

RESOLUTION OF THE CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION IN CONNECTION WITH A SALE-LEASEBACK OR LEASE-LEASEBACK TRANSACTION FOR THE HOTEL UTICA FACILITY, APPOINTING LAFAYETTE HOTEL ASSOCIATES, LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON ITS BEHALF AS AGENT OF THE ISSUER FOR THE PURPOSE OF ACQUIRING, RENOVATING AND EQUIPPING THE FACILITY, MAKING CERTAIN FINDINGS WITH RESPECT TO THE FACILITY, AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT.

WHEREAS, Lafayette Hotel Associates, LLC, on behalf of itself and/or the principals of Lafayette Hotel Associates, LLC, and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the City of Utica Industrial Development Agency (the "Issuer") to enter into a transaction in which the Issuer will assist in the acquisition and renovation of an existing 13-story, 158,661± square foot hotel and banquet facility (the "Improvements"), situated on a 1.6± acre parcel of land located at 102 Lafayette Street, City of Utica, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing a hotel and enhancing economic development in downtown Utica (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, renovation and equipping of the Facility is referred to collectively as the "Project"), including, without limitation, the following as they relate to the renovation 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 renovation and equipping, and (ii) purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the renovation and equipping and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs with respect thereto), installed or placed in, upon or under such building; and

WHEREAS, the Company owns or will own a fee interest in the Land and Improvements and will convey to the Issuer a leasehold interest in the Facility; and

WHEREAS, the Facility will be leased to the Company or such other person as may be designated by the Company and agreed upon by the Issuer, pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 710 of the

Laws of 1981 of the State of New York, as may be amended from time to time (collectively, the "Act"); and

WHEREAS, the Act authorizes and empowers the Issuer to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Issuer contemplates that it will provide financial assistance to the Company in the form of:

- o Abatement of real property taxes for twenty years, during which time the Company shall pay fixed PILOT Payments in accordance with the schedule attached hereto as Exhibit A;
- o Exemptions from sales and use taxes on materials and equipment purchased in connection with the renovation of the Facility, the value of which shall not exceed \$600,000; and
- o Exemptions from mortgage recording taxes.

which financial assistance represents a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Issuer prior to the closing of the transactions described herein; and

WHEREAS, prior to the closing of a sale-leaseback or lease-leaseback transaction, and the granting of any financial assistance, a public hearing (the "Hearing") will be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Issuer, or the location or nature of the Facility, can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of a sale-leaseback or lease-leaseback transaction, and the granting of any tax benefits, and such notice (together with proof of publication) will be substantially in the form annexed hereto as Exhibit B; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as Exhibit C; and

WHEREAS, the Issuer has given due consideration to the application of the Company and to representations by the Company that the proposed sale-leaseback or lease-leaseback transaction, is either an inducement to the Company to maintain and

expand the Facility in the County or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the "SEQR Act" or "SEQRA"), the Issuer constitutes a "State Agency"; and

WHEREAS, to aid the Issuer in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Issuer an Environmental Assessment Form and related documents (the "Questionnaire") with respect to the Facility, a copy of which is on file at the office of the Issuer; and

WHEREAS, the Questionnaire has been reviewed by the Issuer.

NOW, THEREFORE, BE IT RESOLVED by the City of Utica Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

- Section 1. Based upon the Questionnaire completed by the Company and reviewed by the Issuer and other representations and information furnished by the Company regarding the Facility, the Issuer determined that the action relating to the renovation, equipping and operation of the Facility is an unlisted action, as that term is defined in the State Environmental Quality Review Act ("SEQRA") (Article Eight of the Environmental Conservation Law). The Issuer also determined that the action will not have a "significant effect" on the environment and, therefore, an environmental impact statement will not be prepared. This determination constitutes a negative declaration for purposes of the SEQRA. Notice of this determination shall be filed to the extent required by the applicable regulations under that Act or as may be deemed advisable by the Chairman or Executive Director of the Issuer or counsel to the Issuer.
- Section 2. (a) The renovation and equipping of the Facility and the financing thereof by the Issuer, through the sale or lease of the Facility to the Company by the Issuer pursuant to a sale-leaseback or lease-leaseback transaction, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the City of Utica and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act and the same is, therefore, approved;

- (b) It is desirable and in the public interest for the Issuer to enter into a sale-leaseback or lease-leaseback transaction, for the purpose of financing the costs of the acquisition, renovation and equipping of the Facility, together with necessary incidental expenses in connection therewith as reflected in the Company's application to the Issuer and as amended from time to time prior to the closing of the sale-leaseback or lease-leaseback transaction.

