b) Neither the members nor officers of the Issuer, nor any person executing the Reissued Initial Bonds or any of the Supplemental Financing Documents (as hereinafter defined) on behalf of the Issuer, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof. The Reissued Initial Bonds and the interest thereon are not and shall never be a debt of the State of New York, or the City of Albany, New York or any political subdivision thereof (other than the Issuer), and neither the State of New York, or the City of Albany, New York nor any political subdivision thereof (other than the Issuer) shall be liable thereon.

(c) The Reissued Initial Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from certain of the revenues and receipts derived from the sale or other disposition of the Project Facility or from the enforcement of the security provided by the Supplemental Financing Documents (as hereinafter defined) and the other security pledged to the payment thereof.

(d) Notwithstanding any other provision of this Issuer Approving Resolution, the Issuer covenants that it will make no use of the proceeds of the Reissued Initial Bonds or of any other funds of the Issuer (other than the Issuer's administrative fees) which, if said use had been reasonably expected on the date of issuance of the Reissued Initial Bonds, would have caused any of the Reissued Initial Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code.

Section 6. (A) The Chairman (or Vice Chairman) of the Issuer is hereby authorized, on behalf of the Issuer, to execute and deliver the Supplemental Documents and the other documents related thereto (collectively with the Supplemental Documents, the "Supplemental Financing Documents"), and, where appropriate, the Secretary (or Assistant Secretary) of the Issuer is hereby authorized to affix the seal of the Issuer thereto and to attest the same, all in substantially the forms thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman)

shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

(B) The Chairman (or Vice Chairman) of the Issuer is hereby further authorized, on behalf of the Issuer, to designate any additional Authorized Representatives of the Issuer (as defined in and pursuant to the Installment Sale Agreement).

Section 7. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the Supplemental Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of this Resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the Supplemental Financing Documents binding upon the Issuer.

Section 8. This Resolution shall take effect immediately and the Reissued Initial Bonds are hereby ordered to be issued in accordance with this Issuer Approving Resolution.

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

Anthony J. Ferrara	VOTING	_____
Willard A. Bruce	VOTING	_____
Susan Pedo	VOTING	_____
Hon. Betty J. Barnette	VOTING	_____
Martin Daley	VOTING	_____
Gary Simpson	VOTING	_____
Prairie Wells	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of City of Albany Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency held on December 17, 2009 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of said original so far as the same relates to the subject matters therein referred to.

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

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this ____ day of December, 2009.

(Assistant) Secretary

(SEAL)

EXHIBIT A
REQUEST FROM COMPANY



Albany Medical Center

43 New Scotland Avenue, Mail Code 29, Albany, New York 12208-3478

William C. Hasselbarth, C.P.A.
Executive Vice President and Chief Financial Officer

(518) 262-8795
Fax: (518) 262-5306
hasselw@mail.amc.edu

November 25, 2009

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

Re: City of Albany Industrial Development Agency:

\$4,800,000 Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue
Bonds (Albany Medical Center Project – Letter of Credit Secured), Series 2006A

\$4,470,000 Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue
Bonds (Albany Medical Center Project – Letter of Credit Secured), Series 2006B

\$5,855,000 Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue
Bonds (Albany Medical Center Hospital Project – Letter of Credit Secured),
Series 2006A

\$1,000,000 Taxable Multi-Mode Variable Rate Civic Facility Revenue
Bonds (Albany Medical Center Hospital Project – Letter of Credit Secured),
Series 2006B

Ladies and Gentlemen:

Albany Medical Center Hospital (the "Hospital") and Albany Medical Center (the "Center") are writing to request the assistance of the City of Albany Industrial Development Agency (the "Agency") for the modification of the Trust Indentures, each dated as of April 1, 2006 (the "Indentures"), between the Agency and The Bank of New York Mellon, as trustee (the "Trustee") for the above-referenced bonds (the "Bonds") to provide for the issuance of Federal Home Loan Bank of Boston ("FHLBB") letter of credit confirmations (the "Confirming Letters of Credit") to secure the Bonds.

The Bonds were issued on May 23, 2006 to finance the cost of various projects of the Hospital and Center as more particularly described in the Agency's Official Statement for the Bonds dated April 27, 2006. The Bonds were issued at variable rates supported by direct pay letters of credit issued by RBS Citizens Bank (the "Bank"). While bearing interest at a variable rate, the interest rates on the Bonds are set by RBC Capital Markets as the remarketing agent for the Bonds.

The ratings of the Bank's letters of credit have been downgraded by the major rating agencies due to market conditions affecting the Bank. The effect of the downgrade of the letters of credit

has been a substantial increase in the interest rates payable by the Center and the Hospital on the Bonds. At times the interest rates have been more than 200 basis points above prevailing market rates for comparable bonds secured by letters of credit which have a rating equivalent to the original rating on the Bank's letters of credit.

To alleviate the impacts to the Hospital and the Center as a result of the downgrading of the Bank's letters of credit, the Bank has requested the FHLBB to issue Confirming Letters of Credit to provide further security for the Bonds. The delivery of the Confirming Letters of Credit will result in the interest rates resetting at prevailing market rates unaffected by the downgrade of the Bank's letters of credit.

