

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
Gary Simpson
Martin Daley

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

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

Date: November 12, 2010

AGENDA

The regular meeting of the City of Albany Industrial Development Agency will be held on **Thursday, November 18, 2010 at 12:15PM** at the offices Albany Community Development Agency, 200 Henry Johnson Blvd., Albany, NY 12210 (Conference Room)

Roll Call

Reading of Minutes of the Regular Meeting of October 21, 2010

Approval of Minutes of the Regular Meeting of October 21, 2010

Reports of Committees

Report of Chief Executive Officer

Report of Chief Financial Officer

- Financial Report

Communications

Unfinished Business

- Columbia 425 NS, LLC PILOT Deviation Approval Resolution

New Business

- Issuer Approving Resolution – United Cerebral Palsy Association of the Capital District, Inc. Project
- Memo re Brighter Choice Parking Garage Land Issue

Other Business

Adjournment

* The next regularly scheduled meeting is December 16, 2010 at the offices of the Albany Community Development Agency, at 200 Henry Johnson Blvd.

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*
Susan Pedo, *Secretary*
Kathy Sheehan, *Treasurer*
Prairie Wells
Gary Simpson
Martin Daley

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

IDA MINUTES OF REGULAR MEETING Thursday, October 21, 2010

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

Absent: Gary Simpson

Also Present: Joe Scott, Maria Pidgeon, Erik Smith, Patrick Jordan, Megan Daly, Mike Yevoli
& Jeff Sullivan.

Chairman Ferrara called the regular meeting of the IDA to order at 12:13 PM.

Roll Call

Chairman Ferrara reported that all Board Members were present with the exception of Gary Simpson.

Reading of Minutes of the Regular Meeting of September 16, 2010

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

Approval of Minutes of the Regular Meeting of September 16, 2010

Chairman Ferrara 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 Bill Bruce and seconded by Kathy Sheehan. A vote being taken, the minutes were accepted unanimously.

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

Unfinished Business

FC DCI, LLC PILOT Deviation Approval Resolution

Erik Smith reminded the Board that at last months meeting staff had recommended a PILOT Deviation for this project which terms would mirror that of 485B which is available elsewhere in the State. All the effected taxing jurisdictions have been notified and we have not received any response from those entities.

Chairman Ferrara presented the *FC DCI, LLC Project PILOT Deviation Resolution* to the Board. A motion to adopt the Resolution was made by Martin Daley and seconded by Susan Pedo. A vote being taken, the Resolution passed unanimously.

Morris Street Development, LLC Commercial Findings Resolution

Joe Scott reviewed the project synopsis with the Board. He noted that the Commercial Findings Resolution states why this housing project can be considered by the IDA, under the IDA statutes, by using prior studies done regarding the importance of the housing element in this area.

Chairman Ferrara presented the *Morris Street Development, LLC Project Commercial Findings Resolution* to the Board. A motion to adopt the Resolution was made by Martin Daley and seconded by Bill Bruce. Kathy Sheehan noted that this project was a little unusual since it has already been completed and asked for confirmation that it was a project that the IDA could consider. Joe Scott responded that the IDA could consider this project because the project was initially eligible for assistance under another State program which is no longer available therefore the argument of a “but for” or an argument that this abatement was necessary carries forward. A vote being taken, the Resolution passed unanimously.

Morris Street Development, LLC SEQR Resolution

Chairman Ferrara presented the *Morris Street Development, LLC Project SEQR Resolution* to the Board. A motion to adopt the Resolution was made by Kathy Sheehan and seconded by Martin Daley.

Morris Street Development, LLC URTIP and Final Approving Resolution

Chairman Ferrara presented the *Morris Street Development, LLC Project URTIP and Final Approving Resolution* to the Board. A motion to adopt the Resolution was made by Martin Daley and seconded by Prairie Wells. A vote being taken, the Resolution passed unanimously.

Columbia 425 NS, LLC Project SEQR Resolution

Joe Scott reviewed the project synopsis with the Board – updating them on the progress of the project thus far. Erik Smith noted that the PILOT Deviation for this project had not been finalized as yet and that staff would be working on that deviation to be brought to the Board for approval at next months meeting. Martin Daley inquired if the plan for this building would be that 425NS (Columbia Development) would be building (renovating) it and then leasing it to Life Care. The project applicant stated that was correct. Mr. Daley continued, inquiring if the plan was to have Life Care purchase the building after they become financially capable and if so what is the time frame for that purchase. Mr. Rosen (Columbia Development) stated that while that is the plan, purchase options are contained in the agreements but no specific dates are indicated.

Chairman Ferrara presented the *Columbia 425 NS, LLC Project SEQR Resolution* to the Board. A motion to adopt the Resolution was made by Susan Pedo and seconded by Bill Bruce. A vote being taken, the Resolution passed unanimously.

Columbia 425 NS, LLC Project Approving Resolution

Chairman Ferrara presented the *Columbia 425 NS, LLC Project Approving Resolution* to the Board. A motion to adopt the Resolution was made by Martin Daley and seconded by Kathy Sheehan. A vote being taken, the Resolution passed unanimously.

Public Authorities Reform Act 2009 Compliance

Erik Smith referred the Board to a letter between himself and Joe Scott referencing the City of Albany IDA's compliance with changes brought about by the Public Authorities Reform Act 2009 issues. The proposal is for the Agency to hire Hodgson Russ (Joe Scott) as special counsel in order to ensure complete compliance with provisions of the 2009 Act. Joe Scott added that his suggestion to the Governance Committee would be to add Director and Staff training to this package as the Board had indicated in previous meetings on the subject. Susan Pedo inquired if the CRC compliance items would be included in proposal. Joe Scott indicated that he would modify that proposal to include the CRC in that same estimate.

New Business

Capital District Physician's Health Plan Project (CDPHP) Resolution Authorizing Conveyance and Assignment

Erik Smith explained to the Board that it is proposed that the CDPHP building on Patroon Creek be sold to Healthcare Trust of America, Inc. The project applicant is requesting that the PILOT be assigned to the new owner for the remaining life of that PILOT. He noted that the project has exceeded its job creation figures and is current on all its taxes.