Section 3. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and between the Issuer and the Company setting forth the undertakings of the Issuer and the Company with respect to the closing of the sale-leaseback or lease-leaseback transaction, and the development of the Facility (the "Agreement") are hereby approved. The Chairman of the Issuer is hereby authorized, on behalf of the Issuer, to execute and deliver the Agreement, with such changes in terms and form as the Chairman shall approve. The execution thereof by the Chairman shall constitute conclusive evidence of such approval.

Section 4. Subject to the conditions set forth in Section 4.02 of the Agreement, the Issuer shall (i) acquire, renovate and equip the Facility, (ii) lease (with an obligation to purchase) or sell the Facility to the Company pursuant to an agreement by and between the Issuer and the Company whereby the Company will be obligated, among other things, to make payments to or for the account of the Issuer.

Section 4. The Company is herewith and hereby appointed the agent of the Issuer to acquire, renovate, equip and complete the Facility. The Company is hereby empowered to delegate its status as agent of the Issuer to agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to acquire, renovate, equip and complete the Facility. The terms and conditions for the appointment of the Company as agent of the Issuer for the purposes described in this resolution are set forth in the form of the attached letter addressed to the Company, marked as **Exhibit C** to this resolution. The form of such letter is incorporated herein by reference and is approved and adopted by the Issuer, and the Chairman or Executive Director of the Issuer or any other duly authorized official of the Issuer are authorized to execute and

deliver such letter to the Company. The Issuer hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agents of the Issuer solely for purposes of making sales or leases of goods, services, and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Issuer shall be deemed to be on behalf of the Issuer and for the benefit of the Facility. The Company shall indemnify the Issuer with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Issuer.

- Section 5. The law firm of Bond, Schoeneck & King, PLLC is appointed Transaction Counsel and Issuer Counsel in connection with the sale-leaseback or lease-leaseback transaction.
- Section 6. Counsel to the Issuer and Transaction Counsel are hereby authorized to work with counsel to the Company and others to prepare, for submission to the Issuer, all documents necessary to effect the sale-leaseback or lease-leaseback transaction.
- Section 7. The Chairman of the Issuer is hereby authorized and directed (i) to distribute copies of this resolution to the Company, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.
- Section 8. This resolution shall take effect immediately.

STATE OF NEW YORK }  
COUNTY OF ONEIDA } ss:

I, the undersigned Secretary of the City of Utica Industrial Development Agency DOES HEREBY CERTIFY THAT:

I have compared the foregoing copy of a resolution of the City of Utica Industrial Development Agency (the "Issuer"), with the original thereof on file in the office of the Issuer, and that the same is a true and correct copy of such resolution and of the proceedings of the Issuer in connection with such matter.

Such resolution was passed at a meeting of the Issuer duly convened in public session on February 2, 2016 at 8:30 a.m. local time, at Utica, New York which the following members were:

**Members Present:** Joseph Hobika, Sr., Vin Gilroy, John Buffa, Emmett Martin

**Also Present:** Jack Spaeth (Executive Director), Laura Ruberto (BS&K – Agency Counsel), Fred Swayze – NE Regional Council of Carpenters, Arun Patel, Minesh Patel, Dominick Pavia.

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

Joseph Hobika voting aye;  
John Buffa voting aye;  
Emmett Martin voting aye; and  
Vincent Gilroy, Jr. voting aye.

and, therefore, the resolution was declared duly adopted.

The Agreement and the Application are in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY that (i) all members of the Issuer had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of May 2016.

