

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*
Kathy Sheehan, *Treasurer*
Susan Pedo, *Secretary*
Prairie Wells
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
Kathy Sheehan John Reilly
Susan Pedo Erik Smith
Prairie Wells Megan Daly
Martin Daley Brad Chevalier

Date: August 18, 2011

AGENDA

PLEASE NOTE THAT PUBLIC HEARINGS CONCERNING THE FOLLOWING PROJECTS WILL BE HELD AT 12 NOON On
Thursday, August 18th, 2011 at 21 Lodge Street, Albany, NY 12207

Penta on Broadway, LLC

The regular meeting of the City of Albany Industrial Development Agency will be held on **Thursday,**
August 18th, 2011 at 12:15PM at the 21 Lodge Street, Albany, NY 12207 (Conference Room)

Roll Call

Reading of Minutes of the Regular Meeting of July 21, 2011

Approval of Minutes of the Regular Meeting of July 21, 2011

Reports of Committees

Report of Chief Executive Officer

Report of Chief Financial Officer

- Financial Report

Communications

Unfinished Business

- Albany Hotel, Inc. Project Synopsis
- Albany Hotel, Inc. Project SEQR Resolution
- Albany Hotel, Inc. Project PILOT Deviation Resolution
- Albany Hotel, Inc. Project Final Approving Resolution
- Sixty State Place, LLC Project Synopsis
- Sixty State Place, LLC Project SEQR Resolution
- Sixty State Place, LLC Project PILOT Deviation Resolution
- Sixty State Place, LLC Project Final Approving Resolution

New Business

- 4-6 Sheridan, LLC Public Hearing Resolution
- For more information on the above projects please see the materials from the Finance Committee meeting that was held on August 10th, 2011.

Other Business

Adjournment

* The next regularly scheduled meeting is Thursday, September 15, 2011 at 21 Lodge Street, Albany, NY 12207

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IDA MINUTES OF REGULAR MEETING Thursday, July 21, 2011

Attending: Bill Bruce, Susan Pedo, Kathy Sheehan, Martin Daley &
Prairie Wells

Absent: Chairman Tony Ferrara

Also Present: Joe Scott, Erik Smith, John Reilly, Mike Yevoli, Megan Daly,
Amy Gardner, Brad Chevalier & Ashley D'Antonio.

Vice Chairman Bruce called the regular meeting of the IDA to order at 12.15PM.

Roll Call

Vice Chairman Bruce reported that all Board Members were present with the exception of Chairman Ferrara.

Reading of Minutes of the Regular Meeting of June 16th, 2011

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

Approval of Minutes of the Regular Meeting of June 16th, 2011

Vice Chairman Bruce made a proposal to approve the minutes of the Regular Board Meeting as presented. A motion to accept the minutes, as presented, was made by Kathy Sheehan and seconded by Martin Daley. A vote being taken, the minutes were accepted unanimously.

Report of Chief Executive Officer

Mike Yevoli reported that there was a report recently issued by the State Comptroller's on IDAs. Mr. Yevoli highlighted job creation and the cost per job gained. Mr. Yevoli also discussed the success of the Albany City IDA in comparison with other IDAs around the state.

Vice Chairman Bruce recommended the agenda be modified to address Unfinished Business. No objection was rendered and the agenda was so modified.

Unfinished Business

SRS Albany, LLC Project Synopsis

Joe Scott presented a summary of the project to the board outlining the project and the requests of the IDA. Mr. Scott reiterated the fact this project will not need a PILOT deviation. Joe Nicola, from Columbia Development representing the project was present to answer questions. The board followed with questions regarding the requests and timeline of the project. The board also asked questions pertaining to the resolutions.

SRS Albany, LLC SEQOR Resolution

Joe Scott reviewed the Resolution with the Board explaining that the findings determined that this project would not have a significant effect on the environment.

Vice Chairman Bruce presented the SRS Albany, LLC SEQOR Resolution to the Board. A motion to adopt the Resolution was made by Martin Daly and seconded by Kathy Sheehan. A vote being taken, the Resolution passed unanimously.

SRS Albany, LLC Approving Resolution

Joe Scott reviewed the Resolution with the Board.

Vice Chairman Bruce presented the SRS Albany, LLC Approving Resolution to the Board. A motion to adopt the Resolution was made by Martin Daley and seconded by Kathy Sheehan. Some discussion followed. A vote being taken, the Resolution passed unanimously.

Albany Molecular Research, Inc. Resolution Approving New Mortgage

Joe Scott reviewed the resolution with the board. Mr. Scott explained that this project was originally approved by the AIDA in 2005 at which time a PILOT was granted which is still in effect. The company has negotiated a loan with the Bank of America in the amount of \$22,500,000 which will be secured by a mortgage lien on the Project. The Project is requesting exemption from the mortgage recording tax with respect to this financing.

Vice Chairman Bruce presented the Albany Molecular Research, Inc. Resolution Approving New Mortgage to the Board. A motion to adopt the Resolution was made by Kathy Sheehan and seconded by Prairie Wells.

Albany Hotel, Inc. Revised PILOT Deviation Discussion

Bob Wakeman, of Lombardi, Walsh, Wakeman, Harrison & Davenport, P.C. representing the project, made a presentation to the Board reviewing the project. Mr. Wakeman reiterated the importance of renovating the property and establishing a reputable franchise. He stressed that because the Hotel's Ground Lease will expire shortly it is currently a wasting asset and not an attractive investment. In order to attract a high quality brand the franchisor will require a large investment. Albany Hotel, Inc. would like to make a large investment in this property but only if it is economically viable. With the

current lease on the land the value is greatly impeded; however, if the land is purchased and included in the assessment value the tax increase also impedes the value. The applicant is asking for a PILOT deviation to stabilize the tax increase that will occur. The proposal includes an annual community development IDA fee of \$100,000 and an annual 5% increase in taxes for the 30 year term of the PILOT agreement.

A brief discussion followed. The board was not asked to take any action on this matter. The Board was informed that the PILOT deviation notice would be sent to taxing jurisdictions.

Sixty State Place, LLC Revised PILOT Deviation Discussion

Dan Hershberg, of Hershberg and Hershberg, representing the project, presented an overview of the project to the Board. The project would consist of extensive renovations and restorations to the building. The historic main lobby space would be converted into a restaurant and catering hall facility. Following extensive renovations the upper floors in the rear of the building would be converted into urban loft residential units. Each floor would have 3 to 4 units totaling 11-16 units for the whole building. He noted that the approximate project cost would be \$6 million and would create an estimated 30 to 40 full time construction jobs and an estimated 85 permanent hospitality (full and part time).

John Harris, of Harris Beach reviewed the request being made of the IDA by the applicant. He explained it is incredibly expensive to repurpose a building like 60 State St. For this reason they are in front of the IDA. Revenues will be constrained because the building will only support 11 units. The applicant is asking for a 100% tax abatement for the first 12 years. If following the 12 year abatement they were asked to pay full real property taxes the project would be unfeasible. The applicant is asking that the taxes increase at a rate of 5% following the 12 year abatement.

A brief discussion followed. The board was not asked to take any action on this matter. The Board was informed that the PILOT deviation notice would be sent to taxing jurisdictions.

New Business

Penta on Broadway, LLC. Public Hearing Resolution

Chuck Rosentine, of Penta on Broadway representing the project, presented an overview of the proposed project. The project would begin with the purchase of a presently vacant office building on Broadway. The building would be converted in to 14 market rate apartments; twelve 1 bedroom units and two 2 bedroom units. On the ground floor there would be 3000 sq. ft of retail space. The applicant is asking the IDA for help with the mortgage recording tax and the sales tax that will be incurred during the renovation. The applicant is also asking for for a 15 year tax abatement with the taxes being 100% abated for the first 10 years. After the first 10 years the applicant is asking the taxes increase by a rate of 16.7% until year 15. After this 15 year abatement the property will be taxed on its assessed value.

Vice Chairman Bruce presented the Penta on Broadwa, LLC Public Hearing Resolution to the Board. A motion to adopt the Resolution was made by Susan Pedo and seconded by Kathy Sheehan. A vote being taken, the Resolution passed unanimously.

Downtown Albany Revitalization, LLC Public Hearing Resolution

Herb Ellis, of Downtown Albany Revitalization, LLC, representing the project presented an overview of the project. The project would involve three downtown buildings One Stuben Place, 74-76 North Pearl

St. and 16 Sheridan Ave. All three buildings would be converted to high end apartments creating a total of 169 units. The applicant is asking for a full tax abatment of One Stebuben Place and 74-76 Pearl St. for 20 years. The applicant expects to be paying taxes at the assessed value on both buildings by the 23rd year. The applicant is also asking for a full tax abatement of 16 Sheridan Ave. for 22 years. After the first 22 years taxes would increase by 20% for 5 years and in year 27 would be paid at the assessed value.