Chairman Ferrara presented the *CDPHP Project Resolution Authorizing Conveyance and Assignment* to the Board. A motion to adopt the Resolution was made by Kathy Sheehan and seconded by Martin Daley. A vote being taken, the Resolution passed unanimously.

Albany Medical Center Hospital Resolution Authorizing Release of Parcels

Joe Scott reviewed the Resolution with the Board. He noted that the Resolution lists several of the bond financing projects that the AIDA has executed with Albany Medical Center over the years. Each one of those bond financings describe certain parcels of land involved specially in that project on the Albany Medical campus. In connection with the new project that Albany Med is considering there is needed some release of portions of those parcels to proceed with the new project. Joe Scott added that there is no change in the collateral which secures the letter of credit for the outstanding bonds. Ed Kelley, attorney representing Albany Medical Center, added that all of the trustees consent had been received with the exception of Bank of America which he expects to receive shortly. Joe Scott noted that the any IDA approval of this transaction is subject to complete approval of all the trustee banks.

Chairman Ferrara presented the *Albany Medical Center Hospital Resolution Authorizing Release of Parcels* to the Board. A motion to adopt the Resolution was made by Kathy Sheehan and seconded by Prairie Wells. A vote being taken, the Resolution passed unanimously.

Reports of Committees

None

Report of Chief Executive Officer

None

Report of Chief Financial Officer

Erik Smith reviewed the financial report with the Board. He noted that we are projecting an ending year balance of just over \$180,000.

Mr. Smith reminded the Board that in order to comply with current PAAA regulations the Agency's 2011 budget has to be submitted to Authority no later than October 31, 2010. In connection with that, Mr. Smith reviewed the 2011 proposed budget with the Board. A short discussion followed.

Chairman Ferrara presented the *Resolution for the Approval of the City of Albany Industrial Agency 2011 Proposed Budget* to the Board. A motion to adopt the Resolution was made by Bill Bruce and seconded by Martin Daley. A vote being taken, the Resolution passed unanimously.

Erik Smith informed the Board that he had been contacted Bank of New York Mellon in regards to an IDA project from 1991 – The New York State Assembly Building – which is located at 1 Enterprise Drive. The letter is in regards to a change of trustee from JP Morgan Chase to Bank of New York Mellon. Due to the change, a document must be executed that modifies the Trust Indenture for the project. This is simply an administrative request which staff wanted to make the Board aware of – no formal Board action is required.

Other Business

None

There being no further business, Chairman Ferrara adjourned the meeting at 1:01PM.

Respectfully submitted,

Susan Pedo, Secretary

G:\IDA\IDA Minutes\IDA Regular Meeting Minutes\IDA Minutes 2010

City of Albany IDA
2010 Monthly Cash Position
October 2010

| | ACTUAL | | | | | | | | | | PROJECTED | | YTD Total |
|---------------------------------|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------|------------|------------------|
| | January | February | March | April | May | June | July | August | September | October | November | December | |
| Beginning Balance | \$ 460,636 | \$ 456,439 | \$ 450,028 | \$ 435,178 | \$ 421,513 | \$ 406,199 | \$ 322,921 | \$ 310,037 | \$ 424,534 | \$ 337,419 | \$ 322,261 | \$ 333,551 | \$ 460,636 |
| Revenue | | | | | | | | | | | | | |
| Fee Revenue | | | | | | | | | | | | | |
| Application Fee | \$ - | \$ 1,500 | \$ - | \$ - | \$ - | \$ - | \$ 1,500 | \$ - | \$ 4,500 | \$ (1,500) | \$ - | \$ - | \$ 6,000 |
| Agency Fee | 10,125 | - | 108,799 | - | - | - | - | 114,065 | - | - | 18,695 | 37,006 | 288,690 |
| Administrative Fee | - | 500 | - | - | - | - | - | - | - | - | 500 | - | 1,000 |
| Modification Fee | - | - | - | - | - | - | - | 500 | - | - | 500 | - | 1,000 |
| Subtotal - Fee Revenue | \$ 10,125 | \$ 2,000 | \$ 108,799 | \$ - | \$ - | \$ - | \$ 1,500 | \$ 114,565 | \$ 4,500 | \$ (1,500) | \$ 19,695 | \$ 37,006 | \$ 296,690 |
| Other Revenue | | | | | | | | | | | | | |
| Loan Repayments - Interest | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Loan Repayments - Principal | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Income | 60 | 69 | 78 | 65 | 64 | 56 | 49 | 49 | 52 | 49 | 60 | 60 | 711 |
| Sale of Agency Property | - | - | - | - | - | - | - | - | - | - | - | - | - |
| NYS BIC | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Misc | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal - Other Revenue | \$ 60 | \$ 69 | \$ 78 | \$ 65 | \$ 64 | \$ 56 | \$ 49 | \$ 49 | \$ 52 | \$ 49 | \$ 60 | \$ 60 | \$ 711 |
| Total - Revenue | \$ 10,185 | \$ 2,069 | \$ 108,877 | \$ 65 | \$ 64 | \$ 56 | \$ 1,549 | \$ 114,614 | \$ 4,552 | \$ (1,451) | \$ 19,755 | \$ 37,066 | \$ 297,401 |
| Expenditures | | | | | | | | | | | | | |
| Management Contract | \$ 8,333 | \$ 8,333 | \$ 8,333 | \$ 8,333 | \$ 8,333 | \$ 8,333 | \$ 8,333 | \$ - | \$ 16,667 | \$ 8,333 | \$ 8,333 | \$ 8,333 | \$ 100,000 |
| APA Contract | 5,250 | - | - | 5,250 | - | - | 5,250 | - | - | 5,250 | - | - | 21,000 |
| Audits | - | - | - | - | 6,000 | - | 600 | - | - | - | - | - | 6,600 |
| Agency Counsel | - | - | - | - | - | - | - | - | - | - | - | 42,000 | 42,000 |
| ED Support | - | - | 75,000 | - | - | 75,000 | - | - | 75,000 | - | - | 75,000 | 300,000 |
| Sub-lease AHCC | - | - | 40,247 | - | - | - | - | - | - | - | - | 59,753 | 100,000 |
| NYS BIC | - | - | - | - | - | - | - | - | - | - | - | - | - |
| D & O Insurance | - | - | - | - | 1,010 | - | - | - | - | - | - | - | 1,010 |
| Misc. | 799 | 147 | 147 | 147 | 35 | - | 250 | 117 | - | 124 | 132 | 132 | 2,029 |
| Other Legal Expenses | - | - | - | - | - | - | - | - | - | - | - | 3,000 | 3,000 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total - Expenditures | \$ 14,382 | \$ 8,480 | \$ 123,727 | \$ 13,730 | \$ 15,378 | \$ 83,333 | \$ 14,433 | \$ 117 | \$ 91,667 | \$ 13,707 | \$ 8,465 | \$ 188,218 | \$ 575,639 |
| Ending Balance | \$ 456,439 | \$ 450,028 | \$ 435,178 | \$ 421,513 | \$ 406,199 | \$ 322,921 | \$ 310,037 | \$ 424,534 | \$ 337,419 | \$ 322,261 | \$ 333,551 | \$ 182,398 | \$ 182,398 |

