

## FINAL AUTHORIZING RESOLUTION

(Built Parcel Three, LLC/Built Parcel Four, LLC 2014 Facility)

At a meeting of the Dutchess County Industrial Development Agency (the “Agency”), held at 8:00 a.m. at 3 Neptune Road, Poughkeepsie, New York on the 21<sup>st</sup> day of October, 2014, the following members of the Agency were:

Present: Charles Daniels III, Chairman  
Timothy Dean, Vice Chairman  
Phyllis DiStasi Keenan, Secretary/Treasurer  
Henry Killian  
Angela E. Flesland  
Edward Summers  
Mark Doyle

Absent:

Also Present: Donald Cappillino, IDA Counsel  
Catherine A. Maloney, Executive Director

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of a leasehold interest in a certain facility (Built Parcel Three, LLC/Built Parcel Four, LLC 2014 Facility) and the leasing of the facility to Built Parcel Three, LLC/Built Parcel Four, LLC as more particularly described below:

### **RESOLUTION OF THE DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT AGENCY APPROVING THE ACQUISITION, CONSTRUCTION, FURNISHING AND EQUIPPING OF A FACILITY FOR BUILT PARCEL THREE, LLC/BUILT PARCEL FOUR, LLC AND APPROVING THE FORM, SUBSTANCE AND EXECUTION OF RELATED DOCUMENTS.**

**WHEREAS**, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended and Chapter 335 of the Laws of 1977 of the State of New York (collectively, the “**Act**”), the Agency was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

**WHEREAS**, Built Parcel Three, LLC (“**BP3**”) and Built Parcel Four, LLC (“**BP4**”), both New York limited liability companies (collectively BP3 and BP4 will be referred to as the “**Companies**”) have submitted an application to the Agency requesting the Agency provide financial assistance (“**Financial Assistance**”) to finance the acquisition, improvement, construction, reconstruction, repair, refurbishing, installation, furnishing and equipping of a certain mixed use commercial facility (the “**Facility**”) in three phases, known as “Van Wagner Place,” and consisting of the following:

A. Phase I, all to be owned by BP3 and consisting of the refurbishment and redevelopment of approximately 1.12 acres of land, bearing tax map grid number 134689-6161-08-838906-0000 comprised of: (i) an existing two story, approximately 11,368 square foot office/commercial building at 25 Van Wagner Road, Poughkeepsie, New York; (ii) an existing two story, approximately 2,750 square foot office/commercial building located at 48 Springside Avenue, Town of Poughkeepsie, New York; (iii) an existing two story, approximately 3,636 square foot residential apartment building located at 52 Springside Avenue, Town of Poughkeepsie, New York; (iv) an existing two and one-half story, approximately 1,240 square foot residential apartment building located at 54 Springside Avenue, Town of Poughkeepsie, New York; (v) an existing one story, approximately 500 square foot garage adjacent to 48 Springside Avenue, Town of Poughkeepsie, New York used for commercial purposes; and (vi) site improvements including a 70+ car parking lot and an approximately 800 square foot children's garden; and

B. Phase II, all to be owned by BP4 and consisting of: (i) the refurbishment and redevelopment of an existing three story, approximately 2,250 square foot building located on approximately 2.32 acres of land at 45 Springside Avenue, Town of Poughkeepsie, New York, bearing tax map grid number 134689-6161-08-809927-0000, containing approximately 1,000 square feet of commercial space and one approximately 1,250 square foot residential apartment; (ii) the demolition and removal of the existing residential structure on an approximately .229 acre parcel of land located at 57 Springside Avenue, Town of Poughkeepsie, New York, bearing tax map grid number 134689-6161-08-845933-0000; (iii) the construction of a new three story, approximately 17,000 square foot, 16 unit residential apartment building located on the aforesaid 2.32 acre and .229 acre lots; and (iv) the construction of a new three story, approximately 10,800 square foot building containing approximately 3,600 square feet of commercial space and approximately 7,200 square feet of space to contain six residential apartments; and