Vice Chairman Bruce felt it was premature to schedule a public hearing and did not put the resolution up for a vote. Vice Chairman Bruce also indicated that the staff and Board needed more time to review the materials that were presented.

Reports of Committees

None

Communications

None

Other Business

None

There being no further business, Vice Chairman Bill Bruce adjourned the meeting at 2:00PM.

Respectfully submitted,

Susan Peto, Secretary

G:\IDA\IDA Minutes\IDA Regular Meeting Minutes\IDA Minutes 2011

City of Albany IDA
2011 Monthly Cash Position
July 2011

	ACTUAL							PROJECTED						
	January	February	March	April	May	June	July	August	September	October	November	December		YTD Total
Beginning Balance	\$ 250,836	\$ 238,790	\$ 244,415	\$ 265,007	\$ 252,265	\$ 255,430	\$ 255,393	\$ 245,547	\$ 378,705	\$ 370,497	\$ 350,508	\$ 426,982		\$ 250,836
Revenue														
Fee Revenue														
Application Fee	\$ -	\$ 4,500	\$ -	\$ -	\$ 6,000	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 13,500
Agency Fee	-	-	\$ 25,159	-	-	-	46,875	162,477	30,543	-	91,212	-		356,266
Administrative Fee	500	-	-	-	-	-	9,344	-	-	-	-	-		9,844
Modification Fee	1,000	1,500	-	-	-	48,219	-	-	-	-	-	-		50,719
Subtotal - Fee Revenue	<u>\$ 1,500</u>	<u>\$ 6,000</u>	<u>\$ 25,159</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 51,219</u>	<u>\$ 56,219</u>	<u>\$ 162,477</u>	<u>\$ 30,543</u>	<u>\$ -</u>	<u>\$ 91,212</u>	<u>\$ -</u>		<u>\$ 430,329</u>
Other Revenue														
Loan Repayments - Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Loan Repayments - Principal	-	-	-	-	-	-	-	-	-	-	-	-		-
Interest Income	37	33	39	37	38	26	26	30	30	30	30	30		386
Sale of Agency Property	-	-	-	-	-	-	-	-	-	-	-	-		-
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-		-
Misc	-	-	-	-	-	-	-	-	-	-	-	-		-
Subtotal - Other Revenue	<u>\$ 37</u>	<u>\$ 33</u>	<u>\$ 39</u>	<u>\$ 37</u>	<u>\$ 38</u>	<u>\$ 26</u>	<u>\$ 26</u>	<u>\$ 30</u>	<u>\$ 30</u>	<u>\$ 30</u>	<u>\$ 30</u>	<u>\$ 30</u>		<u>\$ 386</u>
Total - Revenue	<u>\$ 1,537</u>	<u>\$ 6,033</u>	<u>\$ 25,198</u>	<u>\$ 37</u>	<u>\$ 6,038</u>	<u>\$ 51,244</u>	<u>\$ 56,245</u>	<u>\$ 162,507</u>	<u>\$ 30,573</u>	<u>\$ 30</u>	<u>\$ 91,242</u>	<u>\$ 30</u>		<u>\$ 430,714</u>
Expenditures														
Management Contract	\$ 8,333	\$ -	\$ -	\$ 1,053	\$ 2,708	\$ 2,917	\$ -	\$ 29,162	\$ 14,581	\$ 14,581	\$ 14,581	\$ 14,581		\$ 102,497
APA Contract	5,250	-	-	5,250	-	-	5,250	-	-	5,250	-	-		21,000
Audits	-	-	4,500	2,100	-	-	-	-	-	-	-	-		6,600
Agency Counsel	-	-	-	-	-	42,000	-	-	-	-	-	21,000		63,000
ED Support	-	-	-	4,224	-	5,250	-	-	24,013	-	-	24,013		57,500
Sub-lease AHCC	-	-	-	-	-	-	60,556	-	-	-	-	100,000		160,556
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-		-
D & O Insurance	-	-	-	-	-	1,010	-	-	-	-	-	-		1,010
Misc.	-	409	105	153	165	105	285	188	188	188	188	188		2,158
Other Legal Expenses	-	-	-	-	-	-	-	-	-	-	-	-		-
	-	-	-	-	-	-	-	-	-	-	-	-		-
	-	-	-	-	-	-	-	-	-	-	-	-		-
	-	-	-	-	-	-	-	-	-	-	-	-		-
	-	-	-	-	-	-	-	-	-	-	-	-		-
Total - Expenditures	<u>\$ 13,583</u>	<u>\$ 409</u>	<u>\$ 4,605</u>	<u>\$ 12,779</u>	<u>\$ 2,873</u>	<u>\$ 51,282</u>	<u>\$ 66,090</u>	<u>\$ 29,349</u>	<u>\$ 38,781</u>	<u>\$ 20,018</u>	<u>\$ 14,768</u>	<u>\$ 159,781</u>		<u>\$ 414,320</u>
Ending Balance	<u>\$ 238,790</u>	<u>\$ 244,415</u>	<u>\$ 265,007</u>	<u>\$ 252,265</u>	<u>\$ 255,430</u>	<u>\$ 255,393</u>	<u>\$ 245,547</u>	<u>\$ 378,705</u>	<u>\$ 370,497</u>	<u>\$ 350,508</u>	<u>\$ 426,982</u>	<u>\$ 267,230</u>		<u>\$ 267,230</u>

City of Albany IDA

Fee Detail by Month

July 2011

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>January</i>	South Mall Towers	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
	CDPHP	-	-	500	-	500
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ 500	\$ 1,000	\$ 1,500
<i>February</i>	Jetro Cash & Carry Restaurant Depot	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
	Madison Properties	-	-	-	1,500	-
	39 Sheridan Realty, LLC	1,500	-	-	-	-
	Spanos 255 PatroonCreek Blvd.	1,500	-	-	-	1,500
	TOTAL	\$ 4,500	\$ -	\$ -	\$ 1,500	\$ 6,000
<i>March</i>	FC DCI, LLC	\$ -	\$ 18,695	\$ -	\$ -	\$ 18,695
	Morris St. Development	-	6,464	\$ -	-	6,464
	TOTAL	\$ -	\$ 25,159	\$ -	\$ -	\$ 25,159
<i>April</i>		\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>May</i>	Sixty State Place, LLC	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
	Albany Hotel, Inc	1,500	-	-	-	1,500
	Penta on Braodway	1,500	-	-	-	1,500
	SRS Albany, LLC	1,500	-	\$ -	-	1,500
	TOTAL	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000
<i>June</i>	Downtown Albany Revitaliztion, LLC	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
	Swan Street Lots, LP	1,500	-	-	-	1,500
	CSR Series 2007A	-	-	-	7,969	7,969
	CSR Series 2007B	-	-	-	40,250	40,250
		-	-	-	-	-
	TOTAL	\$ 3,000	\$ -	\$ -	\$ 48,219	\$ 51,219

City of Albany IDA

Fee Detail by Month

July 2011

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>July</i>	AMRI	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
	CSR Series 2007B			7,844		
	Albany Medical Center			500		
	39 Sheridan Realty, LLC	-	46,875	-	-	-
	TOTAL	\$ -	\$ 46,875	\$ 9,344	\$ -	\$ 56,219
<i>August</i>	SRS Albany, LLC	\$ -	\$ 162,477	-	-	162,477
		-		-	-	-
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ 162,477	\$ -	\$ -	\$ 162,477
<i>September</i>	Columbia 425 NS, LLC	\$ -	\$ 30,543	\$ -	\$ -	\$ 30,543
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ 30,543	\$ -	\$ -	\$ 30,543
<i>October</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>November</i>	Columbia Harriman 455, LLC	\$ -	\$ 91,212	\$ -	\$ -	\$ -
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ 91,212	\$ -	\$ -	\$ 91,212
<i>December</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
	2011 TOTAL	\$ 13,500	\$ 356,266	\$ 9,844	\$ 50,719	\$ 430,329
		<i>Application Fee</i>	<i>Agency Fee</i>	<i>Administration Fee</i>	<i>Modification Fee</i>	<i>TOTAL FEE</i>