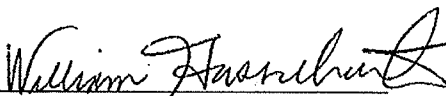
In order to add the Confirming Letters of Credit, the Indentures need to be modified to allow for a tender of the Bonds and the addition of a new monthly interest rate mode. Following the changes to the Indentures, the outstanding Bonds will be purchased from existing bondholders through a draw on the Bank's letters of credit. Following the purchase, the Confirming Letters of Credit will be delivered to the Trustee and RBC Capital Markets will remarket the Bonds in the new monthly interest mode. At the end of the first monthly interest mode, the interest rate mode on the Bonds will then be converted back to a variable rate determined weekly as allowed by the Indentures.

To facilitate the delivery of the Confirming Letters of Credit and the remarketing of the Bonds supported by the Confirming Letters of Credit, the Hospital and Center request the Agency adopt resolutions approving the modifications of the terms of the Indentures and the Bonds as required for delivery of the Confirming Letters of Credit, the remarketing of the Bonds and the execution by the Agency of all necessary documents to complete the delivery of the Confirming Letters of Credit and the remarketing of the Bonds.

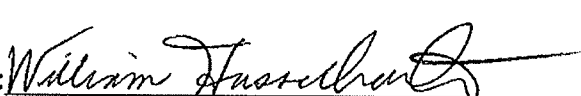
Because of the substantial additional interest rate costs being incurred by the Hospital and the Center, the Hospital and Center respectfully request the Agency's approval of the resolutions to allow the delivery of the Confirming Letters of Credit and the remarketing of the Bonds at its next meeting scheduled for December 17, 2009. Representatives of the Hospital and Center are available to meet with the Agency prior to December 17, 2009 and to attend the Agency's meeting on December 17, 2009 to answer questions or make a presentation concerning the Hospital and Center's request for the Agency's assistance.

Very truly yours,

ALBANY MEDICAL CENTER

By: 
William Hasselbarth
Executive Vice President
and Chief Financial Officer

ALBANY MEDICAL CENTER
HOSPITAL

By: 
William Hasselbarth
Executive Vice President
and Chief Financial Officer

**ISSUER APPROVING RESOLUTION
ALBANY MEDICAL CENTER HOSPITAL 2006 PROJECT- RESTRUCTURING**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Department of Development and Planning at 21 Lodge Street in the City of Albany, Albany County, New York on December 17, 2009 at 12:15 o'clock p.m., local time.

The meeting was called to order by the (Vice) Chairman of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Anthony J. Ferrara	Chairman
Willard A. Bruce	Vice Chairman
Susan Peto	Secretary
Hon. Betty J. Barnette	Treasurer
Martin Daley	Member
Gary Simpson	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael Yevoli	CEO - ALDC
Erik Smith	CFO - ALDC
Jeffrey Sullivan	Department of Development and Planning
John J. Reilly, Esq.	Corporation Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____, to
wit:

Resolution No. ____

RESOLUTION AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS BY CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY (THE "ISSUER") IN CONNECTION WITH THE AMENDMENT AND REISSUANCE OF THE OUTSTANDING PRINCIPAL AMOUNT OF THE TAX-EXEMPT MULTI-MODE VARIABLE RATE CIVIC FACILITY REVENUE BONDS (ALBANY MEDICAL CENTER HOSPITAL PROJECT - LETTER OF CREDIT SECURED), SERIES 2006A AND THE TAXABLE MULTI-MODE VARIABLE RATE CIVIC FACILITY REVENUE BONDS (ALBANY MEDICAL CENTER HOSPITAL PROJECT - LETTER OF CREDIT SECURED), SERIES 2006B.

WHEREAS, City of Albany Industrial Development Agency (the "Issuer") is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the

“Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehouse and commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Act to issue its revenue bonds to finance the cost of the acquisition, construction, reconstruction and installation of one or more “projects” (as defined in the Act), to acquire, construct, reconstruct and install said projects or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on May 3, 2006 (the “Closing Date”), the Issuer issued its Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2006A in the original aggregate principal amount of \$5,855,000 (the “Series 2006A Bonds”) and its Taxable Multi-Mode Variable Rate Civic Facility Revenue Bonds (Albany Medical Center Hospital Project - Letter of Credit Secured), Series 2006B in the original aggregate principal amount of \$1,000,000 (the “Series 2006B Bonds” and collectively with the Series 2006A Bonds, the “Initial Bonds”); and

WHEREAS, the Initial Bonds were issued under a resolution adopted by the members of the Issuer on April 20, 2006 (the “Initial Bond Resolution”) and a trust indenture dated as April 1, 2006 (the “Initial Indenture”) by and between the Issuer and The Bank of New York, as trustee (the “Trustee”) for the holders of the Initial Bonds and any additional bonds issued by the Issuer under the Initial Indenture (the “Additional Bonds”, and collectively with the Initial Bonds, the “Bonds”); and