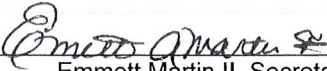
  
\_\_\_\_\_  
Emmett Martin II, Secretary

EXHIBIT A

SCHEDULE OF CONTEMPLATED PILOT PAYMENTS

Year of PILOT Agreement	County Tax Year	City Tax Year	School Tax Year	Payment
1	2017	2017-18	2017-18	\$0.00
2	2018	2018-19	2018-19	\$0.00
3	2019	2019-20	2019-20	\$25,000.00
4	2020	2020-21	2020-21	\$50,000.00
5	2021	2021-22	2021-22	\$50,000.00
6	2022	2022-23	2022-23	\$50,000.00
7	2023	2023-24	2023-24	\$55,000.00
8	2024	2024-25	2024-25	\$75,000.00
9	2025	2025-26	2025-26	\$75,000.00
10	2026	2026-27	2026-27	\$75,000.00
11	2027	2027-28	2027-28	\$75,000.00
12	2028	2028-29	2028-29	\$80,000.00
13	2029	2029-30	2029-30	\$100,000.00
14	2030	2030-31	2030-31	\$100,000.00
15	2031	2031-32	2031-32	\$100,000.00
16	2032	2032-33	2032-33	\$100,000.00
17	2033	2033-34	2033-34	\$100,000.00
18	2034	2034-35	2034-35	\$100,000.00
19	2035	2035-36	2035-36	\$100,000.00
20	2036	2036-37	2036-37	\$100,000.00



## **EXHIBIT B**

### **NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law, will be held by the City of Utica Industrial Development Agency (the "Agency") on the 18th day of February 2016 at 9:30AM, local time, at Utica City Hall, Common Council Chambers, First Floor, One Kennedy Plaza, Utica, New York, in connection with the following matters:

Lafayette Hotel Associates, LLC, on behalf of itself and/or the principals of Lafayette Hotel Associates, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the City of Utica Industrial Development Agency (the "Agency") to enter into a transaction in which the Agency will assist in the acquisition and renovation of an existing 13-story, 158,661± square foot hotel and banquet facility (the "Improvements"), situated on a 1.6± acre parcel of land located at 102 Lafayette Street, City of Utica, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing a hotel and enhancing economic development in downtown Utica (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, renovation and equipping of the Facility is referred to collectively as the "Project"). The Facility will be initially operated and/or managed by the Company.

The Company will own the Land and will lease the Facility to the Agency for a term of approximately twenty years (the "Lease Term"). The Agency will lease the Facility back to the Company for the Lease Term. At the end of the Lease Term, the Agency will terminate its leasehold interest in the Facility. The Agency contemplates it will provide financial assistance to the Company the form of exemptions from sales tax, exemptions from mortgage recording tax and abatement of real property tax for a period of twenty years, during which time the Company will pay a fixed PILOT Payment. The financial assistance being contemplated is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. A copy of the Application for Financial Assistance filed by the Company with the Agency, including an analysis of the costs and benefits of the proposed Project, is available for public inspection at the offices of the Agency, One Kennedy Plaza, Utica, New York.

CITY OF UTICA INDUSTRIAL  
DEVELOPMENT AGENCY

Dated: February 3, 2016

By: /s/ Joseph H. Hobika, Sr., Chairman

**EXHIBIT C**

MINUTES OF PUBLIC HEARING HELD ON \_\_\_\_\_, 2016

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY  
2016 LEASE-LEASEBACK TRANSACTION  
(HOTEL UTICA FACILITY)

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1. Joseph H. Hobika, Sr., Chairman of the City of Utica Industrial Development Agency (the "Issuer"), called the hearing to order.
  2. The Chairman then appointed Emmett Martin, Secretary of the Issuer, to record the minutes of the hearing.
  3. The Chairman then described the proposed issuance of the Bonds and the location and nature of the Project Facility to be financed as follows:

Lafayette Hotel Associates, LLC, on behalf of itself and/or the principals of Lafayette Hotel Associates, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the City of Utica Industrial Development Agency (the "Agency") to enter into a transaction in which the Agency will assist in the acquisition and renovation of an existing 13-story, 158,661± square foot hotel and banquet facility (the "Improvements"), situated on a 1.6± acre parcel of land located at 102 Lafayette Street, City of Utica, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing a hotel and enhancing economic development in downtown Utica (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, renovation and equipping of the Facility is referred to collectively as the "Project"). The Facility will be initially operated and/or managed by the Company.

The Company will own the Land and will lease the Facility to the Agency for a term of approximately twenty years (the "Lease Term"). The Agency will lease the Facility back to the Company for the Lease Term. At the end of the Lease Term, the Agency will terminate its leasehold interest in the Facility. The Agency contemplates it will provide financial assistance to the Company the form of exemptions from sales tax, exemptions from mortgage recording tax and abatement of real property tax for a period of twenty years, during which time the Company will pay a fixed PILOT Payment. The financial assistance being contemplated is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein.