City of Albany CRC
2011 Monthly Cash Position
July 2011

	ACTUAL							PROJECTED						
	January	February	March	April	May	June	July	August	September	October	November	December		YTD Total
Beginning Balance	\$ 3,101	\$ 4,601	\$ 260,820	\$ 260,842	\$ 153,792	\$ 135,679	\$ 85,524	\$ 244,796	\$ 232,349	\$ 212,668	\$ 206,474	\$ 200,280		\$ 3,101
Revenue														
Fee Revenue														
Application Fee	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 1,500
Agency Fee	-	256,200	-	-	-	-	159,263	-	-	-	-	-		415,463
Administrative Fee	-	-	-	-	-	-	-	-	-	-	-	-		-
Modification Fee	-	-	-	-	-	-	-	-	-	-	-	-		-
Subtotal - Fee Revenue	<u>\$ 1,500</u>	<u>\$ 256,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 416,963</u>
Other Revenue														
Interest Income	\$ 0	\$ 19	\$ 22	\$ 16	\$ 13	\$ 11	\$ 9	\$ 58	\$ 58	\$ 58	\$ 58	\$ 58		382
NYS BIC	-	-	-	-	-	-	-	-	-	-	-	-		-
Misc	-	-	-	157	-	-	-	-	-	-	-	-		157
Subtotal - Other Revenue	<u>\$ 0</u>	<u>\$ 19</u>	<u>\$ 22</u>	<u>\$ 173</u>	<u>\$ 13</u>	<u>\$ 11</u>	<u>\$ 9</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 58</u>		<u>\$ 539</u>
Total - Revenue	<u>\$ 1,500</u>	<u>\$ 256,219</u>	<u>\$ 22</u>	<u>\$ 173</u>	<u>\$ 13</u>	<u>\$ 11</u>	<u>\$ 159,272</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 58</u>		<u>\$ 417,502</u>
Expenditures														
Management Contract	\$ -	\$ -	\$ -	\$ 73,947	\$ 18,125	\$ 17,917	\$ -	\$ 12,505	\$ 6,252	\$ 6,252	\$ 6,252	\$ 6,252		\$ 147,503
Audits	-	-	-	-	-	-	-	-	-	-	-	-		-
Agency Counsel	-	-	-	-	-	-	-	-	-	-	-	21,000		21,000
ED Support	-	-	-	33,276	-	32,250	-	-	13,487	-	-	13,487		92,500
D & O Insurance	-	-	-	-	-	-	-	-	-	-	-	-		-
Misc.	-	-	-	-	-	-	-	-	-	-	-	-		-
Total - Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,224</u>	<u>\$ 18,125</u>	<u>\$ 50,167</u>	<u>\$ -</u>	<u>\$ 12,505</u>	<u>\$ 19,739</u>	<u>\$ 6,252</u>	<u>\$ 6,252</u>	<u>\$ 40,739</u>		<u>\$ 261,004</u>
Ending Balance	<u>\$ 4,601</u>	<u>\$ 260,820</u>	<u>\$ 260,842</u>	<u>\$ 153,792</u>	<u>\$ 135,679</u>	<u>\$ 85,524</u>	<u>\$ 244,796</u>	<u>\$ 232,349</u>	<u>\$ 212,668</u>	<u>\$ 206,474</u>	<u>\$ 200,280</u>	<u>\$ 159,599</u>		<u>\$ 159,599</u>

City of Albany CRC

Fee Detail by Month

July 2011

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>January</i>	The College of St. Rose	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
		-	-	-	-	-
	TOTAL	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
<i>February</i>	St. Peter's Hospital of the City of Albany	\$ -	\$ 256,200	\$ -	\$ -	\$ 256,200
		-	-	-	-	-
	TOTAL	\$ -	\$ 256,200	\$ -	\$ -	\$ 256,200
<i>March</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>April</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>May</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>June</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -

City of Albany CRC

Fee Detail by Month

July 2011

	Name	Application Fee	Agency Fee	Administration Fee	Modification Fee	TOTAL FEE
<i>July</i>	The College of St. Rose	\$ -	\$ 159,263	-	-	159,263
		-	-	-	-	-
	TOTAL	\$ -	\$ 159,263	\$ -	\$ -	\$ 159,263
<i>August</i>		\$ -	\$ -	-	-	-
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>September</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>October</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>November</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
<i>December</i>		\$ -	\$ -	\$ -	\$ -	\$ -
		-	-	-	-	-
	TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -
	2011 TOTAL	\$ 1,500	\$ 415,463	\$ -	\$ -	\$ 416,963
		<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
LEASE/LEASEBACK TRANSACTION
ALBANY HOTEL, INC. PROJECT**

I. PROJECT IDENTIFICATION:

1. Project Applicant: Albany Hotel, Inc., a Florida business corporation (the “Company”).
2. The Project:
 - (A) Acquisition of Land: the acquisition of an interest in a parcel of land having an address of 89 State Street in the City of Albany, Albany County, New York (the “Land”), together with an existing building (the Crowne Plaza Hotel, referred to hereinafter as the “Existing Facility”) located thereon.
 - (B) Construction: the renovation and reconstruction of portions of the Existing Facility located on the Land.
 - (C) Equipment component: the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment”) (the Land, the Existing Facility and the Equipment being collectively referred to as the “Project Facility”).
 - (E) Lease: The Project Facility will be leased by the Agency to the Company pursuant to a lease agreement (the “Lease Agreement”) by and between the Agency and the Company, which Project Facility will be owned by the Company and operated as an approximately 384 room full service hotel with related restaurants and approximately 24,000 square feet of meeting space.

II. PRIOR ACTION ON PROJECT:

3. Preliminary Proceedings:
 - (A) Public Hearing Resolution: adopted on May 19, 2011.
 - (B) Public Hearing:
 - (1) Mailed to Affected Taxing Jurisdictions: June 15, 2011.
 - (2) Date Posted: June 24, 2011.
 - (3) Published in the Albany Times Union: June 20, 2011.
 - (4) Date of Public Hearing: June 30, 2011.
 - (5) Location of Public Hearing: offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York.
 - (C) PILOT Deviation Terms: reviewed at July 21, 2011 meeting of the Agency.
 - (D) Finance Committee Meeting: reviewed PILOT deviation terms and financial assistance at August 10, 2011 meeting of the Finance Committee.
4. Payment In Lieu of Taxes:
 - (A) PILOT Deviation: The Company requested a deviation from the Agency’s UTEP.
 - (B) Procedure: PILOT Deviation Letter mailed to Affected Tax Jurisdictions on August 8, 2011.

III. PROPOSED AGENCY ACTION ON AUGUST 18, 2011:

5. SEQR Resolution: Type II.
6. PILOT Deviation Approval Resolution: Approving the terms of the requested PILOT.

7. Approving Resolution: Approving the Company's project and the proposed financial assistance.

IV. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTION:

8. Relationship of Agency to Company: The Agency will acquire, renovate, reconstruct and install the Project Facility and lease the Project Facility to the Company pursuant to the Lease Agreement.
9. Business Terms:
 - (A) Agency fee estimated \$176,250 ($\frac{3}{4}$ of 1% of the Project costs of \$23,500,000 (est)).
 - (B) The Agency will grant a PILOT deviation in the amount described in the PILOT Deviation Letter mailed on August 8, 2011 and [will require the Company to pay the mortgage recording tax for the Project].
 - (C) The Agency will enter into a Project Benefit Agreement with the Company regarding employment levels, franchise agreement and completion of the Project.
10. Basic Documents:
 - (A) Underlying Lease from the Company to the Agency.
 - (B) License Agreement from the Company to the Agency.
 - (C) Bill of Sale to Agency.
 - (D) Lease Agreement by and between the Company and the Agency.
 - (E) Payment in Lieu of Tax Agreement by and between the Agency and the Company.
 - (F) Project Benefits Agreement by and between the Company and the Agency.
11. Proposed Closing Date: to be scheduled.
12. Special Agency Counsel: Hodgson Russ LLP, Albany, New York.