WHEREAS, the Initial Bonds were issued for the purpose of financing a portion of the costs of a project (the “Initial Project”) consisting of the following: (A) (1) the acquisition of an interest in the following parcels of real estate in the City of Albany, Albany County, New York: (a) on New Scotland Avenue containing approximately 2.1 acres of land and located adjacent to and to the west of the Institution’s existing parking garage on New Scotland Avenue (the “Garage Parcel”), and (b) 43 New Scotland Avenue and containing approximately 2.8 acres of land (the “Building Parcel”) (the Garage Parcel and the Building Parcel collectively referred to as the “Initial Land”), and together with the existing building located on the Building Parcel containing approximately 226,286 square feet of space, including the building known as “Building A” (the “Existing Facility”), (2) the renovation of the Existing Facility, (3) the construction on the Garage Parcel of an approximately 200 parking space parking garage (the “Garage”, and together with the Existing Facility, the “Initial Facility”), and (4) the acquisition and installation therein and thereon of certain machinery and equipment (the “Initial Equipment”) (the Initial Land, the Initial Facility and the Initial Equipment hereinafter collectively referred to as the “Initial Project Facility”), all of the foregoing to constitute facilities to be owned by the Institution for use by the Institution as (1) a parking facility for the patients and visitors to the Institution and its affiliates and other directly and indirectly related activities, and (2) a facility for patient health care services and other directly and indirectly related activities and facilities to be leased to Albany Medical College; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Initial Bonds; (C) the payment of a portion of the costs incidental to the issuance of the Initial Bonds, including issuance costs of the Initial Bonds and any reserve funds as may be necessary to secure the Initial Bonds; (D) the granting of certain other “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 estate

transfer taxes and mortgage recording taxes (collectively with the Initial Bonds, the "Financial Assistance"); and (E) the sale of the Initial Project Facility to Albany Medical Center Hospital (the "Company") pursuant to the terms of an installment sale agreement dated as of April 1, 2006 (the "Initial Installment Sale Agreement") between the Issuer, as seller, and the Company, as purchaser; and

WHEREAS, simultaneously with the issuance of the Initial Bonds, (A) the Company and the Issuer executed and delivered a certain lease agreement (the "Lease to Issuer"), pursuant to which the Company leased the Initial Land and the Initial Facility to the Issuer, (B) the Company executed and delivered (1) a certain license agreement dated as of April 1, 2006 (the "License to Issuer") by and between the Company, as licensor, and the Issuer, as licensee, pursuant to which the Company granted to the Issuer a license to enter upon the Initial Land for the purpose of undertaking and completing the Initial Project and in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Initial Land for the purpose of pursuing its remedies under the Installment Sale Agreement (as hereinafter defined), and (2) a bill of sale dated as of April 1, 2006 (the "Bill of Sale to Issuer") from the Company to the Issuer, pursuant to which the Company conveyed to the Issuer the Company's interest in the portion of the Initial Project Facility constituting fixtures and other personal property, (C) the Issuer executed and delivered (1) the Initial Installment Sale Agreement, pursuant to which the Issuer sold the Initial Project Facility to the Company on an installment basis and the Company agreed to make installment purchase payments to the Issuer in an amount sufficient to enable the Issuer to pay the debt service payments due on the Bonds and (2) certain other documents related to the Initial Project and to the Initial Bonds (collectively with the Initial Indenture and the Initial Installment Sale Agreement, the "Initial Financing Documents"); and

WHEREAS, the Initial Bonds were purchased by Jefferies and Company, as successor to First Albany Capital, Inc., as underwriter (the "Initial Underwriter") pursuant to a bond purchase agreement dated May 3, 2006 (the "Initial Bond Purchase Agreement") by and among the Issuer, the Initial Underwriter and the Company; and

WHEREAS, the Initial Bonds were initially issued in the Weekly Rate, whereby Jefferies and Company, as successor to First Albany Capital, Inc., acting as remarketing agent for the Initial Bonds (the "Remarketing Agent") would determine the Weekly Tax-Exempt Interest Rate and the Weekly Taxable Interest Rate, as the case may be, on the Initial Bonds pursuant to the provisions of a remarketing agreement dated as of April 1, 2006 (the "Remarketing Agreement") by and between the Remarketing Agent and the Company; and

WHEREAS, as security for the Initial Bonds, the Company entered into a reimbursement agreement dated as of April 1, 2006 (the "Initial Reimbursement Agreement") with Citizens Bank, N. A., a national banking association organized and existing under the laws of the United States of America (the "Bank"), pursuant to which the Bank issued in favor of the Trustee (A) an irrevocable transferable direct-pay letter of credit (the "Series 2006A Letter of Credit"), and (B) an irrevocable transferable direct-pay letter of credit (the "Series 2006B Letter of Credit and collectively with the Series 2006A Letter of Credit, the "Letters of Credit"), said Letter of Credit to be in a maximum amount (which shall decline at fixed intervals) equal to the aggregate of (A) the principal amount of the Initial Bonds outstanding, plus (B) thirty-five (35) days' interest thereon (at an assumed interest rate of twelve percent (12%)); and

WHEREAS, as further security for the Initial Bonds, (A) the Issuer executed and delivered to the Trustee a pledge and assignment dated as of April 1, 2006 (the "Initial Pledge and Assignment") from the Issuer to the Trustee, which Pledge and Assignment assigned to the Trustee certain of the Issuer's rights under the Installment Sale Agreement, and (B) the Company executed and delivered to the Trustee a guaranty dated as of April 1, 2006 (the "Initial Guaranty") from the Company to the Trustee, pursuant to which the Company guaranteed to the Trustee (1) the Company's obligation (a) to make all installment

purchase payments under the Initial Installment Sale Agreement and (b) to perform all obligations related thereto and (2) the Issuer's obligation to repay the Initial Bonds; and