City of Albany IDA

Fee Detail by Month

October 2010

| | Name | Application Fee | Agency Fee | Administration Fee | Modification Fee | TOTAL FEE |
|-----------------|-----------------------------------|-----------------|------------|--------------------|------------------|------------|
| <i>January</i> | Madison Properties of Albany, LLC | \$ - | \$ 10,125 | \$ - | \$ - | \$ 10,125 |
| | | - | - | - | - | - |
| | TOTAL | \$ - | \$ 10,125 | \$ - | \$ - | \$ 10,125 |
| <i>February</i> | Albany College of Pharmacy | \$ - | \$ - | \$ 500 | \$ - | \$ 500 |
| | 39 Sheridan Realty, LLC | 1,500 | - | - | - | 1,500 |
| | TOTAL | \$ 1,500 | \$ - | \$ 500 | \$ - | \$ 2,000 |
| <i>March</i> | NS Parking Garage | \$ - | \$ 108,799 | \$ - | \$ - | \$ 108,799 |
| | | - | - | - | - | - |
| | TOTAL | \$ - | \$ 108,799 | \$ - | \$ - | \$ 108,799 |
| <i>April</i> | | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | - | - | - | - | - |
| | TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - |
| <i>May</i> | | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | - | - | - | - | - |
| | TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - |
| <i>June</i> | | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | - | - | - | - | - |
| | | - | - | - | - | - |
| | | - | - | - | - | - |
| | | - | - | - | - | - |
| | TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - |

City of Albany IDA

Fee Detail by Month

October 2010

| | Name | Application Fee | Agency Fee | Administration Fee | Modification Fee | TOTAL FEE |
|------------------|-----------------------------|---|--|--|--|---------------------------------------|
| <i>July</i> | FC DCI, LLC | \$ 1,500 | \$ - | \$ - | \$ - | \$ 1,500 |
| | | - | - | - | - | - |
| | TOTAL | \$ 1,500 | \$ - | \$ - | \$ - | \$ 1,500 |
| <i>August</i> | Columbia 50 NS, LLC | \$ - | \$ 114,065 | - | - | 114,065 |
| | Columbia 16 NS, LLC | - | - | - | 500 | 500 |
| | | - | - | - | - | - |
| | | - | - | - | - | - |
| | TOTAL | \$ - | \$ 114,065 | \$ - | \$ 500 | \$ 114,565 |
| <i>September</i> | Columbia 425 NS, LLC | \$ 1,500 | \$ - | \$ - | \$ - | \$ 1,500 |
| | Morris St. Development, LLC | 1,500 | - | - | - | 1,500 |
| | St. Peter's (Due to CRC) | 1,500 | - | - | - | 1,500 |
| | | - | - | - | - | - |
| | | - | - | - | - | - |
| | | - | - | - | - | - |
| | TOTAL | \$ 4,500 | \$ - | \$ - | \$ - | \$ 4,500 |
| <i>October</i> | St. Peter's (Due to CRC) | \$ (1,500) | \$ - | \$ - | \$ - | \$ (1,500) |
| | | - | - | - | - | - |
| | | - | - | - | - | - |
| | TOTAL | \$ (1,500) | \$ - | \$ - | \$ - | \$ (1,500) |
| <i>November</i> | FC DCI, LLC | \$ - | \$ 18,695 | \$ - | \$ - | \$ - |
| | Albany Medical Center | - | - | 500 | - | 500 |
| | CDPHP | - | - | - | 500 | 500 |
| | | - | - | - | - | - |
| | TOTAL | \$ - | \$ 18,695 | \$ 500 | \$ 500 | \$ 19,695 |
| <i>December</i> | Columbia 425 NS, LLC | \$ - | \$ 30,542 | \$ - | \$ - | \$ 30,542 |
| | Morris St. Development, LLC | - | 6,464 | - | - | 6,464 |
| | | - | - | - | - | - |
| | TOTAL | \$ - | \$ 37,006 | \$ - | \$ - | \$ 37,006 |
| | 2010 TOTAL | \$ 6,000 <i>Application Fee</i> | \$ 288,690 <i>Agency Fee</i> | \$ 1,000 <i>Administration Fee</i> | \$ 1,000 <i>Modification Fee</i> | \$ 296,690 <i>TOTAL FEE</i> |

**PILOT DEVIATION APPROVAL RESOLUTION
COLUMBIA 425 NS LLC PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on November 18, 2010 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 |
| Gary Simpson | Member |
| Prairie Wells | Member |

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

| | |
|----------------------------|---|
| Michael J. Yevoli | CEO - Capitalize Albany Corporation |
| Erik Smith | CFO - Capitalize Albany Corporation |
| Maria Pidgeon | Senior Economic Developer - Capitalize Albany Corporation |
| Jeffrey Sullivan | Department of Development and Planning |
| John J. Reilly, Esq. | Agency Counsel |
| A. Joseph Scott, III, Esq. | Special Agency Counsel |

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

Resolution No. 1110-____

**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 COLUMBIA 425 NS 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 industrial, manufacturing, warehousing, commercial, research, and recreation facilities, among others, for the purpose of promoting, attracting and developing