A representative of the Issuer will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. A copy of the Application for Financial Assistance filed by the Company with the Issuer, including an analysis of the costs and benefits of the proposed Facility, is available for public inspection at the offices of the Issuer, One Kennedy Plaza, Utica, New York.

4. The Chairman then opened up the hearing for comments from the floor for or against the proposed financial assistance and the location and nature of the Project Facility. The following is a listing of the persons heard and a summary of their views:
  
5. The Chairman then asked if there were any further comments, and, there being none, the hearing was closed at \_\_\_\_\_ AM.

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Emmett Martin II, Secretary

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

I, the undersigned Secretary of the City of Utica Industrial Development Agency,  
DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the City of Utica Industrial Development Agency (the "Issuer") on February 18, 2016 at 9:30AM, local time, at the Utica City Hall, Common Council Chambers, First Floor, One Kennedy Plaza, Utica, New York, with the original thereof on file in the office of the Issuer, and that the same is a true and correct copy of the minutes in connection with such matter.

I FURTHER CERTIFY that (i) pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and Title 1 of Article 18-A of the New York General Municipal Law, said hearing was open to the general public, and public notice of the time and place of said hearing was duly given in accordance with such Section 147(f) and Title 1 of Article 18-A, (ii) the hearing in all respects was duly held, and (iii) members of the public had an opportunity to be heard.

IN WITNESS WHEREOF, I have hereunto set my hand as of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Emmett Martin II, Secretary

**EXHIBIT D**

(To be copied on Issuer letterhead and delivered to the Company when appropriate.)

\_\_\_\_\_, 2016

Minesh Patel  
Lafayette Hotel Associates, LLC  
11751 East Corning Road  
Corning, New York 14830

Re: *City of Utica Industrial Development Agency 2016 Lease-Leaseback Transaction  
(Hotel Utica Facility)*

Dear Mr. Patel:

Pursuant to a resolution duly adopted on February 2, 2016, the City of Utica Industrial Development Agency (the "Issuer") appointed Lafayette Hotel Associates, LLC, on behalf of itself and/or the principals of Lafayette Hotel Associates, LLC, and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") the true and lawful agent of the Issuer to enter into a transaction in which the Issuer will assist in the acquisition and renovation of an existing 13-story, 158,661± square foot hotel and banquet facility (the "Improvements"), situated on a 1.6± acre parcel of land located at 102 Lafayette Street, City of Utica, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing a hotel and enhancing economic development in downtown Utica (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, renovation and equipping of the Facility is referred to collectively as the "Project").

It is the intent of the Issuer that this agency appointment include, from the effective date of such appointment, authority to purchase, lease and otherwise use on behalf of the Issuer all materials, equipment, goods, services and supplies to be incorporated into and made an integral part of the Facility and also include the following activities as they relate to the renovation and equipping of the Facility, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of the Facility: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, renovation and equipping of the Facility; (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, renovation and equipping of the Facility including all utility services and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property

(including installation costs), installed or placed in, upon or under such building, including all repairs and replacements of such property.

The agency appointment includes the power to delegate such agency appointment, in whole or in part, to agents, subagents, contractors, subcontractors, materialmen, suppliers and vendors of the Company and to such other parties as the Company chooses so long as they are engaged, directly or indirectly, in the activities hereinbefore described.

In exercising this agency appointment, you and each of your properly appointed agents and subagents must claim the sales tax exemption for all purchases by giving your vendors New York State Form ST-123. The supplier or vendor should identify the Facility on each bill or invoice as the "**Hotel Utica Facility**" and indicate thereon that the Company, its agents, subagents, contractors and subcontractors acted as agent for the Agency in making the purchase.

You and each of your agents, subagents, contractors and/or subcontractors claiming a sales tax exemption in connection with the Facility must also execute a copy of the Contract in Lieu of Exemption Certificate attached hereto, and must complete a New York State Department of Taxation and Finance Form ST-60. Original copies of each Contract in Lieu of Exemption Certificate and completed Form ST-60 must be delivered to the Agency within five (5) days of the appointment of each of your agents, subagents, contractors or subcontractors. Any agent, subagent, contractor or subcontractors of the Company which delivers completed Form ST-60 to the Agency will be deemed to be the agent, subagent, contractor or subcontractor of the Agency for purposes of constructing, renovating and equipping the Facility, and shall only then be authorized to use Form ST-123 as described above. Failure to comply with these requirements may result in loss of sales tax exemptions for the Facility.