WHEREAS, as security for the Company's obligations under the Initial Reimbursement Agreement, (A) the Institution and the Issuer executed and delivered to the Bank (1) a mortgage dated as of April 1, 2006 (the "Mortgage") from the Institution and the Issuer to the Bank, which granted to the Bank, among other things, a mortgage lien on and security interest in the Initial Project Facility and (2) a security agreement dated as of April 1, 2006 (the "Security Agreement") from the Institution to the Bank, which granted to the Bank, among other things, a security interest in the Initial Equipment, and (B) the Institution executed and delivered to the Bank a pledge agreement dated as of April 1, 2006 (the "Pledge Agreement") from the Institution to the Bank, which pledges to the Bank (1) all gross revenues of the Institution, and (2) all rights of the Institution to the funds established under the Indenture; and

WHEREAS, the Issuer has received a letter from the Company dated November 25, 2009 (the "Request"), which Request is attached hereto as Exhibit A, (A) indicating that (1) present market conditions and other factors have resulted in the Initial Bonds bearing interest at interest rates significantly higher than the Company had expected and (2) the Company has made arrangements with the Bank for the Federal Home Loan Bank (the "Confirming Bank") to issue confirming letters of credit to further secure the Series 2006A Bonds and the Series 2006B Bonds (collectively, the "Confirming Letters of Credit"), and (B) requesting that the Issuer agree to make certain amendments to the Initial Indenture and the Initial Bonds necessary in order to implement the issuance by the Confirming Bank of the Confirming Letters of Credit; and

WHEREAS, pursuant to Section 802 of the Initial Indenture, the Issuer and the Trustee may, with the consent of the Holders of not less than fifty-one (51%) percent of the aggregate principal amount of Bonds then Outstanding under the Initial Indenture, enter into one or more supplemental indentures for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Initial Indenture or in any supplemental indenture; provided, however, that nothing contained in said Section 802 shall permit or be construed as permitting (1) without the consent of the Holder of such Bond, (a) a reduction in the rate, or extension of the time of payment, of interest on any Bond, (b) a reduction of any premium payable on the redemption of any Bond, or an extension of time for such payment, or (c) a reduction in the principal amount payable on any Bond, or an extension of time in which the principal amount of any Bond is payable, whether at the stated or declared maturity or redemption thereof, (2) the creation of any Lien prior to or on a parity with the Lien of the Initial Indenture (other than that parity Lien created to secure the Additional Bonds), (3) a reduction in the aforesaid aggregate principal amount of Bonds, the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of all the Bonds at the time Outstanding which would be affected by the action to be taken, (4) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (5) a privilege or priority of any Bond or Bonds over any other Bond or Bonds; and

WHEREAS, with the consent of the Company and the Bank, the Issuer and the Trustee desire to enter into a First Supplemental Indenture dated as of December 1, 2009 (the "First Supplemental Indenture") by and between the Issuer and the Trustee (the First Supplemental Indenture and the Initial Indenture being sometimes hereinafter referred to as the "Indenture") to amend the Initial Indenture for the following purpose(s), among others: (A) to add a provision to provide for the purchase in lieu of redemption of the Initial Bonds, and (B) any other provisions necessary to provide for the tender of the Initial Bonds and to implement the Request; and

WHEREAS, upon the execution and delivery of the First Supplemental Indenture, the Company, the Bank and the Remarketing Agent will proceed to provide for the tender of the Initial Bonds and the purchase of the Initial Bonds by draws under the Letters of Credit; and

WHEREAS, once the Initial Bonds have been tendered and purchased by draws under the Letters of Credit and with the consent of the Company, the Bank and the holders of the Initial Bonds, the Issuer and the Trustee further desire to enter into a Second Supplemental Indenture dated as of January 1, 2010 (the "Second Supplemental Indenture") by and between the Issuer and the Trustee (the Second Supplemental Indenture, the First Supplemental Indenture and the Initial Indenture being sometimes hereinafter referred to as the "Indenture") to amend the Initial Indenture for the following purpose(s), among others: (A) to add to the Initial Bonds an additional interest rate mode (the "Monthly Interest Rate Mode") (the Initial Bonds as amended to include the Monthly Interest Rate Mode and otherwise reflect the Second Supplemental Indenture being sometimes referred to as the "Reissued Initial Bonds"), (B) to provide that certain interest rate adjustments will apply to Reissued Initial Bonds in the Monthly Interest Rate Mode, (C) to provide terms for the prepayment of Reissued Initial Bonds in the Monthly Interest Rate Mode, (D) to provide terms for the conversion of Reissued Initial Bonds to and from the Monthly Interest Rate Mode, (E) to provide for the Confirming Letters of Credit to secure the Initial Bonds, (F) to provide for certain events of default, redemption provisions, and tender provisions to be added to the Initial Indenture and the other Initial Financing Documents in connection with the additional of the Confirming Letters of Credit, and (G) any other provisions necessary to provide for the tender of the Initial Bonds, the inclusion of the Confirming Letters of Credit as security for the Initial Bonds and the implementation of the Request; and