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

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, 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 September, 2010, Columbia 425 NS 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 2 parcels of land containing in the aggregate approximately .54 acres of land located at 413 and 425 New Scotland Avenue in the City of Albany, Albany County, New York (collectively, the “Land”), together with an existing building containing approximately 31,104 square feet of space located thereon (the “Facility”), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property including without limitation tenant improvement and finish (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 Care for Life (the “Tenant”) for use by the tenant as a senior care and medical facility 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 property 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 September 16, 2010 (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 October 7, 2010 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Public hearing to be posted on October 8, 2010 on a bulletin board located at the City Hall Rotunda located at 24 Eagle Street, in the City of Albany, Albany County, New York, (C) caused notice of the Public Hearing to be published on October 8, 2010 in the Albany Times Union, a newspaper of general circulation available to the residents of the City of Albany, Albany, New York, (D) conducted the Public Hearing on October 21, 2010 at 12:00 o’clock p.m., local time at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York, and (E) shall prepare a report of the Public Hearing (the “Public Hearing Report”) fairly summarizing the views presented at such Public Hearing and shall file same in the files of the Agency and distribute same to the Mayor of the City of Albany, New York (the “Mayor”); 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

October 21, 2010 (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, 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 November 8, 2010 (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 Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Letter.

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

(C) 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 | _____ |
| Martin Daley | VOTING | _____ |
| Gary Simpson | VOTING | _____ |
| Prairie Wells | VOTING | _____ |

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on November 18, 2010 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 ____ day of November, 2010.

(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 ext. 16

Fax: 518-434-9846

November 8, 2010

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 Columbia 425 NS LLC Project

Dear Ladies and Gentlemen:

In September, 2010, Columbia 425 NS 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 2 parcels of land containing in the aggregate approximately .54 acres of land located at 413 and 425 New Scotland Avenue in the City of Albany, Albany County, New York (collectively, the "Land"), together with an existing building containing approximately 31,104 square feet of space located thereon (the "Facility"), (2) the reconstruction and renovation of the Facility and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property including without limitation tenant improvement and finish (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 Care for Life (the "Tenant") for use by the tenant as a senior care and medical facility 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 property 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 ten 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”) with an abatement as described as follows:

| Year | Amount of Abatement |
|-------------------|----------------------------|
| 1 | 100% |
| 2 | 100% |
| 3 | 100% |
| 4 | 100% |
| 5 | 100% |
| 6 | 80% |
| 7 | 60% |
| 8 | 40% |
| 9 | 20% |
| 10 and thereafter | 0% |

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.

As provided in the Agency’s Policy, the amount of the assessed value of the Project Facility is not fixed and 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 November 18, 2010 at 12:15 p.m., local time at the offices of the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York (the “Meeting”). As described later in this letter, during the meeting on November 18, 2010, 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 reconstruction and renovation of an existing building to constitute a

senior care and medical facility to be owned by the Company and leased to Care for Life (the “Tenant”) to be used as a senior care and medical facility and other directly and indirectly related activities.

The Company has made the PILOT Request because the Project site currently is not subject to real property tax since the Project site is owned by a not-for-profit corporation. In addition, the Company will be leasing all or a significant portion of the Facility to Care for Life, a not-for-profit corporation that is not subject to real property taxes.

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

Two (2) parcels of land together with an existing building located thereon.

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 application, the economic condition of the area in which the Project Facility is to be located is generally good. The Project will create jobs, both permanent and construction, thus generating revenue for the City of Albany and surrounding areas. 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 50 full time construction jobs over the approximately one-year construction period with a payroll of approximately \$676,000.

Based on the Application, the Project will create approximately 19 full-time jobs within the first year of operation. The Company has indicated that they will make every effort to hire local labor to undertake the construction of the Facility. Information regarding the estimated average wage/salary per year for a permanent full time job will be available at the Meeting.

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

Currently, the project site is not subject to any real property taxes because the site is owned by a not-for-profit corporation. Based on an estimate of the assessed value of the Facility, the value of the real property tax exemption is estimated to equal approximately \$633,486. The value of the mortgage recording tax exemption and the sales tax exemption is equal to \$50,000 and \$83,360, respectively.

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

The Project will provide services for senior citizens located in the City of Albany. It is anticipated that the Project Facility will result in the creation of 19 full-time positions in the area. It is anticipated up to 20% of these jobs will be staffed by City of Albany residents. These residents will continue to own homes and to pay school and property taxes. In addition, local retail and service industries will benefit from creation of new jobs within the community.

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 jobs in the community.

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 \$4,072,340. This investment does not include any investment by the tenant to be located in the Facility.

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:

The Company has requested a deviation from the Policy in order to pass said tax savings on to the Tenant at the Project in the form of lower lease payments. The benefit of the larger tax abatement under the Proposed PILOT Agreement will not accrue to the Company, but will instead accrue to the Tenant at the Project. The creation of new jobs within the community will benefit the local retail and service industries.

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

The benefit is a positive one economically, in that the Project will create permanent, private sector jobs.

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.

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

**ISSUER APPROVING RESOLUTION
UNITED CEREBRAL PALSY ASSOCIATION
OF THE CAPITAL DISTRICT, INC. PROJECT**

A regular meeting of City of Albany Industrial Development Agency (the "Agency") was convened in public session at the Albany Community Development Agency located at 200 Henry Johnson Boulevard in the City of Albany, Albany County, New York on November 18, 2010 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 |
| Gary Simpson | Member |
| Prairie Wells | Member |

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

| | |
|----------------------------|---|
| Michael J. Yevoli | CEO - Capitalize Albany Corporation |
| Erik Smith | CFO - Capitalize Albany Corporation |
| Maria Pidgeon | Senior Economic Developer - Capitalize Albany Corporation |
| Jeffrey Sullivan | Department of Development and Planning |
| John J. Reilly, Esq. | Agency Counsel |
| A. Joseph Scott, III, Esq. | Special Agency Counsel |

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

Resolution No. 1110-__

RESOLUTION AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS BY CITY OF ALBANY INDUSTRIAL DEVELOPMENT AGENCY (THE "ISSUER") IN CONNECTION WITH THE AMENDMENT AND RESTRUCTURING OF THE OUTSTANDING PRINCIPAL AMOUNT OF THE INDUSTRIAL DEVELOPMENT REVENUE REFUNDING BONDS (UNITED CEREBRAL PALSY ASSOCIATION OF THE CAPITAL DISTRICT, INC. PROJECT - LETTER OF CREDIT SECURED), SERIES 1997B IN THE AGGREGATE PRINCIPAL AMOUNT OF \$13,200,000 ISSUED BY THE ISSUER ON DECEMBER 11, 1997.