C. Phase III, to be owned by BP3 and consisting of: (i) vacant land (the "**Vacant Land**") comprised of: (a) an approximately .69 acre parcel of land on Springside Avenue, bearing tax map grid number 134689-6161-08-821910-0000, abutting the west side of 25 Van Wagner Road, Town of Poughkeepsie, New York; (b) a .070 acre parcel of land in the road bed of the former Springside Avenue immediately to the west of the aforementioned .69 acre parcel of land; and (c) seven separate parcels of land totaling approximately .57 acres of land located between Springside Avenue and the Westbound Arterial (Maple Street) to be acquired from the New York State Department of Transportation; and (b) the construction of a new five story, approximately 40,000 square foot building on the Vacant Land containing approximately 8,000 square feet of commercial space and approximately 32,000 square feet of space to contain 32 residential apartments; (c) construction of a new two and one-half story, approximately 4,100 square foot building on the Vacant Land containing approximately 2,100 square feet of commercial space and approximately 2,000 square feet of space to contain 2 residential apartments; and (d) the construction of site improvements on the Vacant Land including a 38 car parking lot; and

D. the acquisition and installation of new equipment, machinery and other personal property (collectively the “**Equipment**”; and together with the land and improvements described in clauses (A) to (C) above, the “**Facility**”) to be owned by the Agency and leased to the Companies to be used as part of the Facility; including the following as they relate to the appointment of the Companies as agent of the Agency with respect to the acquisition, construction and equipping of such Facility, whether or not any materials or supplies described below are incorporated into or become an integral part of such Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, construction and equipping of the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and described used in connection with the acquisition, rentals and uses of equipment, machinery and other tangible personal property (including installation costs with respect thereto) installed or place in, upon or under such Facility; and

**WHEREAS**, the Agency requires, as a condition to its issuance of Financial Assistance, that the Companies lease the Land and the Improvements to the Agency pursuant to Company Lease Agreements by and between BP3 and the Agency and by and between BP4 and the Agency, each dated as of October 1, 2014 (collectively, the “**Company Lease Agreements**”) and convey all the Companies’ right, title and interest, of whatever kind, in and to the Equipment to the Agency; and

**WHEREAS**, pursuant to the Lease Agreements dated as of October 1, 2014 between the BP3 and the Agency and by and between BP4 and the Agency (collectively, the “**Lease Agreements**”) the Agency will then sublease the Land and the Improvements and lease the Equipment to the Companies and the Companies will take the Land, the Improvements and the Equipment from the Agency as set forth in the respective Lease Agreements; and

**WHEREAS**, the Companies have agreed with the Agency, on behalf of the Agency and as the Agency’s agent, to acquire, construct, furnish and equip the Facility in accordance with the Plans and Specifications; and

**WHEREAS**, the Agency by resolution duly adopted on September 11, 2014 (the “**Resolution**”), decided to proceed under the provisions of the Act to acquire and lease the Facility and enter into the Lease Agreements; and

**WHEREAS**, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted by the Department of Environmental Conservation of the State of New York (the laws and regulations hereinafter collectively referred to as “**SEQRA**”), the Companies have submitted to the Issuer a copy of their October 31, 2013 Full-Form Environmental Assessment Form (“**Full EAF**”), covering all aspects of the actions contemplated herein and which Full EAF was the subject of a coordinated review under SEQRA and reviewed by the Town of Poughkeepsie Planning Board (the “**Planning Board**”), as Lead Agency under SEQRA; and

**WHEREAS**, by resolution and determination dated November 7, 2013 the Planning Board made a Negative Declaration and Determination of Non-Significance (the “**Planning Board Determination**”) with the reasons for its determination stated therein; and

**WHEREAS**, the Agency hereby determines that the grant of Financial Assistance to the Companies is an Unlisted Action under SEQRA and hereby adopts the findings, conclusions and determination of non-significance as set forth in the Planning Board Determination; and

**WHEREAS**, in compliance with §859-a of the Act the Agency on October 10, 2014 held a public hearing on the grant of Financial Assistance as set forth herein following publication in the *Poughkeepsie Journal* on September 17, 2014 of a notice of the public hearing; and

**WHEREAS**, as a component of the Notice of Public Hearing delivered to the affected tax jurisdictions, the Agency delivered a notice of proposed deviation (the “**Deviation**”) from the Agency’s Uniform Tax Exemption Policy (“**UTEP**”) regarding the proposed PILOT Agreement being considered by the Agency, and the affected taxing jurisdictions have consented to the Deviation.