WHEREAS, simultaneously with the execution and delivery of the Second Supplemental Indenture, (A) the Issuer and the Company will execute and deliver a First Amendment to Installment Sale Agreement dated as of January 1, 2010 (the "First Amendment to Installment Sale Agreement"), which amends the Initial Installment Sale Agreement to reflect the provisions of the First Supplemental Indenture (the Initial Installment Sale Agreement as amended by the First Amendment to Installment Sale Agreement being sometimes referred to as the "Installment Sale Agreement"), (B) the Issuer, the Company and the Trustee will execute and deliver a First Amendment to Pledge and Assignment dated as of January 1, 2010 (the "First Amendment to Pledge and Assignment"), which amends the Initial Pledge and Assignment to reflect the provisions of the First Amendment to Installment Sale Agreement and the Second Supplemental Indenture (the Initial Pledge and Assignment as amended by the First Amendment to Pledge and Assignment being sometimes referred to as the "Pledge and Assignment"), and (C) the Company and the Trustee will execute and deliver a First Amendment to Guaranty dated as of January 1, 2010 (the "First Amendment to Guaranty"), which amends the Initial Guaranty to reflect the provisions of the Second Supplemental Indenture (the Initial Guaranty as amended by the First Amendment to Guaranty being sometimes referred to as the "Guaranty"); and

WHEREAS, simultaneously with the execution of the Second Supplemental Indenture, the Bank and the Company will execute and deliver a supplement to reimbursement agreement dated as of January 1, 2010 (the "First Supplement to Reimbursement Agreement", and collectively with the Initial Reimbursement Agreement, the "Reimbursement Agreement"); and

WHEREAS, to demonstrate compliance with the provisions of the Code relating to the issuance of tax-exempt obligations, (A) the Issuer will (1) execute an arbitrage certificate dated the date of delivery of the Reissued Initial Bonds (the "Reissued Initial Arbitrage Certificate") relating to certain requirements set forth in Section 148 of the Code relating to the Reissued Tax-Exempt Initial Bonds (as defined in the Indenture), (2) execute a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Reissued Tax-Exempt Initial Bonds (the "Reissued Initial Information Return") pursuant to Section 149(e) of the Code, and (3) file the Reissued Initial Information Return with

the Internal Revenue Service, (B) the Company will (1) execute a tax regulatory agreement dated the date of delivery of the Reissued Tax-Exempt Initial Bonds (the "Reissued Initial Tax Regulatory Agreement") concerning the requirements in Section 145 through Section 150 of the Code relating to the Reissued Tax-Exempt Initial Bonds and (2), if necessary, execute a certificate of designation (the "Certificate of Designation") designating the Reissued Tax-Exempt Initial Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code, and (C) the Bank will execute a letter (the "Issue Price Letter") confirming the issue price of the Reissued Tax-Exempt Initial Bonds for purposes of Section 148 of the Code, and further confirming the difference between the interest rate payable on the Reissued Tax-Exempt Initial Bonds and the interest rate payable on the Tax-Exempt Initial Bonds immediately preceding the execution and delivery of the Second Supplemental Indenture; 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"), the Issuer must determine the potential environmental significance of the execution and delivery of the Reissued Initial Bonds, the First Supplemental Indenture, the Second Supplemental Indenture, the First Amendment to Installment Sale Agreement, the First Amendment to Pledge and Assignment, the Reissued Initial Arbitrage Certificate, and the Reissued Initial Information Return (collectively, the "Supplemental Documents");

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. Pursuant to SEQRA, the Issuer hereby finds and determines that:

(A) Pursuant to Sections 617.5(c)(23) of the Regulations, the execution and delivery of the Supplemental Documents (the "Reissuance") is a "Type II action" (as said quoted term is defined in the Regulations); and

(B) Therefore, the Issuer hereby determines that no environmental impact statement or any other determination or procedure is required under the Regulations with respect to the Reissuance.

Section 2. The Issuer hereby finds and determines that:

(A) By virtue of the Act, the Issuer has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Reissuance will enhance the marketability of the Reissued Initial Bonds;

(C) It is desirable and in the public interest for the Issuer to enter into the Supplemental Documents.

Section 3. The form and substance of the Supplemental Documents are hereby approved.

Section 4. The execution and delivery by the Issuer of the Second Supplemental Indenture and the balance of the Supplemental Documents (except for the First Supplemental Indenture) is subject to receipt by the Issuer of the consent of 100% of the holders of the Initial Bonds.

Section 5. Subject to the execution and delivery of the Supplemental Documents and receipt by the Issuer of the direction to convert the Initial Bonds from the Company, the Issuer determines to issue the Reissued Initial Bonds; provided that:

(a) The Reissued Initial Bonds authorized to be issued, executed, sold and delivered pursuant to this Section 5 shall (1) be issued, executed and delivered at such time as the Chairman (or Vice Chairman) of the Issuer shall determine, and (2) bear interest at the rate or rates, be issued in such form, be subject to redemption prior to maturity, be subject to conversion from the Monthly Interest Rate Mode back to the Weekly Mode and have such other terms and provisions and be issued in such manner and on such conditions as are set forth in the Reissued Initial Bonds and the Second Supplemental Indenture or as are hereinafter approved by the Chairman or Vice Chairman of the Issuer in accordance with Section 6 hereof, which terms are specifically incorporated herein by reference with the same force and effect as if fully set forth in this Issuer Approving Resolution.

(b) Neither the members nor officers of the Issuer, nor any person executing the Reissued Initial Bonds or any of the Supplemental Financing Documents (as hereinafter defined) on behalf of the Issuer, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof. The Reissued Initial Bonds and the interest thereon are not and shall never be a debt of the State of New York, or the City of Albany, New York or any political subdivision thereof (other than the Issuer), and neither the State of New York, or the City of Albany, New York nor any political subdivision thereof (other than the Issuer) shall be liable thereon.