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 industrial, manufacturing, warehousing, commercial, research, and recreation facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, 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, the Issuer, by resolution adopted on December 3, 1997 (the "Initial Bond Resolution"), determined to issue the Initial Bonds (as hereinafter defined) for the purpose of financing the costs of the Initial Project (as hereinafter defined); and

WHEREAS, on December 11, 1997, the Issuer issued its Industrial Development Revenue Refunding Bonds (United Cerebral Palsy Association of the Capital District, Inc. Project - Letter of Credit Secured), Series 1997B in the aggregate principal amount of \$13,200,000 (the "Initial Bonds") for the benefit of Center For Disability Services, Inc., formerly known as United Cerebral Palsy Association of the Capital District, Inc. (the "Institution"), a not-for-profit corporation organized and existing under the laws of the State of New York; and

WHEREAS, the Initial Bonds were issued pursuant to the Initial Bond Resolution and a trust indenture dated as of December 1, 1997 (the "Initial Indenture") by and between the Issuer and The Chase Manhattan Bank, predecessor in interest to The Bank of New York Mellon (The Bank of New York Mellon is hereinafter referred to as, the "Trustee") for the holders of the Initial Bonds and any additional bonds issued by the Issuer under the Initial Indenture (the "Additional Bonds"); and

WHEREAS, the Initial Bonds were issued for the purpose of financing a portion of the costs of a project (the "Initial Project") consisting of the following: (A) the acquisition of an approximately seven (7) acre parcel of land located at 314 South Manning Boulevard and an approximately five (5) acre parcel of land located at 700 South Pearl Street, both situated in the City of Albany, Albany County, New York (such parcels of land hereinafter collectively referred to as the "Initial Land") together with the existing buildings and structures located on the Initial Land (such buildings hereinafter collectively referred to as the "Initial Facility"), the foregoing to constitute a facility to be used by the Institution for the education, training and habilitation of disabled individuals, (the Initial Land and the Initial Facility being hereinafter collectively referred to as the "Initial Project Facility"), (B) the then current refunding of the outstanding principal balance of the Issuer's City of Albany Industrial Development Agency Industrial Development Revenue Refunding Bond (United Cerebral Palsy Association of the Capital District, Inc. Project), Series 1994 and a KeyBank National Association term loan in the original principal amount of \$8,000,000.00; and (C) the financing of the costs of issuance of the Initial Bonds; and

WHEREAS, contemporaneously with the execution of the Initial Indenture, the Issuer and the Institution entered into an Installment Sale Agreement dated as of December 1, 1997 (the "Initial

Installment Sale Agreement”), specifying the terms and conditions pursuant to which the Issuer agrees to sell the Initial Project Facility to the Institution; and

WHEREAS, Contemporaneously with the execution of the Initial Indenture, pursuant to a Pledge and Assignment dated as of December 1, 1997 (the “Initial Pledge and Assignment”), the Issuer assigned to the Trustee its interest in the Initial Installment Sale Agreement (except the Unassigned Rights, as such term is defined in the Initial Installment Sale Agreement); and

WHEREAS, as further security for the Initial Bonds, the Institution entered into a Reimbursement Agreement dated as of December 1, 1997 (the “Initial Reimbursement Agreement”), with KeyBank National Association (the “Initial Credit Facility Issuer”), pursuant to which the Initial Credit Facility Issuer issued in favor of the Trustee the Letter of Credit (as defined in the Initial Reimbursement Agreement); and

WHEREAS, the issuance of the Initial Bonds was for a proper purpose, to wit, to promote the job opportunities, health and general prosperity and economic welfare of the inhabitants of the State pursuant to the provisions of the Act; and

WHEREAS, the Initial Bonds are payable solely from the Trust Revenues (as defined in the Initial Indenture), which Trust Revenues include, without limitation, installment purchase payments to be made by the Institution under the Initial Installment Sale Agreement, which were assigned to the Trustee by the terms of the Initial Pledge and Assignment; and

WHEREAS, by notice dated October 14, 2010 given by the Institution to the Trustee (the “Institution Conversion Notice”), the Institution notified the Trustee that the Institution intends to convert the interest rate on the Initial Bonds to a Fixed Rate (as defined in the Initial Indenture) pursuant to Section 202C(A) of the Initial Indenture on December 1, 2010 and directed the Trustee to effect a mandatory purchase of the Initial Bonds pursuant to Section 202C(A) of the Initial Indenture. By notice given by the Trustee to the Bondholders on October 18, 2010 (the “Trustee Mandatory Tender Notice”), the Trustee notified the holders of the Initial Bonds that the Trustee had received the Institution Conversion Notice and that all of the Initial Bonds would be subject to mandatory tender by the holders of the Initial Bonds on December 1, 2010 pursuant to Section 202C(A) of the Initial Indenture (the “Mandatory Tender”); and

WHEREAS, as a result of the Mandatory Tender, all of the Initial Bonds are presently owned by KeyBank National Association, as owner of all of the Initial Bonds (the “Present Owner”); and

WHEREAS, the Issuer received a letter from the Institution dated November 12, 2010 (the “Request”), (A) indicating that (1) present market conditions and other factors have contributed to the Institution’s decision to add a bank purchase mode to the Initial Bonds and (2) the Institution has made arrangements with KeyBank National Association (the “Bank”) for the Bank to purchase the Initial Bonds at an interest rate that is attractive to the Institution, and (B) requesting that the Issuer agree to make certain amendments to the Initial Indenture and the Initial Bonds necessary in order to implement said purchase by the Bank of the Initial Bonds; and