It is important to note that contractors and subcontractors who have not been appointed subagent cannot use the sales tax exemption for equipment rental, tools, supplies and other items that do not become part of the finished project. Contractors and subcontractors must be appointed as agent or sub-agent of the Agency to use the Agency sales tax exemption for these purchases. Contractors and subcontractors who have not been appointed a subagent must claim the sales tax exemption for construction materials by giving their vendors a completed "Contractor Exempt Purchase Certificate" (Form ST-120.1) checking box (a).

Minesh Patel  
\_\_\_\_\_, 2016  
Page 3

The value of exemptions from sales and use taxes on materials and equipment authorized by the Agency shall not exceed \$600,000. If the exemptions claimed by the Company exceed \$600,000 it may subject the Company to recapture of the state portion of sales tax by New York State.

The aforesaid appointment of the Company as agent of the Issuer to renovate and equip the Facility shall expire on February 2, 2017. If, for some reason, this transaction never closes, you will be liable for payment of the sales tax, if applicable and you are not otherwise exempt, on all materials purchased.

Please sign and return a copy of this letter for our files.

Very truly yours,

**CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Jack N. Spaeth, Executive Director

**ACCEPTED and AGREED:**

**LAFAYETTE HOTEL ASSOCIATES, LLC**

By: \_\_\_\_\_  
Name:  
Title:

TO: All Contractors, Subcontractors,  
Suppliers and Vendors, etc. of  
Lafayette Hotel Associates, LLC

Attached please find a "Contract in Lieu of Exemption Certificate" (the "Contract") which will serve as documentation for not charging Lafayette Hotel Associates, LLC (the "Company") sales or use tax in connection with any purchase, lease, rental or other use of materials, equipment, goods, services or supplies at the facility to be owned or leased by the City of Utica Industrial Development Agency (the "Issuer") and described in Addendum A to the aforesaid Contract (the "Facility").

Also attached is a letter signed by the Issuer appointing the Company as its agent for the purpose of renovating and equipping the Facility. This letter authorizes the Company to delegate its authority as agent of the Issuer to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company authorizes.

In accordance with the authority granted to the Company by the Issuer, you are hereby appointed as agent of the Issuer for the purpose of making purchases or leases of materials, equipment, goods, services and supplies with respect to the Facility. **Your appointment as agent of the Issuer is contingent upon your completing the attached Form ST-60 and returning it to us and the Form ST-60 then being filed by the Issuer with the New York State Department of Taxation and Finance.**

Very truly yours,

LAFAYETTE HOTEL ASSOCIATES, LLC

By: \_\_\_\_\_

Name:

Title:

cc: City of Utica Industrial Development Agency



## CONTRACT IN LIEU OF EXEMPTION CERTIFICATE

This Contract is entered into by and between **Lafayette Hotel Associates, LLC** (the "Company"), as agent for and on behalf of the City of Utica Industrial Development Agency, a public benefit corporation and a governmental agency of the State of New York (the "Issuer") in connection with the renovation, equipping and completion of the facility described in Addendum A hereto (the "Facility") and the contractor or the subcontractor more particularly described on page 2 hereof (the "Contractor").

Pursuant to the authority granted to the Company, as agent of the Issuer, the Contractor is hereby appointed agent of said Issuer for purposes of completing, executing or otherwise carrying out the obligations imposed under this Contract.

The Contractor acknowledges that the Issuer has acquired or will acquire title to or a leasehold interest in the Facility and the Issuer is a public benefit corporation and governmental entity of the State of New York. By reason of such status, Issuer and its agents acting on its behalf are exempt from payment of all New York State and local sales and use taxes on the purchase or lease of all materials, equipment, goods, services and supplies incorporated into and made an integral component part of any structure, building or real property which becomes the property of Issuer, and all equipment, machinery and other tangible personal property (including installation costs with respect thereto) which becomes the property of Issuer or in which the Issuer has a leasehold interest. In addition, Issuer and its agents acting on its behalf are exempt from all sales and use taxes arising out of or connected with the following, as they relate to performance under this Contract: (i) purchases, leases, rentals and other uses of tools, machinery and equipment, and (ii) purchases, leases, rentals, uses or consumption of supplies, goods, materials and services of every kind and description; provided, however, that exemption from sales and use tax with respect to clauses (i) and (ii) above shall apply only if the Contractor is then acting as agent for Issuer under the terms of this Contract.