(c) The Reissued Initial Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from certain of the revenues and receipts derived from the sale or other disposition of the Project Facility or from the enforcement of the security provided by the Supplemental Financing Documents (as hereinafter defined) and the other security pledged to the payment thereof.

(d) Notwithstanding any other provision of this Issuer Approving Resolution, the Issuer covenants that it will make no use of the proceeds of the Reissued Initial Bonds or of any other funds of the Issuer (other than the Issuer's administrative fees) which, if said use had been reasonably expected on the date of issuance of the Reissued Initial Bonds, would have caused any of the Reissued Initial Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code.

Section 6. (A) The Chairman (or Vice Chairman) of the Issuer is hereby authorized, on behalf of the Issuer, to execute and deliver the Supplemental Documents and the other documents related thereto (collectively with the Supplemental Documents, the "Supplemental Financing Documents"), and, where appropriate, the Secretary (or Assistant Secretary) of the Issuer is hereby authorized to affix the seal of the Issuer thereto and to attest the same, all in substantially the forms thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

(B) The Chairman (or Vice Chairman) of the Issuer is hereby further authorized, on behalf of the Issuer, to designate any additional Authorized Representatives of the Issuer (as defined in and pursuant to the Installment Sale Agreement).

Section 7. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the Supplemental Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of this Resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the Supplemental Financing Documents binding upon the Issuer.

Section 8. This Resolution shall take effect immediately and the Reissued Initial Bonds are hereby ordered to be issued in accordance with this Issuer Approving Resolution.

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

Anthony J. Ferrara	VOTING	_____
Willard A. Bruce	VOTING	_____
Susan Pedo	VOTING	_____
Hon. Betty J. Barnette	VOTING	_____
Martin Daley	VOTING	_____
Gary Simpson	VOTING	_____
Prairie Wells	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of City of Albany Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency held on December 17, 2009 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of the whole of said original so far as the same relates to the subject matters therein referred to.

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

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this ____ day of December, 2009.

(Assistant) Secretary

(SEAL)

EXHIBIT A

REQUEST FROM COMPANY



Albany Medical Center

43 New Scotland Avenue, Mail Code 29, Albany, New York 12208-3478

William C. Hasselbarth, C.P.A.
Executive Vice President and Chief Financial Officer

(518) 262-8795
Fax: (518) 262-5306
hasselw@mail.amc.edu

November 25, 2009

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

Re: City of Albany Industrial Development Agency:

\$4,800,000 Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue
Bonds (Albany Medical Center Project – Letter of Credit Secured), Series 2006A

\$4,470,000 Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue
Bonds (Albany Medical Center Project – Letter of Credit Secured), Series 2006B

\$5,855,000 Tax-Exempt Multi-Mode Variable Rate Civic Facility Revenue
Bonds (Albany Medical Center Hospital Project – Letter of Credit Secured),
Series 2006A

\$1,000,000 Taxable Multi-Mode Variable Rate Civic Facility Revenue
Bonds (Albany Medical Center Hospital Project – Letter of Credit Secured),
Series 2006B

Ladies and Gentlemen:

Albany Medical Center Hospital (the "Hospital") and Albany Medical Center (the "Center") are writing to request the assistance of the City of Albany Industrial Development Agency (the "Agency") for the modification of the Trust Indentures, each dated as of April 1, 2006 (the "Indentures"), between the Agency and The Bank of New York Mellon, as trustee (the "Trustee") for the above-referenced bonds (the "Bonds") to provide for the issuance of Federal Home Loan Bank of Boston ("FHLBB") letter of credit confirmations (the "Confirming Letters of Credit") to secure the Bonds.

The Bonds were issued on May 23, 2006 to finance the cost of various projects of the Hospital and Center as more particularly described in the Agency's Official Statement for the Bonds dated April 27, 2006. The Bonds were issued at variable rates supported by direct pay letters of credit issued by RBS Citizens Bank (the "Bank"). While bearing interest at a variable rate, the interest rates on the Bonds are set by RBC Capital Markets as the remarketing agent for the Bonds.

The ratings of the Bank's letters of credit have been downgraded by the major rating agencies due to market conditions affecting the Bank. The effect of the downgrade of the letters of credit

has been a substantial increase in the interest rates payable by the Center and the Hospital on the Bonds. At times the interest rates have been more than 200 basis points above prevailing market rates for comparable bonds secured by letters of credit which have a rating equivalent to the original rating on the Bank's letters of credit.

To alleviate the impacts to the Hospital and the Center as a result of the downgrading of the Bank's letters of credit, the Bank has requested the FHLBB to issue Confirming Letters of Credit to provide further security for the Bonds. The delivery of the Confirming Letters of Credit will result in the interest rates resetting at prevailing market rates unaffected by the downgrade of the Bank's letters of credit.

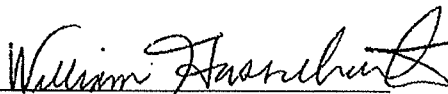
In order to add the Confirming Letters of Credit, the Indentures need to be modified to allow for a tender of the Bonds and the addition of a new monthly interest rate mode. Following the changes to the Indentures, the outstanding Bonds will be purchased from existing bondholders through a draw on the Bank's letters of credit. Following the purchase, the Confirming Letters of Credit will be delivered to the Trustee and RBC Capital Markets will remarket the Bonds in the new monthly interest mode. At the end of the first monthly interest mode, the interest rate mode on the Bonds will then be converted back to a variable rate determined weekly as allowed by the Indentures.