WHEREAS, with the consent of the Institution and the Present Owner, the Issuer and the Trustee desire to enter into an amended and restated trust indenture dated as of December 1, 2010 (the “Amended Indenture”) to amend the Initial Indenture for the following purpose(s), among others: (A) to add to the Initial Bonds an additional interest rate mode (the “Adjusted LIBOR Rate Mode”) (the Initial Bonds as amended to include the Adjusted LIBOR Rate Mode and otherwise reflect the Amended Indenture being sometimes referred to as the “Restructured Initial Bonds”), (B) to provide that certain interest rate

adjustments will apply to Restructured Initial Bonds in the Adjusted LIBOR Rate Mode, (C) to provide terms for the prepayment of Restructured Initial Bonds in the Adjusted LIBOR Rate Mode, (D) to provide terms for the conversion of Restructured Initial Bonds to and from the Adjusted LIBOR Rate Mode, (E) to provide that the Book Entry System will not apply to Restructured Initial Bonds in the Adjusted LIBOR Rate Mode, (F) to provide that no Credit Facility will be required with respect to the Restructured Initial Bonds while the Restructured Initial Bonds are in the Adjusted LIBOR Rate Mode, and (G) to provide for certain events of default to be added to the Initial Indenture and the other Initial Financing Documents (as defined in the Amended Indenture); and

WHEREAS, simultaneously with the execution and delivery of the Amended Indenture, (A) the Issuer and the Institution will execute and deliver the First Amendment to Installment Sale Agreement (as defined in the Amended Indenture), which amends the Initial Installment Sale Agreement to reflect the provisions of the Amended Indenture, and (B) the Issuer, the Institution and the Trustee will execute and deliver the First Amendment to Pledge and Assignment (as defined in the Amended Indenture), which amends the Initial Pledge and Assignment to reflect the provisions of the First Amendment to Installment Sale Agreement and the Amended Indenture; and

WHEREAS, also simultaneously with the execution of the Amended Indenture, the Bank and the Institution will execute and deliver the Bondowner Agreement (as defined in the Amended Indenture), pursuant to which, among other things, (A) the Bank will agree, subject to certain conditions, to purchase the Restructured Initial Bonds bearing interest in the Adjusted LIBOR Rate Mode for a period ending on December 1, 2015, and (B) the Institution will agree to certain covenants for the benefit of the Bank; and

WHEREAS, to demonstrate compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") relating to the issuance of tax-exempt obligations, (A) the Issuer will (1) execute the Restructured Initial Arbitrage Certificate (as defined in the Amended Indenture) relating to certain requirements set forth in Section 148 of the Code relating to the Restructured Initial Bonds, (2) execute the Restructured Initial Information Return (as defined in the Amended Indenture) pursuant to Section 149(e) of the Code, and (3) file the Restructured Initial Information Return with the Internal Revenue Service, (B) the Institution will (1) execute the Restructured Initial Tax Regulatory Agreement (as defined in the Amended Indenture) concerning the requirements in Section 145 through Section 150 of the Code relating to the Restructured Initial Bonds and (2) execute the Restructured Initial Certificate of Designation (as defined in the Amended Indenture) designating the Restructured Initial Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code, and (C) the Bank will execute the Restructured Initial Issue Price Letter (as defined in the Amended Indenture) confirming the issue price of the Restructured Initial Bonds for purposes of Section 148 of the Code, and further confirming the difference between the interest rate payable on the Restructured Initial Bonds and the interest rate payable on the Initial Bonds immediately preceding the execution and delivery of the Amended Indenture; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act") and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), the Issuer must determine the potential environmental significance of the execution and delivery of the Restructured Initial Bonds, the Amended Indenture, the First Amendment to Installment Sale Agreement, the First Amendment to Pledge and Assignment, the Restructured Initial Arbitrage Certificate and the Restructured Initial Information Return (collectively, the "First Supplemental Documents"); and

WHEREAS, copies of the drafts of the Amended Indenture, the First Amendment to Installment Sale Agreement, the First Amendment to Pledge and Assignment and the proposed form of the Restructured Initial Bonds in the Adjusted LIBOR Rate Mode have been presented to the Issuer;

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

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

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

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

Section 2. The Issuer hereby finds and determines that:

(A) Based on representations made by the Institution to the Issuer, (1) no new money will be advanced through the Issuer complying with the Request and entering into the First Supplemental Documents and (2) no other changes are proposed for the Initial Financing Documents.

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

(C) The approval of the Request and the First Supplemental Documents will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of the City of Albany, New York and the State of New York and improve their standard of living.

(D) It is desirable and in the public interest for the Issuer to comply with the Request and to execute and deliver the First Supplemental Documents, subject to Section 3 below.

Section 3. The Issuer hereby consents to the Request and the execution and delivery of the First Supplemental Documents; provided, however, that such consent is contingent upon (A) the consent of the Present Owner, (B) approval by Bond Counsel and Issuer Counsel of the form of the First Supplemental Documents, (C) compliance with the terms and conditions contained in the Initial Financing Documents, (D) compliance with applicable state and federal law, and (E) the payment by the Institution of all fees and expenses of the Issuer in connection with the delivery of such consent, including the fees of Issuer Counsel and Bond Counsel.

Section 4. Subject to the execution and delivery of the First Supplemental Documents, the Issuer determines to issue the Restructured Initial Bonds, provided that:

(a) The Restructured Initial Bonds authorized to be issued, executed, sold and delivered pursuant to this Section 5 shall (1) be issued, executed and delivered at such time as the Chairman (or Vice Chairman) of the Issuer shall determine, and (2) bear interest at the rate or rates, be issued in such form, be subject to redemption prior to maturity and have such other terms and provisions and be issued in such manner and on such conditions as are set forth in the

Restructured Initial Bonds and the Amended Indenture or as are hereinafter approved by the Chairman or Vice Chairman of the Issuer in accordance with Section 3 hereof, which terms are specifically incorporated herein by reference with the same force and effect as if fully set forth in this Issuer Approving Resolution.