**SEQR RESOLUTION
ALBANY HOTEL, INC. PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on August 18, 2011 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Prairie Wells	Member
Martin Daley	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Megan Daly	Department of Development and Planning
Erik Smith	CFO - Capitalize Albany Corporation
Bradley Chevalier	Economic Development Specialist, Capitalize Albany Corporation
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
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. 0811-__

**RESOLUTION DETERMINING THAT ACTION TO UNDERTAKE A PROJECT FOR
THE BENEFIT OF ALBANY HOTEL, INC. IS A "TYPE II ACTION" AND NO
FURTHER ACTION IS REQUIRED UNDER SEQRA WITH RESPECT THERETO.**

WHEREAS, City of Albany Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 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, commercial and industrial 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, construct and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Albany Hotel, Inc., a Florida business corporation (the “Company”), submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a parcel of land having an address of 89 State Street, in the City of Albany, Albany County, New York (the “Land”), together with an existing building (the Crowne Plaza Hotel, referred to hereinafter as the “Existing Facility”) located thereon, (2) the renovation and reconstruction of portions of the Existing Facility; and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment,” and together with the Land and the Existing Facility, being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and operated as an approximately 384 room full service hotel with related restaurants and approximately 24,000 square feet of meeting space; (B) 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 property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on May 19, 2011 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to 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 Agency must satisfy the requirements contained in SEQRA and the Regulations prior to making a final determination whether to undertake the Project; and

WHEREAS, to aid the Agency in determining whether the Project may have a significant effect upon the environment, the Company has prepared and submitted to the Agency an environmental assessment form (the “EAF”) with respect to the Project, a copy of which EAF was presented to and reviewed by the Agency at this meeting and a copy of which is on file at the office of the Agency; and

WHEREAS, pursuant to SEQRA, the Agency has examined the EAF in order to make an 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 it appears that no further determination or procedure under SEQRA is required with respect to the Project;

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

Section 1. The Agency has received copies of, and has reviewed, the Application and the EAF submitted to the Agency by the Company with respect thereto (collectively, the “Reviewed Documents”) and, based upon said Reviewed Documents and the representations made by the Company to the Agency at this meeting, and based further upon the Agency’s knowledge of the area surrounding the Project Facility and such further investigation of the Project and its environmental effects as the Agency has deemed appropriate, the Agency makes the following findings and determinations with respect to the Project:

(A) The project (the “Project”) consists of the following: (A) (1) the acquisition of an interest in a parcel of land having an address of 89 State Street, in the City of Albany, Albany County, New York (the “Land”), together with an existing building (the Crowne Plaza Hotel, referred to hereinafter as the “Existing Facility”) located thereon, (2) the renovation and reconstruction of portions of the Existing Facility; and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment,” and together with the Land and the Existing Facility, being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and operated as an approximately 384 room full service hotel with related restaurants and approximately 24,000 square feet of meeting space; (B) 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 property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

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

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

(A) Pursuant to Sections 617.5(c)(2) and 617.5(c)(25) 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 Chief Executive Officer 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	_____
Susan Pedo	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Prairie Wells	VOTING	_____
Martin Daley	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 annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on August 18, 2011 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained 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 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 18th day of August, 2011.

(Assistant) Secretary

(SEAL)

**PILOT DEVIATION APPROVAL RESOLUTION
ALBANY HOTEL, INC. PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on August 18, 2011 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Prairie Wells	Member
Martin Daley	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Megan Daly	Department of Development and Planning
Erik Smith	CFO - Capitalize Albany Corporation
Bradley Chevalier	Economic Development Specialist, Capitalize Albany Corporation
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
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. 0811-__

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 ALBANY HOTEL, INC. PROJECT.

WHEREAS, City of Albany Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 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, commercial and industrial 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, construct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Albany Hotel, Inc., a Florida business corporation (the "Company"), submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a parcel of land having an address of 89 State Street, in the City of Albany, Albany County, New York (the "Land"), together with an existing building (the Crowne Plaza Hotel, referred to hereinafter as the "Existing Facility") located thereon, (2) the renovation and reconstruction of portions of the Existing Facility; and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment," and together with the Land and the Existing Facility, being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company and operated as an approximately 384 room full service hotel with related restaurants and approximately 24,000 square feet of meeting space; (B) 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 property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on May 19, 2011 (the "Public Hearing Resolution"), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the "Public Hearing") pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on June 15, 2011 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on June 24, 2011 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 June 20, 2011 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, New York, (D) conducted the Public Hearing on June 30, 2011 at 12:00 o'clock p.m., local time at offices of the Agency located at 21 Lodge Street in City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the "Report") which fairly summarizes the views presented at said Public Hearing and shall file the same in the files of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on August 18, 2011 (the “SEQR Resolution”), the Agency determined that the Project constituted a “Type II action” (as such quoted term is defined under SEQRA), and therefor that no further action with respect to the Project was required under SEQRA; 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 August 8, 2011 (the “Pilot Deviation Letter”), a copy of which Pilot Deviation Letter is attached hereto as Exhibit 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 no fewer than ten (10) days prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, by the Pilot Deviation Letter, the Chief Executive Officer 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 Finance Committee of the Agency has met and considered the materials prepared by Agency staff with respect to the terms contained in the Pilot Deviation Letter, and discussed such terms with the Agency staff.

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

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

(D) The Agency has given all representatives from an 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 and (E) 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, such deviation to be as described in the Pilot Deviation Letter.

Section 3. Upon preparation by 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 Chairman (or Vice Chairman) of the Agency, the Chairman (or Vice Chairman) 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 Chairman (or Vice Chairman), the execution thereof by the Chairman (or Vice Chairman) 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	_____
Susan Pedo	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Prairie Wells	VOTING	_____
Martin Daley	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 annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on August 18, 2011 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained 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 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 18th day of August, 2011.

(Assistant) Secretary

(SEAL)

EXHIBIT A

PILOT DEVIATION LETTER

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

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

August 8, 2011

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
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 Albany Hotel, Inc. Project

Gentlemen:

In May, 2011, Albany Hotel, Inc., a Florida business corporation (the "Company") presented an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a parcel of land having an address of 89 State Street, in the City of Albany, Albany County, New York (the "Land"), together with an existing building (the Crowne Plaza Hotel, referred to hereinafter as the "Existing Facility") located thereon, (2) the renovation and reconstruction of portions of the Existing Facility; and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment," and together with the Land and the Existing Facility, being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company and operated as an approximately 384 room full service hotel with related restaurants and approximately 24,000 square feet of meeting space; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

In connection with the Application, the Company has made a request to the Agency (the "PILOT Request") that the Agency enter into a payment in lieu of tax agreement (the "Proposed PILOT Agreement") which terms would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy"). The Proposed Agreement would not provide any abatements for any special assessments levied on the Project Facility.

The Proposed PILOT Agreement would provide that the Company be granted a thirty year payment in lieu of tax agreement 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"). The estimated payment terms of the Proposed PILOT Agreement are attached as Exhibit A to this letter.

The terms of the Proposed PILOT Agreement deviate from the Agency's Policy. The Policy provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: a 50% abatement in real property taxes on the Improvements in year one of the payment in lieu of tax agreement with a 10% per year decrease in such abatement over the term of the five year payment in lieu of tax agreement. Further, the Agency's Policy provides that the amount of the assessed value of the Project Facility will change as the assessed value is established annually by the Assessor of the City of Albany.

The purpose of this letter is to inform you of such PILOT Request and that the Agency is considering whether to grant the PILOT Request and to approve a Proposed PILOT Agreement conforming to the terms of the PILOT Request. The Agency expects to consider whether to approve the terms of the Proposed PILOT Agreement at its meeting scheduled for August 18, 2011 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 August 18, 2011, 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.

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 written notice prior to the Agency taking final action with respect to the Proposed PILOT Agreement (if said Proposed PILOT Agreement may deviate from the provisions of the Agency's Policy).

The Agency considered the following factors in considering the proposed deviation:

1. The nature of the proposed Project:

The Project involves the acquisition of the existing ground lease from UDC-Ten Eyck Development Corporation III, as well as interior renovation and upgrading of the Crowne Plaza Hotel. The Company is undertaking the Project in connection with the potential refranchising of the Hotel.

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

The existing Hotel needs renovation and upgrade to remain competitive in the Capital District market.

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:

At the time of the filing of the Application, the economic condition of the area in which the Project Facility is located is generally average to poor. The Crowne Plaza Hotel is located in a highly visible block in downtown Albany.

The major positive impact of the Project is the upgrade of the Hotel and upgrade of the franchise. Increased occupancy in the Hotel will provide economic growth for the business and entertainment facilities located in the downtown, and result in further development. Additional benefits created by the Project are described in the Application.

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 45 construction jobs over the approximately sixteen (16) month construction period with a payroll of approximately \$4,500,000.

The Project will create approximately 20 full-time jobs within the first year of operation, together with retaining the existing 155 jobs at the Project Facility. Further, the resulting retention and creation of employment in the surrounding retail, restaurant and entertainment operations is expected to be significant.