To facilitate the delivery of the Confirming Letters of Credit and the remarketing of the Bonds supported by the Confirming Letters of Credit, the Hospital and Center request the Agency adopt resolutions approving the modifications of the terms of the Indentures and the Bonds as required for delivery of the Confirming Letters of Credit, the remarketing of the Bonds and the execution by the Agency of all necessary documents to complete the delivery of the Confirming Letters of Credit and the remarketing of the Bonds.


Because of the substantial additional interest rate costs being incurred by the Hospital and the Center, the Hospital and Center respectfully request the Agency's approval of the resolutions to allow the delivery of the Confirming Letters of Credit and the remarketing of the Bonds at its next meeting scheduled for December 17, 2009. Representatives of the Hospital and Center are available to meet with the Agency prior to December 17, 2009 and to attend the Agency's meeting on December 17, 2009 to answer questions or make a presentation concerning the Hospital and Center's request for the Agency's assistance.

Very truly yours,

ALBANY MEDICAL CENTER

By: 
William Hasselbarth
Executive Vice President
and Chief Financial Officer

ALBANY MEDICAL CENTER
HOSPITAL

By: 
William Hasselbarth
Executive Vice President
and Chief Financial Officer

PRIVILEGED INFORMATION -
ATTORNEY CLIENT COMMUNICATION

MEMORANDUM FROM

A. Joseph Scott III
Direct Dial: 518.433.2419



To: Members of the City of Albany Industrial Development Agency

Date: December 10, 2009

Subject: City of Albany Industrial Development Agency
Albany College of Pharmacy – Land Consent Issue

In connection with the above referenced matter, please note the following:

1. Attached please find a proposed form of a resolution for consideration by the members of the Agency.
2. Materials forwarded by Albany College of Pharmacy in response to the inquiries by the members of the Agency were distributed to the members earlier this week by the Agency Staff.
3. The proposed resolution provides for the approval of the release of the real estate parcel, as requested by Albany College of Pharmacy.
4. The proposed form of the resolution is not intended to limit discussion or action by the members of the Agency on the issue of the granting of the consent.
5. If desired, the members may move to go into Executive Session to review any legal issues under “attorney-client” privilege. However, as I noted during a prior meeting, under New York law, any deliberations by the members on this matter must be in open session.

If any of the foregoing should raise any comments or questions, please do not hesitate to contact me.

AJS/bld

cc: Michael J. Yevoli, CEO
Erik Smith, CFO
John J. Reilly, Agency Counsel

**RESOLUTION AUTHORIZING RELEASE OF CERTAIN LANDS
ALBANY COLLEGE OF PHARMACY PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Department of Development and Planning at 21 Lodge Street in the City of Albany, Albany County, New York on December 17, 2009 at 12:15 o'clock p.m., local time.

The meeting was called to order by the (Vice) Chairman of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Anthony J. Ferrara	Chairman
Willard A. Bruce	Vice Chairman
Susan Pedo	Secretary
Hon. Betty J. Barnette	Treasurer
Martin Daley	Member
Gary Simpson	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael Yevoli	CEO - ALDC
Erik Smith	CFO - ALDC
Jeffrey Sullivan	Department of Development and Planning
John J. Reilly, Esq.	Corporation Counsel
A. Joseph Scott, III, Esq.	Special Agency Counsel

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. ____

RESOLUTION CONSENTING TO AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS WITH RESPECT TO THE RELEASE OF A CERTAIN PARCEL OF LAND FROM THE INSTALLMENT SALE AGREEMENT AND OTHER DOCUMENTS IN CONNECTION WITH THE ALBANY COLLEGE OF PHARMACY PROJECT.

WHEREAS, City of Albany Industrial Development Agency (the "Issuer") is authorized and empowered by the provisions of Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 325 of the 1974 Laws of New York, as amended, constituting Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehouse and commercial facilities, among others, for the purpose of promoting, attracting and developing

economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Act to issue its revenue bonds to finance the cost of acquisition, construction, reconstruction and installation of one or more "projects" (as defined in the Act), to acquire, construct, reconstruct and install said projects or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, in November, 2004, the Issuer issued its \$14,000,000 original aggregate principal amount Civic Facility Revenue Bonds (Albany College of Pharmacy Project), Series 2004A (the "Series 2004A Bonds") and \$8,000,000 original aggregate principal amount Civic Facility Revenue Bonds (Albany College of Pharmacy Project), Series 2004B (the "Series 2004B Bonds", and collectively with the Series 2004A Bonds, the "Bonds") pursuant to a trust indenture dated as of November 1, 2004 (the "Indenture"); and

WHEREAS, the repayment of the Bonds was secured by various mortgage or mortgages and other security instruments (collectively, the "Mortgages") that encumbered various parcel or parcels of land in the City of Albany (collectively, the "Land"); and

WHEREAS, Albany College of Pharmacy (the "Institution") has advised the Issuer that it desires to release (the "Release") from the Mortgages a parcel of real estate located at 5 Samaritan Road, Albany, New York and has requested the consent of the Agency to the Release (see copy of letter dated January 27, 2009 attached hereto as Schedule A); and