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

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

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

Section 5. (A) The Chairman (or Vice Chairman) of the Issuer is hereby authorized, on behalf of the Issuer, to execute and deliver the First Supplemental Documents and the other documents related thereto (collectively with the First Supplemental Documents, the "First Supplemental Financing Documents"), and, where appropriate, the Secretary (or Assistant Secretary) of the Issuer is hereby authorized to affix the seal of the Issuer thereto and to attest the same, all in substantially the forms thereof presented to this meeting, with such changes, variations, omissions and insertions as the Chairman (or Vice Chairman) shall approve, the execution thereof by the Chairman (or Vice Chairman) to constitute conclusive evidence of such approval.

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

Section 6. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the First Supplemental Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of this Resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the First Supplemental Financing Documents binding upon the Issuer.

Section 7. This Resolution shall take effect immediately and the Restructured Initial Bonds are hereby ordered to be issued in accordance with this Issuer Approving Resolution.

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

| | | |
|--------------------|--------|-------|
| Anthony J. Ferrara | VOTING | _____ |
| Willard A. Bruce | VOTING | _____ |
| Susan Pedo | VOTING | _____ |
| Hon. Kathy Sheehan | VOTING | _____ |
| Martin Daley | VOTING | _____ |
| Gary Simpson | VOTING | _____ |
| Prairie Wells | VOTING | _____ |

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned (Assistant) Secretary of City of Albany Industrial Development Agency (the "Issuer"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Issuer, including the Resolution contained therein, held on November 18, 2010 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 Issuer 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 Issuer present throughout said meeting.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this 18th day of November, 2010.

(Assistant) Secretary

(SEAL)

Center for 
Disability Services

Where people get better at life

October 14, 2010

Via Certified Mail

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

The Bank Of New York Mellon
101 Barclay Street, Floor 7W
New York, New York, 4287

Jefferies & Company, Inc.
677 Broadway
Albany, New York 12207

KeyBank National Association
66 South Pearl Street
Albany, NY 12207-1501

RE: City of Albany Industrial Development Agency Industrial Development Revenue Refunding Bonds (United Cerebral Palsy Association of the Capital District, Inc. Project – Letter of Credit Secured) Series 1997B

Ladies and Gentlemen:

Reference is hereby made to that certain Trust Indenture dated as of December 1, 1997, between the City of Albany Industrial Development Agency and The Chase Manhattan Bank, predecessor in interest to The Bank Of New York Mellon, as trustee (as amended, the "Indenture"). Capitalized terms used in this notice without definition shall have the respective meanings set forth in the Indenture.

Pursuant to Section 202C(A) of the Indenture, Center For Disability Services, Inc., f/k/a United Cerebral Palsy Association of the Capital District, Inc. (the "Company"), hereby gives notice of the exercise of its option to convert all of the 1997B Bonds to bear interest at a Fixed Rate. The proposed Fixed Rate Conversion Date is **December 1, 2010**. A Letter of Credit will not be in effect after the proposed Fixed Rate Conversion Date while the 1997B Bonds bear interest at a Fixed Rate.

Attached as Exhibit A is the form of Bond Counsel opinion that Hodgson Russ LLP proposes to issue on the Fixed Rate Conversion Date.

Very truly yours,

Center For Disability Services, Inc., f/k/a United
Cerebral Palsy Association of the Capital District,
Inc.

By: 
Name: Gregory Sorrentino
Title: Chief Financial Officer

To enable and empower people, primarily those with disabilities, to lead healthy and enriched lives.

Exhibit A

FORM OF FAVORABLE OPINION OF BOND COUNSEL

On the Fixed Rate Conversion Date, Hodgson Russ LLP, Albany, New York, Bond Counsel, proposes to issue the opinion required under Section 202C(A)(2) of the Indenture, in substantially the following form:

December 1, 2010

The Bank of New York Mellon, as trustee
101 Barclay Street, Floor 7W
New York, New York, 4287

Jefferies & Company, Inc.
677 Broadway
Albany, New York 12207

KeyBank National Association
66 South Pearl Street
Albany, NY 12207-1501

Re: City of Albany Industrial Development Agency Industrial Development Revenue Refunding Bonds (United Cerebral Palsy Association of the Capital District, Inc. Project – Letter of Credit Secured) Series 1997B

Ladies and Gentleman:

Reference is hereby made to that certain Trust Indenture dated as of December 1, 1997 (as amended, the “Indenture”) by and between City of Albany Industrial Development Agency (the “Issuer”) and The Chase Manhattan Bank, predecessor in interest to The Bank of New York Mellon, as trustee (the “Trustee”), pursuant to which the Issuer, a public benefit corporation organized and existing pursuant to Chapter 1030 of 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Enabling Act”) and Chapter 325 of the 1974 Laws of New York, as amended, codified as Section 903-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”), issued its Development Revenue Refunding Bonds (United Cerebral Palsy Association of the Capital District, Inc. Project – Letter of Credit Secured) Series 1997B in the original aggregate principal amount of \$13,200,000 (the “1997B Bonds”). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

This letter is being delivered to you pursuant to Section 202C(A)(2) of the Indenture in connection with a request from Center For Disability Services, Inc., f/k/a United Cerebral Palsy Association of the Capital District, Inc. (the “Company”), that all of the outstanding 1997B Bonds be converted to a Fixed Rate (the “Fixed Rate Conversion”), effective on Wednesday, December 1, 2010 (the “Fixed Rate Conversion Date”).

The opinions set forth in this letter are subject to the following qualifications:

1. The opinions set forth in this letter is based solely upon (A) our review of, as submitted to us, (1) the Indenture, (2) the notice dated October 14, 2010, from the Company to the Issuer, the Trustee, Jefferies & Company, Inc. and KeyBank National Association, advising such parties of the Company's election to exercise the Fixed Rate Conversion on the Fixed Rate Conversion Date, and (3) a Notice of Mandatory Tender of Bonds (the "Mandatory Tender Notice") dated _____, 2010, relating to the 1997B Bonds (collectively the "Reviewed Documents"), (b) as to factual matters, the actual knowledge of those of our present attorneys who have had primary responsibility for preparing and negotiating the Mandatory Tender Notice as bond counsel to the Issuer (collectively the "Attorney Information") and (c) our review of such published sources of law as we have deemed necessary based solely upon our review of the Reviewed Documents and the Attorney Information. Other than our review of the Reviewed Documents, we have made no inquiry or other investigation as to any factual matter (including, but not limited to, any review of (x) any of the files and other records of the Issuer, the Company or the Trustee or (y) any of our files and other records).