**NOW, THEREFORE, BE IT RESOLVED**, by the Agency (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Agency hereby finds and determines:

(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; and

(b) The Facility constitutes a “project”, as such term is defined in the Act; and

(c) The public hearing held by the Agency on October 10, 2014, concerning the grant of Financial Assistance as set forth herein and the nature and location of the Facility was duly held in accordance with the laws of the State of New York, including but not limited to the giving of public notice of the meeting a reasonable time before the meeting and affording a reasonable opportunity for persons with differing views on the location and nature of the Facility to be heard; and

(d) The acquisition, improvement, construction, reconstruction, repair, refurbishing, installation, furnishing and equipping of the Facility and the leasing of the Facility to the Companies will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of Dutchess County and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(e) The acquisition, improvement, construction, reconstruction, repair, refurbishing, installation, furnishing and equipping of the Facility is reasonably necessary to induce the Companies to maintain and expand their business operations in the State of New York; and

(f) Based upon representations of the Companies and Companies' Counsel, the Facility conforms with the local zoning laws and planning regulations of Dutchess County and all regional and local land use plans for the area in which the Facility is located; and

(g) The grant of Financial Assistance to the Companies is an Unlisted Action under SEQRA and the Agency hereby adopts the findings, conclusions and determination of non-significance in the Planning Board Determination for the reasons set forth therein; and

(h) It is desirable and in the public interest for the Agency to lease the Land and the Facility; and

(i) The Company Leases are effective instruments whereby the Companies lease the Land and the Improvements to the Agency; and

(j) The Lease Agreements are effective instruments whereby the Agency leases and subleases the Facility to the Companies and further provides for the Agency to become an obligor on one or more mortgages given by the Companies provided there shall be no recourse against the Agency except against the Facility; and

(k) The Payment-in-Lieu-of-Tax Agreements (collectively, the "PILOT Agreements"), dated as of October 1, 2014 or such other date as the Chairman and Agency Counsel shall agree, between BP3 and the Agency and between BP4 and the Agency, in forms satisfactory to the Chairman and Agency Counsel, will be effective instruments whereby the Agency and the Companies set forth the terms and conditions of their Agreements regarding the Companies' payments in lieu of real property taxes. Upon consideration of the Deviation, as outlined within the Public Hearing Notice and Deviation notice contained therein issued to the affected tax jurisdictions, and upon consent of the affected taxing jurisdictions, the Agency hereby authorizes the undertaking of the Deviation as it will induce the Companies to make significant investments and much needed improvements to the area; and

(l) The Recapture Agreements by and between BP3 and the Agency and by and between BP4 and the Agency, each dated as of October 1, 2014 (collectively, the "Recapture Agreements") are effective instruments whereby the Companies agree to the recapture of benefits granted to the Companies in the event enumerated recapture events occur;

(m) The Environmental Compliance and Indemnification Agreements by and between BP3 and the Agency and by and between BP4 and the Agency, each dated as of October 1, 2014 (collectively, the "Environmental Compliance and Indemnification Agreements"), will be effective instruments whereby the Companies agree to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency for all liability under all such Environmental Laws.

Section 3. Subject to (i) the Companies executing the respective Company Leases, the Lease Agreements, the Recapture Agreements, the PILOT Agreements and the Environmental Compliance and Indemnity Agreements, and (ii) the delivery to the Agency of a binder, certificate or other evidence of liability insurance policies for the Facility satisfactory to the Agency, the Agency hereby authorizes the Companies to proceed with the acquisition, improvement, construction, reconstruction, repair, refurbishing, installation, furnishing and

equipping of the Facility and hereby appoints the Companies as the true and lawful agents of the Agency.

Section 4. In consequence of the foregoing, the Agency hereby determines to: (i) sublease the Land and Improvements and lease the Equipment to the Companies pursuant to the Lease Agreements, (ii) execute, deliver and perform the Lease Agreements, (iii) execute, deliver and perform the PILOT Agreements, and (iv) execute and deliver the Company Leases, the Environmental Compliance and Indemnification Agreements and the Recapture Agreements.