WHEREAS, under the terms of Bond Documents (as defined in the Indenture), the Institution is prohibited from selling, leasing, transferring or otherwise conveying any part of the Project Facility without the prior written consent of the Issuer, the Trustee and the holders of the Bonds; and

WHEREAS, in connection with such release of the Released Parcel, the Institution has requested that the Issuer consent to the Release and, if necessary, modify the Bond Documents to reflect the release of the Released Parcel; and

WHEREAS, in connection with the release of the Released Parcel, the Institution has requested the Issuer to enter into a deed and such other documentation to provide for the modification of the Bond Documents (collectively, the "Release Documents"); 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 adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the "Regulations", and collectively with the SEQR Act, "SEQRA"), it appears that the release of the parcel is not an "Action" under SEQRA and therefore is not subject to a SEQRA review by the Issuer;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Pursuant to SEQRA, the release of the parcel is not an "Action" under SEQRA and therefore is not subject to SEQRA review by the Issuer.

Section 2. The Issuer hereby consents to the Release and the execution of the Release Documents; provided, however, that such consent is contingent upon (A) the written consent by the holders of the Bonds and the Trustee, (B) approval by Issuer Counsel and Bond Counsel to the form of the Release Documents, (C) compliance with the terms and conditions contained in the Bond Documents, (D) evidence satisfactory to the Issuer that all payments in lieu of taxes and other local fees and assessments relating to the Project Facility, if any, have been paid by the Institution and (E) the payment by the Institution of the administrative fee of the Issuer, if any, and all other fees and expenses of the Issuer in connection with the delivery of the Release Documents, including the fees of Issuer Counsel and Bond Counsel.

Section 3. Subject to the satisfaction of the conditions described in Section 2 hereof, the Chairperson (or Vice Chairperson) of the Issuer is hereby authorized to execute and deliver the Release Documents and the modified Bond Documents to reflect the Release, and, where appropriate, the Secretary (or Assistant Secretary) of the Issuer is hereby authorized to affix the seal of the Issuer thereto and to attest the same, all in substantially the form thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairperson (or Vice Chairperson) shall approve, the execution thereof by the Chairperson (or Vice Chairperson) to constitute conclusive evidence of such approval.

Section 4. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the Release, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the Release.

Section 5. This Resolution shall take effect immediately.

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

Anthony J. Ferrara	VOTING	_____
Willard A. Bruce	VOTING	_____
Susan Peto	VOTING	_____
Hon. Betty J. Barnette	VOTING	_____
Martin Daley	VOTING	_____
Gary Simpson	VOTING	_____
Prairie Wells	VOTING	_____

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned, (Assistant) Secretary of the City of Albany Industrial Development Agency (the "Issuer"), DO HEREBY CERTIFY that I have compared the foregoing extract of the minutes of the meeting of the members of the Issuer, including the Resolution contained therein, held on December 17, 2009, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Issuer and of such Resolution set forth therein and insofar as the same relates to the subject matters therein referred to.

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

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this 17th day of December, 2009.

(Assistant) Secretary

(S E A L)

SCHEDULE A
INSTITUTION LETTER



Albany College of Pharmacy
AND HEALTH SCIENCES

Office of
General Counsel

January 27, 2009

City Of Albany Industrial Development Agency
c/o Department of Economic Development
21 Lodge Street
Albany, New York 12207

Dear Members:

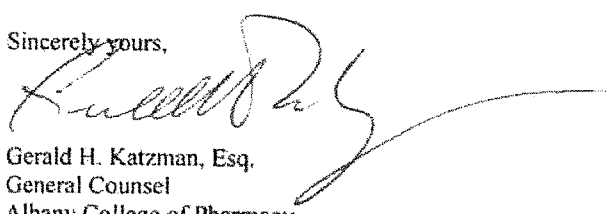
On January 30, 2004 the College purchased a parcel of land from the Episcopal Diocese shown on shown on the enclosed map which included a trapezoidal piece of land with frontage on Hackett Blvd of approximately 143ft. The parcel was purchased with interim financing with the intent that final financing would be part of the 2004 bond issue. In December, 2004 proceeds from the bond issue were used to retire the short term debt and a mortgage was given on the parcel of land purchased in January, 2004.

Thereafter in 2005 College purchased, with its own funds, an additional parcel with approximately 60ft. of frontage on Hackett Blvd. This parcel is also shown on the map. This parcel is not subject to the mortgage securing the 2004 bonds.

The College proposes to sell the parcel colored in orange to Brighter Choice Foundation, Inc. as appears from the contract attached. This parcel is comprised of a portion of the parcel acquired in 2004 subject to the mortgage which secures the 2004 Bonds, and the parcel acquired in 2005 not subject to the mortgage.

Subject to the agreement and approval of the secured parties, the College proposes to allocate the purchase price pro rata based on the area of the parcel to be conveyed subject to the mortgage as compared to the area of the parcel conveyed not subject to the mortgage. Proceeds allocable to the mortgaged portion will be used to retire 2004 Bonds, and the balance may be expended at the College's discretion,

Sincerely yours,



Gerald H. Katzman, Esq.
General Counsel
Albany College of Pharmacy
and Health Sciences
Direct Dial: (518) 694-7298
Fax: (518) 694-7341
Email: gerald.katzman@acphs.edu