2. We have assumed without any inquiry or other investigation (A) the genuineness of each signature (other than the Issuer) on any of the Reviewed Documents, the completeness of each of the Reviewed Documents, the authenticity of each of the Reviewed Documents submitted to us as an original, the conformity to the original of each of the Reviewed Documents submitted to us as a copy and the authenticity of the original of each of the Reviewed Documents submitted to us as a copy, (B) the accuracy on the date of this letter as well as on the date made of each statement as to any factual matter contained in any of the Reviewed Documents, (C) the due execution and delivery of the Reviewed Documents by the parties thereto (other than the Issuer), and (D) the mailing of the Mandatory Tender Notice by the Trustee to the Holders of the 1997B Bonds at least thirty (30) days prior to the Fixed rate Conversion Date, as required under Section 202C(B) of the Indenture.

3. We do not express any opinion concerning any law other than the law of the State of New York and the federal law of the United States.

4. Any opinion set forth in this letter (A) deals only with the specific legal issue or issues it explicitly addresses and does not address any other matter and (B) does not update any opinion previously given by us with respect to any transaction contemplated by the Indenture.

5. This letter is given without regard to any change after the date of this letter with respect to any factual or legal matter, and we disclaim any obligation to notify any of you of any such change or any effect of any such change on any opinion set forth in this letter.

Subject to the qualifications set forth in this letter, it is our opinion that:

1. The Fixed Rate Conversion is authorized or permitted by the Indenture.

2. The Fixed Rate Conversion will not, in and of itself, adversely affect the exclusion from gross income for federal income tax purposes of the interest paid or payable on the 1997B Bonds.

The Bank of New York Mellon, as trustee
Jefferies & Company, Inc.
KeyBank National Association
December 1, 2010
Page 3

This letter is solely for your benefit with respect to the Fixed Rate Conversion and, without our express written consent, may not be furnished to or relied upon, referred to or otherwise used by any other party or relied upon, referred to or otherwise used other than in connection with such execution and delivery.

Very truly yours,

HODGSON RUSS LLP

By _____

MEMORANDUM FROM



A. Joseph Scott, III
Direct Dial: 518.433.2419
Facsimile: 518.465.1567

To: Members of the City of Albany Industrial Development Agency

Date: November 12, 2010

Subject: City of Albany Industrial Development Agency
Brighter Choice Charter Schools Project - 2007

On March 30, 2007 the City of Albany Industrial Development Agency (the "Agency") issued its Civic Facility Revenue Bonds (Brighter Choice Charter Schools Project), Series 2007A in the aggregate principal amount of \$17,895,000 and Civic Facility Revenue Bonds (Brighter Choice Charter Schools Project), Series 2007B (Taxable) in the aggregate principal amount of \$595,000 (collectively, the "Bonds"). In connection with the issuance of the Bonds, the Agency, Brighter Choice Charter School for Girls and Brighter Choice Charter School for Boys entered into a mortgage dated as of March 1, 2007 (the "Mortgage") to secure the Bonds.

As described in the attached letter from counsel to the Brighter Choice Charter School for Girls and Brighter Choice Charter School for Boys, there is a need to restructure the real estate that the encumbered by the Mortgage and the other documents entered into in connection with the issuance of the Bonds.

As you will recall, the Agency receives these requests somewhat regularly (e.g., the request from Albany Medical Hospital at the October meeting of the Agency). There is no action required of the Agency for the November 18, 2010 meeting of the Agency. I would, however, expect that there will be a request for the Agency to consider this matter at the December meeting of the Agency. Any action by the Agency would be subject to our standard terms, which would include the consents of the lender (or required percentage of bondholders, as applicable), compliance with the terms of the documents, and payment of fees and expenses.

Any questions, please call.

/ajs

cc: Michael Yevoli, CEO
Erik Smith, CFO
Maria Pidgeon, Capitalize Albany

HARRIS BEACH PLLC
ATTORNEYS AT LAW

677 BROADWAY, SUITE 1101
ALBANY, NY 12207
(518) 427-9700

KEVIN T. BEZIO, ESQ.

DIRECT: (518) 427-9700
FAX: (518) 427-0235
KBEZIO@HARRISBEACH.COM

November 12, 2010

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

Re: City of Albany Industrial Development Agency (Brighter Choice Charter Schools Project),
Civic Facility Revenue Bonds, Series 2007A and Series 2007B (Taxable) (the "Bonds").

Dear Mr. Scott:

I am writing to you in your capacity as Bond Counsel to the City of Albany Industrial Development Agency. We represent Brighter Choice in connection with their proposed new middle school to be located at 395 Elk Street, Albany, New York. The site of the proposed new middle school is currently subject to a mortgage dated as of March 17, 2007 (the "Mortgage") from the City of Albany Industrial Development Agency and Brighter Choice Charter School for Girls and Brighter Choice Charter School for Boys to Manufacturers and Traders Trust Company, as Trustee, given in connection with the above referenced Bonds.

I am writing to request the amendment of the Mortgage to release from the lien of the Mortgage one of three parcels covered by the Mortgage, the parcel separately identified therein as 393-397 Elk Street. This parcel is currently used as surface parking serving the adjacent school building located at 116 North Lake Avenue. This school building is subject to the lien of the Mortgage.

Subsequent to the issuance of the Bonds, property immediately behind the 116 North Lake Avenue school building was acquired by Brighter Choice and will be utilized to provide replacement parking for that school building. Brighter Choice is willing to further amend the Mortgage to spread the lien of the Mortgage to cover this additional parcel, in substitution for the parcel to be released. The substituted parcel is somewhat larger than the Elk Street parcel.

It is our understanding that the consent of 51% of the bondholders will be necessary for the release of the Elk Street parcel. Before any request is made to the bondholders, or the Trustee, we would like to discuss this proposal with you to determine what will be necessary to make a formal request of the IDA for the proposed amendment of the Mortgage.

Very truly yours,