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

As described in Exhibit A, the amount of estimated PILOT payments on the Project Facility are fixed and would start at approximately \$346,858 and end at \$2,100,202 over a 30-year period, resulting in approximately \$20,279,951 of PILOT payments paid by the Company. The PILOT payments would be allocated among Albany County, the City of Albany and the City of Albany City School District based on the 2011 tax rates of the three taxing entities.

There would be no reduction in the current PILOT payments currently being paid with respect to the existing project site.

In addition, the Company will enter into an agreement (the "Project Benefit Agreement") with the Agency whereby the Company will agree to maintain the jobs noted in paragraph 4 above, to undertake the at least \$10 million of capital improvements and to maintain a major flag franchise.

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

The economic impact of the Project PILOT Agreement is positive as the fixed PILOT payments will increase by 3%/year for the first 10 years and thereafter the fixed PILOT payments will increase by 5%/year. In addition, the development of the Project Facility is expected to spur additional development in the downtown sections of the City of Albany.

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, as it creates provides for the significant upgrade of a longstanding major hotel in downtown Albany. This level and scale of development will improve the downtown economic climate. The local restaurants and entertainment facilities will benefit from the undertaking of the Project.

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

The investment by the Company will be at least \$10,000,000.

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 not anticipated that the Project will have a tremendous burden upon the educational facilities for any school district within the City of Albany, Albany County. After the completion of the Project, the employment at the Project is not anticipated to generate a substantial burden on the highways of the City of Albany or the surrounding area. All necessary emergency medical and police services are available.

12. Anticipated tax revenues:

It is expected that sales tax and occupancy tax revenues will increase due to the undertaking of the Project.

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 promote the development of the downtown of the City of Albany.

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

Hon. Gerald D. Jennings, Mayor
Hon Michael G. Breslin, County Executive
Dr. Raymond Colucciello, Superintendent
August 8, 2011
Page 5

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 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

EXHIBIT A

ESTIMATED PILOT PAYMENTS

ALBANY HOTEL, INC. ESTIMATED TAXES

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Differences) (Abatement Savings)
Current Year	346,858	346,858	0
Year 1	357,264	357,264	0
Year 2	367,982	367,982	0
Year 3	379,021	379,021	0
Year 4	390,392	390,392	0
Year 5	402,104	402,104	0
Year 6	414,167	414,167	0
Year 7	426,592	426,592	0
Year 8	439,390	439,390	0
Year 9	452,571	452,571	0
Year 10	466,148	466,148	0
Year 11	480,133	489,456	-9,323
Year 12	1,197,716	513,929	683,787
Year 13	1,233,647	539,625	694,022
Year 14	1,270,657	566,606	704,050
Year 15	1,308,776	594,937	713,840
Year 16	1,348,039	624,683	723,356
Year 17	1,388,481	655,918	732,563
Year 18	1,430,135	688,713	741,422
Year 19	1,473,039	723,149	749,890
Year 20	1,517,230	759,306	757,924
Year 21	1,562,747	797,272	765,475
Year 22	1,609,630	837,135	772,494
Year 23	1,657,919	878,992	778,926
Year 24	1,707,656	922,942	784,714
Year 25	1,758,886	969,089	789,797
Year 26	1,811,652	1,017,543	794,109
Year 27	1,866,002	1,068,420	797,581
Year 28	1,921,982	1,121,842	800,140
Year 29	1,979,641	1,177,934	801,708
Year 30	2,039,031	1,236,830	802,200
Year 31	2,100,202	2,100,202	0

**APPROVING RESOLUTION
ALBANY HOTEL, INC. PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the office of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on August 18, 2011 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Prairie Wells	Member
Martin Daley	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Megan Daly	Department of Development and Planning
Erik Smith	CFO - Capitalize Albany Corporation
Bradley Chevalier	Economic Development Specialist, Capitalize Albany Corporation
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
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. 0811-__

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR ALBANY
HOTEL, INC. (THE "COMPANY").**

WHEREAS, City of Albany Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 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,

commercial and industrial 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, construct and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Albany Hotel, Inc., a Florida business corporation (the “Company”), submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a parcel of land having an address of 89 State Street, in the City of Albany, Albany County, New York (the “Land”), together with an existing building (the Crowne Plaza Hotel, referred to hereinafter as the “Existing Facility”) located thereon, (2) the renovation and reconstruction of portions of the Existing Facility; and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment,” and together with the Land and the Existing Facility, being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and operated as an approximately 384 room full service hotel with related restaurants and approximately 24,000 square feet of meeting space; (B) 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 property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on May 19, 2011 (the “Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on June 15, 2011 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on June 24, 2011 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 June 20, 2011 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, New York, (D) conducted the Public Hearing on June 30, 2011 at 12:00 o’clock p.m., local time at offices of the Agency located at 21 Lodge Street in City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Report”) which fairly summarizes the views presented at said Public Hearing and shall file the same in the files of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on August 18, 2011 (the “SEQR Resolution”), the Agency determined that the Project constituted a “Type II

action” (as such quoted term is defined under SEQRA), and therefor that no further action with respect to the Project was required under SEQRA; 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 August 8, 2011. The Chief Executive Officer of the Agency caused a letter dated August 8, 2011 (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 August 18, 2011, 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, 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 the granting of 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) a project benefits agreement (the “Project Benefits Agreement”) by and between the Agency and the Company relating to the terms of the granting by the Agency of the Financial Assistance; (F) 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"); (G) 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. All action taken by the Chief Executive Officer of the Agency with respect to the Public Hearing with respect to the Project is hereby ratified and confirmed.

Section 2. The law firm of Hodgson Russ LLP is hereby appointed Special Counsel to the Agency with respect to all matters in connection with the Project. Special Counsel for the Agency is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company, counsel to the Agency and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution. Special Counsel has prepared and submitted an initial draft of the Agency Documents to staff of the Agency.

Section 3. 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 City of Albany, New York;

(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction, reconstruction and installation of the Project Facility (collectively, the "Project Costs") will be approximately \$23,500,000;

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

(F) 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 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;

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

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

Section 4. In consequence of the foregoing, the Agency hereby determines to: (A) proceed with the Project; (B) acquire, reconstruct and install 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 5. 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 6. The Agency is hereby authorized to acquire, construct 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, construction and installation are hereby ratified, confirmed and approved.

Section 7. The Chairman (or Vice Chairman) of the Agency, with the assistance of Agency Counsel and/or Special Counsel, is authorized to negotiate and approve the form and substance of the Agency Documents.

Section 8. (A) The Chairman (or Vice Chairman) 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 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 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 9. 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 10. 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 Pedo	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Prairie Wells	VOTING	_____
Martin Daley	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 annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on August 18, 2011 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained 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 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 18th day of August, 2011.

(Assistant) Secretary

(SEAL)

**CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY
LEASE/LEASEBACK TRANSACTION
SIXTY STATE PLACE, LLC PROJECT**

I. PROJECT IDENTIFICATION:

1. Project Applicant: Sixty State Place, LLC, a limited liability company organized and existing under the laws of the State of New York (the "Company").
2. The Project:
 - (A) Acquisition of Land and Structures: the acquisition of an interest in a parcel of land having an address of 60 State Street in the City of Albany, Albany County, New York (the "Land"), together with an existing, 25,000 square foot, four story building (the "Facility") located thereon.
 - (B) Construction/Renovations: the renovation and reconstruction of the Facility.
 - (C) Equipment component: the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment," and together with the Land and the Facility, being collectively referred to as the "Project Facility").
 - (D) Lease: The Project Facility will be leased by the Agency to the Company pursuant to a lease agreement (the "Lease Agreement") by and between the Agency and the Company, which Project Facility will be owned by the Company and leased to various tenants for commercial and residential purposes.

II. PRIOR ACTION ON PROJECT:

3. Preliminary Proceedings:
 - (A) Public Hearing Resolution: adopted on May 19, 2011.
 - (B) Public Hearing:
 - (1) Mailed to Affected Taxing Jurisdictions: June 15, 2011.
 - (2) Date Posted: June 24, 2011.
 - (3) Published in Albany Times Union: June 20, 2011.
 - (4) Date of Public Hearing: June 30, 2011.
 - (5) Location of Public Hearing: offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York.
 - (C) PILOT Deviation Terms: reviewed at July 21, 2011 meeting of the Agency.
 - (D) Finance Committee Meeting: reviewed PILOT deviation terms and financial assistance at August 10, 2011 meeting of the Finance Committee.
4. Payment In Lieu of Taxes:
 - (A) PILOT Deviation: The Company requested a deviation from the Agency's Uniform Tax Exemption Policy.
 - (B) Procedure: PILOT Deviation Letter Mailed to Affected Tax Jurisdictions: August 8, 2011.