Section 5. The Agency is hereby authorized to acquire title to, or a leasehold interest in, the real property and personal property described in Exhibits A and Exhibits B, respectively, to the Lease Agreements 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 are hereby approved, ratified and confirmed.

Section 6. The form and substance of the Company Leases, the Lease Agreements, the PILOT Agreements, the Recapture Agreements and the Environmental Compliance and Indemnification Agreements (each in substantially the forms presented to the Agency and which, prior to the execution and delivery thereof, may be redated) are hereby approved.

Section 7. Pursuant to Section 875(3) of the Act and under the Recapture Agreements, the Agency may recover or recapture from the Companies, their agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Facility, any sales and use tax exemption benefits taken or purported to be taken by the Companies, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Facility, if it is determined that: (i) the Companies, their agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Facility, are not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Companies, their agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Facility; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Facility; and/or (iv) the sales and use tax exemption benefits are taken in cases where the Companies, their agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Facility fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Facility (collectively, items (i) through (iv) hereby defined as a "Recapture Event").

As a condition precedent of receiving sales and use tax exemption benefits and real property tax abatement benefits, the Companies, their agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Facility, must (i) if a Recapture Event determination is made by the Agency, cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands, if and as so required to be paid over as determined by the Agency.

Section 8. Based upon the representation and warranties made by the Companies in the Application, the Agency hereby authorizes and approves the Companies, as its agents, to make purchases of goods and services relating to the Facility in an amount up to \$1,651,719.00 that would otherwise be subject to New York State and local sales and use tax, which result in New York State and local sales and use tax exemption benefits (“sales and use tax exemption benefits”) not to exceed \$134,202.17. The Agency agrees to consider (but it is not required to approve) any requests by either BP3 or BP4 for an increase to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services, and, to the extent required, the Agency authorizes and conducts any supplemental public hearing(s).

Section 9.

Based upon the representation and warranties made by the Companies in the Application, the Agency hereby authorizes and approves the Companies to give one or mortgages to which the Agency is to be an obligor provided: (i) there shall be no recourse against the Agency except against the Facility, and (ii) the total of the mortgages shall not exceed \$4,000,000, which result in a mortgage tax exemption (the “mortgage tax exemption benefit”) not to exceed \$42,000.00. The Agency agrees to consider (but it is not required to approve) any requests by either BP3 or BP4 for an increase to the amount of mortgage tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional project costs and, to the extent required, the Agency authorizes and conducts any supplemental public hearing(s).

Section10.

(a) The Chairman, Vice Chairman, any member of the Agency or the Executive Director are hereby authorized, on behalf of the Agency, to execute and deliver the Company Leases, the Lease Agreements (including any Mortgages and accompanying Assignments of Leases and Rents), the PILOT Agreements, the Recapture Agreements and the Environmental Compliance and Indemnification Agreements, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, any member of the Agency or the Executive Director shall approve, and such other related documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution (hereinafter collectively called the “Agency Documents”). The execution thereof by the Chairman, Vice Chairman any member of the Agency or the Executive Director of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, any member of the Agency and the Executive Director of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreements). The Issuer hereby appoints each Member of the Issuer and the Agency Counsel to serve as an Assistant Secretary of the Issuer for purposes of these transactions.

(c) The Executive Director is hereby authorized to enter into amendments of the Company Lease, the Lease Agreements, the PILOT Agreements, the Recapture Agreements and the Environmental Compliance and Indemnification Agreements to include lands of the Facility (as described above) to which either of the Companies acquires title at a later date.

Section 10. 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, 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 11. This resolution shall take effect immediately.

The following resolution was duly moved by \_\_\_\_\_, seconded by \_\_\_\_\_, discussed and adopted with the following members voting:

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|---|--------|
| Charles Daniels III, Chairman               | VOTING |
| Timothy Dean, Vice Chairman                 | VOTING |
| Phyllis DiStasi Keenan, Secretary/Treasurer | VOTING |
| Henry Killian                               | VOTING |
| Angela E. Flesland                          | VOTING |
| Edward Summers                              | VOTING |
| Mark Doyle                                  | VOTING |

Adopted: October 21, 2014