III. PROPOSED AGENCY ACTION ON AUGUST 18, 2011:

5. SEQR Resolution: Unlisted Action.
6. PILOT Deviation Approval Resolution: Approving the terms of the PILOT deviation.

7. Approving Resolution: Approving the Company's project and the proposed financial assistance.

IV. DETAILS OF PROPOSED STRAIGHT LEASE TRANSACTION:

8. Relationship of Agency to Company: The Agency will acquire, reconstruct and install the Project Facility and lease the Project Facility to the Company pursuant to the Lease Agreement.
9. Business Terms:
 - (A) The Agency fee is estimated to be \$48,750 ($\frac{3}{4}$ of 1% of the Project costs of \$6,500,000 (est)).
 - (B) The Agency will grant a PILOT deviation in the amount described in the PILOT Deviation Letter mailed on August 8, 2011 and [will require the Company to pay the mortgage recording tax for the Project].
10. Basic Documents:
 - (A) Underlying Lease from the Company to the Agency.
 - (B) License Agreement from the Company to the Agency.
 - (C) Bill of Sale to Agency.
 - (D) Lease Agreement by and between the Company and the Agency.
 - (E) Payment in Lieu of Tax Agreement by and between the Agency and the Company.
11. Proposed Closing Date: _____, 2011.
12. Special Agency Counsel: Hodgson Russ LLP, Albany, New York.

**SEQR RESOLUTION – CONFIRMATION OF PB DETERMINATION
SIXTY STATE PLACE, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on August 18, 2011 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Megan Daly	Department of Development and Planning
Erik Smith	CFO - Capitalize Albany Corporation
Bradley Chevalier	Economic Development Specialist, Capitalize Albany Corporation
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
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. 0811-__

RESOLUTION ACCEPTING THE DETERMINATION BY THE CITY OF ALBANY PLANNING BOARD TO ACT AS LEAD AGENCY FOR THE ENVIRONMENTAL REVIEW OF THE SIXTY STATE PLACE, LLC PROJECT AND ACKNOWLEDGING RECEIPT OF THE NEGATIVE DECLARATION ISSUED WITH RESPECT THERETO

WHEREAS, City of Albany Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 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 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 Agency is authorized and empowered under the Act to acquire, construct and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, in May, 2011, Sixty State Place, LLC, a New York limited liability company (the “Company”) presented an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a parcel of land having an address of 60 State Street in the City of Albany, Albany County, New York (the “Land”), together with an existing approximately 25,000 square foot, four story building (the “Existing Facility”) located thereon, (2) the renovation and reconstruction of portions of the Existing Facility; and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment,” and together with the Land and the Existing Facility, being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and leased to various tenants for commercial and residential purposes; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on May 19, 2011 (the “Public Hearing Resolution”), the Agency agreed to accept the Application and authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on June 15, 2011 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on June 24, 2011 on a bulletin board located in the City Hall Rotunda located in the City of Albany, Albany County, New York, (C) caused notice of the Public Hearing to be published on June 20, 2011 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on June 30, 2011 at 12:00 o’clock p.m., local time at the offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Report”) which fairly summarizes the views presented at said Public Hearing and shall file the same in the files of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Agency has been informed that (A) the City of Albany Planning Board (the “Planning Board”) was designated to act as the “lead agency” with respect to the

Project and (B) on July 21, 2011 the Planning Board determined that that the Project is a "Type I action" which will not have a "significant effect on the environment" and, therefore, that an "environmental impact statement" is not required to be prepared with respect to the Project and issued a negative declaration with respect thereto (the "Negative Declaration"); and

WHEREAS, at the time that the Planning Board determined itself to be the "lead agency" with respect to the Project, the Agency was known to be an "involved agency" with respect to the Project, and the Planning Board listed the Agency as an "involved agency" with respect to the Project, the Agency desires to concur in the designation of the Planning Board as "lead agency" with respect to the Project, to acknowledge receipt of a copy of the Negative Declaration (a copy of which is attached as Exhibit A) and to indicate that the Agency has no information to suggest that the Planning Board was incorrect in determining that the Project will not have a "significant effect on the environment" pursuant to SEQRA;

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

Section 1. (A) The Agency has received copies of, and has reviewed, the Application, an environmental assessment form prepared by the Company and the Negative Declaration (collectively, the "Reviewed Documents") and, based upon said Reviewed Documents and the representations made by the Company to the Agency at this meeting, the Agency hereby concurs in the designation of the Planning Board as "lead agency" with respect to the Project (as such quoted term is defined in SEQRA).

(B) The Agency hereby determines that the Agency has no information to suggest that the Planning Board was incorrect in determining that the Project will not have a "significant effect on the environment" pursuant to SEQRA (as such quoted phrase is used in SEQRA).

Section 2. 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 Pedo	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	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 annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on August 18, 2011 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained 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 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 18th day of August, 2011.

(Assistant) Secretary

(SEAL)

EXHIBIT A

CITY OF ALBANY PLANNING BOARD DETERMINATION

**NOTIFICATION OF LOCAL ACTION
DECISION OF THE CITY OF ALBANY PLANNING BOARD**

ADDRESS OF SUBJECT PROPERTY: 60 State St.

IN THE MATTER OF: Site Plan Approval to allow for the conversion of the upper three (3) floors of the building from commercial office space to twelve (12) residential dwelling units.

APPLICANT: Sixty State Place, LLC c/o Hershberg & Hershberg
ADDRESS: 18 Locust St., Albany, NY 12203

CASE NUMBER: 6-11, 814

Date Received: 6/14/11
Preliminary Presentation: 6/26/11
Subsequent Presentations: 7/21/11
SEQR Determination: 7/21/11
Date of Decision: 7/21/11

Vote:	For Approval:	4	Abbott:	Y	Pryor:	Y
	Against:	0	Fox:	Y	Trant:	Y
	Abstain:	0	Hancox:	NIA		

Relevant Considerations:

Owner/Applicant: Sixty State Place, LLC c/o Hershberg & Hershberg

Parcel size: 0.27 acres.

Property Valuation: \$200,000.00

Location: The property is located on the south side of State Street between Green and North Pearl Street. The property also has rear frontage on Norton Street

Zoning: Central Business (C-3). The proposed use is permitted within the district; no zoning approvals are required.

Surrounding Uses: *North:* Surface parking lot and commercial office buildings across State Street. *West:* 33,779 sq. ft. commercial office building; 55,728 sq. ft. boutique hotel. *East:* 173,600 sq. ft. office tower. *South:* Accessory courtyard to 225,860 sq. ft. office tower.

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OFFICE OF THE CITY CLERK
ALBANY, NY

Proposed Project: The applicant is proposing to convert the upper three floors of this 21,238 square foot structure for use as twelve residential dwelling units. A 9,704 square foot retail space is to occupy the entire ground level. The building is currently vacant and was formerly occupied by a bank and associated office space. The applicant envisions a restaurant with seating for up to 250 persons on the ground level. The 2nd floor will have three residential dwelling units, while the 3rd and 4th floors are proposed to have four units each. The 2nd floor needs to accommodate an additional interior stairwell, limiting the floor space that can be allocated for dwelling purposes. All of the dwelling units will have frontage out of the rear of the building on to Norton Street. The rear portion of the structure was a four-story addition to the original single-story structure at the State Street frontage.

SEQR status: The project is Type 1 Action per SEQR. Involved agencies are the Planning Board, Historic Resources Commission, Industrial Development Agency and the Empire State Development Corporation (New Market Tax Credits).

Traffic: There will be no direct on-site traffic as a result of the project. Details of any parking accommodations are unknown, but several garages and surface lots exist within the vicinity. Parking is not required in the downtown district per the zoning regulation. Delivery accommodations will be coordinated with the City's Traffic Engineering Division.

Bike/Pedestrian/Transit: The location has excellent access to all modes of transportation and is within proximity of the Albany Riverfront Pedestrian Bridge providing access to recreational opportunities along the City's waterfront.

Water/Sewer: The applicant will utilize existing City water and sewer service provisions. An increase in water usage to 9.875 GPD is anticipated.

Stormwater: No changes to pervious site area are proposed and thus there is no anticipated increase in storm water runoff.

Archcology: There will be no on-site disturbance that would trigger archeological review.

Landscaping: There are some existing planters adjacent to the entryway on State Street that will be maintained. There is not ample room along Norton Street to provide additional treatment.

Solid Waste: Trash will be stored within the building, which will be serviced by a private hauler at regular intervals.

Signage: No signage is proposed that would negatively alter the character of the structure or district.

Actions Taken:

The Board issued a **Negative Declaration** for this **Type 1** as per the provisions of SEQR, as the environmental impacts are negligible or non-existent.

The Board **Approved** the Site Plan.

I, **Edward Trant** representing the Planning Board of the City of Albany, hereby certify that the foregoing is a true copy of a decision of the Planning Board made at a meeting thereof duly called and held on the day of July 21, 2011.

Date: 7/21/11

Signature: Edward R. Trant

This is not a building permit. All building permits must be approved and issued by the Building Department prior to the start of any construction.

Prior to making an application for a Certificate of Occupancy, the applicant will be required to submit to the Building Department an "as built" site plan which depicts all elements shown on the approved site plan including but not limited to contours, landscaping, building locations, utilities paved and parking areas, signage, accessory structures and other related physical improvements.

**PILOT DEVIATION APPROVAL RESOLUTION
SIXTY STATE PLACE, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the “Agency”) was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on August 18, 2011 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Megan Daly	Department of Development and Planning
Erik Smith	CFO - Capitalize Albany Corporation
Bradley Chevalier	Economic Development Specialist, Capitalize Albany Corporation
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
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. 0811-__

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 SIXTY STATE PLACE, LLC PROJECT.

WHEREAS, City of Albany Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 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 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 Agency is authorized and empowered under the Act to acquire, construct and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, in May, 2011, Sixty State Place, LLC, a New York limited liability company (the “Company”) presented an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a parcel of land having an address of 60 State Street in the City of Albany, Albany County, New York (the “Land”), together with an existing approximately 25,000 square foot, four story building (the “Existing Facility”) located thereon, (2) the renovation and reconstruction of portions of the Existing Facility; and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment,” and together with the Land and the Existing Facility, being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and leased to various tenants for commercial and residential purposes; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on May 19, 2011 (the “Public Hearing Resolution”), the Agency agreed to accept the Application and authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on June 15, 2011 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on June 24, 2011 on a bulletin board located in the City Hall Rotunda located in the City of Albany, Albany County, New York, (C) caused notice of the Public Hearing to be published on June 20, 2011 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on June 30, 2011 at 12:00 o’clock p.m., local time at the offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Report”) which fairly summarizes the views presented at said Public Hearing and shall file the same in the files of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), the Agency has been informed that (A) the City of Albany Planning Board (the “Planning Board”) was designated to act as the “lead agency” with respect to the Project and (B) on July 21, 2011 the Planning Board determined that that the Project is a “Type I action” which will not have a “significant effect on the environment” and, therefore, that an “environmental impact statement” is not required to be prepared with respect to the Project and issued a negative declaration with respect thereto

(the “Negative Declaration”); 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 August 8, 2011 (the “Pilot Deviation Letter”), a copy of which Pilot Deviation Letter is attached hereto as Exhibit 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 no fewer than ten (10) days prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, pursuant to Section 856(15) of the Act, unless otherwise agreed by the affected tax jurisdictions, payments in lieu of taxes must be allocated among the affected tax jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected tax jurisdiction had the Project Facility not been tax exempt due to the status of the Agency; and

WHEREAS, by the Pilot Deviation Letter, the Chief Executive Officer 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 Finance Committee of the Agency has met and considered the materials prepared by Agency staff with respect to the terms contained in the Pilot Deviation Letter, and discussed such terms with the Agency staff.

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

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

(D) (D) The Agency has given all representatives from an 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 and (E) 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, such deviation to be as described in the Pilot Deviation Letter.

Section 3. Upon preparation by 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 Chairman (or Vice Chairman) of the Agency, the Chairman (or Vice Chairman) 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 Chairman (or Vice Chairman), the execution thereof by the Chairman (or Vice Chairman) 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	_____
Susan Peto	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	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 annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on August 18, 2011 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained 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 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 18th day of August, 2011.

(Assistant) Secretary

(SEAL)

EXHIBIT A

PILOT DEVIATION LETTER

CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY

21 Lodge Street

Albany, New York 12207

Tel: 518-434-2532

Fax: 518-434-9846

August 8, 2011

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
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 Sixty State Place, LLC Project

Gentlemen:

In May, 2011, Sixty State Place, LLC, a New York limited liability company (the "Company") presented an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a parcel of land having an address of 60 State Street in the City of Albany, Albany County, New York (the "Land"), together with an existing approximately 25,000 square foot, four story building (the "Existing Facility") located thereon, (2) the renovation and reconstruction of portions of the Existing Facility; and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment," and together with the Land and the Existing Facility, being collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company and leased to various tenants for commercial and residential purposes; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

In connection with the Application, the Company has made a request to the Agency (the "PILOT Request") that the Agency enter into a payment in lieu of tax agreement (the "Proposed PILOT Agreement")

which terms would deviate from the Agency's Uniform Tax Exemption Policy (the "Policy"). The Proposed Agreement would not provide any abatements for any special assessments levied on the Project Facility.

The Proposed PILOT Agreement would provide that the Company be granted a twenty year payment in lieu of tax agreement 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"). The estimated payment terms of the Proposed PILOT Agreement are attached as Exhibit A to this letter.

The terms of the Proposed PILOT Agreement deviate from the Agency's Policy. The Policy provides that, for a facility similar to the Project Facility, payments in lieu of taxes will normally be determined as follows: a 50% abatement in real property taxes on the Improvements in year one of the payment in lieu of tax agreement with a 10% per year decrease in such abatement over the term of the five year payment in lieu of tax agreement. Further, the Agency's Policy provides that the amount of the assessed value of the Project Facility will change as the assessed value is established annually by the Assessor of the City of Albany.

The purpose of this letter is to inform you of such PILOT Request and that the Agency is considering whether to grant the PILOT Request and to approve a Proposed PILOT Agreement conforming to the terms of the PILOT Request. The Agency expects to consider whether to approve the terms of the Proposed PILOT Agreement at its meeting scheduled for August 18, 2011 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 August 18, 2011, 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.

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 written notice prior to the Agency taking final action with respect to the Proposed PILOT Agreement (if said Proposed PILOT Agreement may deviate from the provisions of the Agency's Policy).

The Agency considered the following factors in considering the proposed deviation:

1. The nature of the proposed Project:

The Project involves the interior renovation and reconstruction of the building located at 60 State Street in downtown Albany. The Company is undertaking the Project in connection with the redevelopment of the project site.

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

The existing Facility is vacant and needs renovation in order to be suitable for leasing for commercial and residential uses.

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:

At the time of the filing of the Application, the economic condition of the area in which the Project Facility is located is generally average to poor. The Facility is vacant.

The development of the Project Facility will provide economic growth for the business and entertainment facilities located in the downtown, and result in further development. Additional benefits created by the Project are described in the Application.

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 30-40 construction jobs over the approximately twenty-four (24) month construction period with a payroll of approximately \$2,500,000.

The Project will create approximately 85 full-time jobs within the first year of operation. Further, the resulting retention and creation of employment in the surrounding retail, restaurant and entertainment operations is expected to be significant.

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

As described in Exhibit A, the amount of estimated PILOT payments to be paid by the Company on the Project Facility are estimated to equal approximately \$589,958.

There would be no reduction in the current tax payments currently being paid with respect to the existing project site.

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

The economic impact of the Project PILOT Agreement is positive as the PILOT payments will increase as the assessed value of the Project Facility and the local tax rates increase. Further, as the abatement provided on the increase in assessed value relating to the Project is reduced beginning in Year 13, the total amount of PILOT payments payable to the local taxing jurisdictions will also increase.

In addition, the development of the Project Facility is expected to spur additional development in the downtown sections of the City of Albany.

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, as it creates provides for the substantial reconstruction of a historically significant building that is currently vacant in downtown Albany. This level and scale of development will improve the downtown economic climate. The local restaurants and entertainment facilities will benefit from the undertaking of the Project.

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 \$6,500,000.

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 not anticipated that the Project will have a tremendous burden upon the educational facilities for any school district within the City of Albany, Albany County. After the completion of the Project, the employment at the Project is not anticipated to generate a substantial burden on the highways of the City of Albany or the surrounding area. All necessary emergency medical and police services are available.

12. Anticipated tax revenues:

It is expected that sales tax and occupancy tax revenues will increase due to the undertaking of the Project.

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 promote the development of the downtown of the City of Albany.

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 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.

Hon. Gerald D. Jennings, Mayor
Hon Michael G. Breslin, County Executive
Dr. Raymond Colucciello, Superintendent
August 8, 2011
Page 5

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

EXHIBIT A

ESTIMATED PILOT PAYMENTS

SIXTY STATE PLACE, LLC ESTIMATED TAXES

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Differences) (Abatement Savings)
Current Year	8,401	8,401	0
Year 1	8,653	8,653	0
Year 2	8,912	8,912	0
Year 3	9,179	9,179	0
Year 4	9,455	9,455	0
Year 5	9,739	9,739	0
Year 6	10,031	10,031	0
Year 7	10,332	10,332	0
Year 8	10,642	10,642	0
Year 9	49,324	10,961	38,363
Year 10	90,317	11,290	79,027
Year 11	133,726	11,628	122,097
Year 12	179,657	11,977	167,680
Year 13	185,047	20,972	164,075
Year 14	190,598	30,496	160,103
Year 15	196,316	40,572	155,744
Year 16	202,206	51,226	150,980
Year 17	208,272	62,482	145,790
Year 18	214,520	74,367	140,153
Year 19	220,956	86,909	134,047
Year 20	227,585	100,137	127,447
Year 21	234,412	234,412	0

**APPROVING RESOLUTION
SIXTY STATE PLACE, LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on August 18, 2011 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Megan Daly	Department of Development and Planning
Erik Smith	CFO - Capitalize Albany Corporation
Bradley Chevalier	Economic Development Specialist, Capitalize Albany Corporation
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
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. 0811-__

**RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION
WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR SIXTY
STATE PLACE, LLC (THE "COMPANY").**

WHEREAS, City of Albany Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 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 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 Agency is authorized and empowered under the Act to acquire, construct and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, in May, 2011, Sixty State Place, LLC, a New York limited liability company (the “Company”) presented an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a parcel of land having an address of 60 State Street in the City of Albany, Albany County, New York (the “Land”), together with an existing approximately 25,000 square foot, four story building (the “Existing Facility”) located thereon, (2) the renovation and reconstruction of portions of the Existing Facility; and (3) the acquisition and installation therein and thereon of certain machinery and equipment (the “Equipment,” and together with the Land and the Existing Facility, being collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and leased to various tenants for commercial and residential purposes; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, by resolution adopted by the members of the Agency on May 19, 2011 (the “Public Hearing Resolution”), the Agency agreed to accept the Application and authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Public Hearing Resolution, the Chief Executive Officer of the Agency (A) caused notice of a public hearing of the Agency (the “Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed on June 15, 2011 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Public Hearing to be posted on June 24, 2011 on a bulletin board located in the City Hall Rotunda located in the City of Albany, Albany County, New York, (C) caused notice of the Public Hearing to be published on June 20, 2011 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany County, New York, (D) conducted the Public Hearing on June 30, 2011 at 12:00 o’clock p.m., local time at the offices of the City of Albany Industrial Development Agency located at 21 Lodge Street in City of Albany, Albany County, New York, and (E) prepared a report of the Public Hearing (the “Report”) which fairly summarizes the views presented at said Public Hearing and shall file the same in the files of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations (the “Regulations”) adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, “SEQRA”), by resolution adopted by the members of the Agency on August 18, 2011 (the “SEQR Resolution”), the Agency (A) concurred in the determination by the City of Albany Planning Board (the “Planning Board”) to act as “lead agency” with respect to the Project and (B) indicated that the Agency had no information to suggest that the Planning Board was incorrect in issuing

a negative declaration (the “Negative Declaration”) determining that the Project will not have a “significant effect on the environment” pursuant to SEQRA; 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 August 18, 2011. The Chief Executive Officer of the Agency caused a letter dated August 8, 2011 (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 August 18, 2011, 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, 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 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 City of Albany, New York by undertaking the Project in City of Albany, New York; and

WHEREAS, in order to consummate the Project and the granting of 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. All action taken by the Chief Executive Officer of the Agency with respect to the Public Hearing with respect to the Project is hereby ratified and confirmed.

Section 2. The law firm of Hodgson Russ LLP is hereby appointed Special Counsel to the Agency with respect to all matters in connection with the Project. Special Counsel for the Agency is hereby authorized, at the expense of the Company, to work with the Company, counsel to the Company, counsel to the Agency and others to prepare, for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution. Special Counsel has prepared and submitted an initial draft of the Agency Documents to staff of the Agency.

Section 3. 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 City of Albany, New York;

(D) It is estimated at the present time that the costs of the planning, development, acquisition, construction, reconstruction and installation of the Project Facility (collectively, the “Project Costs”) will be approximately \$6,500,000;

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

(F) 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 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;

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

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

Section 4. In consequence of the foregoing, the Agency hereby determines to: (A) proceed with the Project; (B) acquire, reconstruct and install 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 5. 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 6. The Agency is hereby authorized to acquire, construct 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, construction and installation are hereby ratified, confirmed and approved.

Section 7. The Chairman (or Vice Chairman) of the Agency, with the assistance of Agency Counsel and/or Special Counsel, is authorized to negotiate and approve the form and substance of the Agency Documents.

Section 8. (A) The Chairman (or Vice Chairman) 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 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 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 9. 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 10. 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 Pedo	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	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 annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on August 18, 2011 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained 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 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 18th day of August, 2011.

(Assistant) Secretary

(SEAL)

PUBLIC HEARING RESOLUTION
SHERIDAN, LLC PROJECT

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 21 Lodge Street in the City of Albany, Albany County, New York on August 18, 2011 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
Susan Pedo	Secretary
Hon. Kathy Sheehan	Treasurer
Martin Daley	Member
Prairie Wells	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Michael J. Yevoli	CEO - Capitalize Albany Corporation
Megan Daly	Department of Development and Planning
Erik Smith	CFO - Capitalize Albany Corporation
Bradley Chevalier	Economic Development Specialist, Capitalize Albany Corporation
Amy Gardner	Administrative Assistant, Capitalize Albany Corporation
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. 0811-__

RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER OF CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY TO HOLD A PUBLIC HEARING REGARDING A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF 4-6 SHERIDAN, LLC.

WHEREAS, the Agency is authorized and empowered by the provisions of Chapter 1030 of the 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 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 Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act), 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, 4-6 Sheridan, LLC, a New York limited liability company (the “Company”), submitted an application (the “Application”) to the Agency, a copy of which Application is on file at the office of the Agency, which Application requested that the Agency consider undertaking a project (the “Project”) for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in a parcel of land containing approximately 4,200 square feet and located at 4-6 Sheridan Avenue in the City of Albany, Albany County, New York (the “Land”) together with the existing facility containing approximately 21,000 square feet of space located on the Land (the “Facility”), (2) the renovation and reconstruction 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 hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be owned by the Company and leased to various tenants for use by the tenants for commercial, retail and/or 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 and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the “Financial Assistance”); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any “financial assistance” (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project; and

WHEREAS, the Agency desires to provide for compliance with the provisions of Section 859-a of the Act with respect to the Project;

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

Section 1. The Agency hereby authorizes the Chief Executive Officer of the Agency, after consultation with the members of the Agency and Agency Counsel, (A) to establish the time, date and place for a public hearing of the Agency to hear all persons interested in the Project (the “Public Hearing”); (B) to cause the Public Hearing to be held in the City of Albany, New York, and to cause notice of such Public Hearing to be given to the public by publishing a notice or notices of such Public Hearing in a newspaper of general circulation available to the residents of the governmental units where the Project Facility is or is to be located, such notice or notices to comply with the requirements of Section 859-a of the Act; (C) to cause notice of the Public Hearing to be given to the chief executive officer of the county and of each city, town, village and school district in which the Project Facility is or is to be located to comply with the requirements of Section 859-a of the Act; (D) to conduct such Public Hearing; (E) to cause a report of the Public Hearing fairly summarizing the views presented at such Public Hearing (the “Report”) to be prepared; and (F) to cause a copy of the Report to be made available to the members of the Agency.

Section 2. The Chairman, Vice Chairman and/or Chief Executive Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 3. All action taken by the Chief Executive Officer of the Agency in connection with the Public Hearing with respect to the Project prior to the date of this Resolution is hereby ratified and confirmed.

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	_____
Susan Pedo	VOTING	_____
Hon. Kathy Sheehan	VOTING	_____
Martin Daley	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 annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on August 18, 2011 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained 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 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 18th day of August, 2011.

(Assistant) Secretary

(SEAL)