Pursuant to these exemptions from sales and use taxes, the Contractor shall not include such taxes in its contract price, bid, or reimbursable costs, as the case may be. If the Contractor does not comply with the requirements for sales and use tax exemptions, as described above, then it shall be responsible for and pay any and all applicable New York State sales and use taxes, and no portion thereof shall be charged or billed to the Issuer or the Company directly or indirectly, the intent of this Contract being that neither Issuer nor the Company shall be liable for any of the sales or use taxes described above. This Contract may be accepted by the Contractor in lieu of an exemption certificate, and the Contractor shall retain a copy hereof to substantiate the sales and use tax exemption.

The aforesaid appointment of the Company as agent of the Issuer to renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, or (b) June 2, 2015, provided, however, such appointment may be extended at the discretion of the Agency, upon the written request of the

Company if such activities and improvements are not completed by such time, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

Based upon representations made by the Company in its Application for Financial Assistance, the value of exemptions from sales and use taxes on materials and equipment authorized by the Agency is estimated at \$247,188 but shall not exceed \$271,986. If the exemptions claimed by the Company exceed \$271,986 it may subject the Company to recapture of sales tax by New York State.

The Issuer shall have the right to assign this Contract to the Company by written notice to the Contractor and without written consent of the Contractor, in which case Issuer shall be relieved of all obligations hereunder. In the event of such assignment, all applicable sales and use taxes shall be added to the purchase price and paid to the Contractor pursuant to a change order. All of the above provisions with respect to exemptions for New York State sales and use taxes shall apply to all subcontractors and other parties in privity of contract with the Company, Issuer or the Contractor pursuant to the terms of this Contract.

OWNER:

LAFAYETTE HOTEL ASSOCIATES, LLC

[Insert name of Contractor or  
Subcontractor]

as agent for and on behalf of the City of  
Utica Industrial Development Agency

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

Address of Contractor or  
Subcontractor:

cc: City of Utica Industrial Development Agency

## ADDENDUM A

### DESCRIPTION OF THE FACILITY

The "Facility" consists of the renovation of 162 guest rooms, lobby, restaurant and meeting spaces in the Radisson Hotel – Utica Centre (collectively, the "Improvements") located on a 1.878± acre parcel of land situated at 200 Genesee Street, City of Utica, Oneida County, New York (the "Land") and the acquisition and installation of machinery and equipment in the Improvements (the "Equipment"), all for the purpose of providing a full-service hotel to enhance economic development and retain employment in downtown Utica.



MINUTES OF PUBLIC HEARING HELD ON FEBRUARY 18, 2016

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY  
2016 LEASE-LEASEBACK TRANSACTION  
(HOTEL UTICA FACILITY)

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1. Joseph H. Hobika, Sr., Chairman of the City of Utica Industrial Development Agency (the "Issuer"), called the hearing to order.
2. The Chairman then appointed Emmett Martin, Secretary of the Issuer, to record the minutes of the hearing.
3. The Chairman then described the proposed issuance of the Bonds and the location and nature of the Project Facility to be financed as follows:

Lafayette Hotel Associates, LLC, on behalf of itself and/or the principals of Lafayette Hotel Associates, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the City of Utica Industrial Development Agency (the "Agency") to enter into a transaction in which the Agency will assist in the acquisition and renovation of an existing 13-story, 158,661± square foot hotel and banquet facility (the "Improvements"), situated on a 1.6± acre parcel of land located at 102 Lafayette Street, City of Utica, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing a hotel and enhancing economic development in downtown Utica (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, renovation and equipping of the Facility is referred to collectively as the "Project"). The Facility will be initially operated and/or managed by the Company.

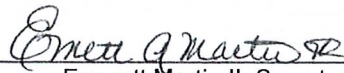
The Company will own the Land and will lease the Facility to the Agency for a term of approximately twenty years (the "Lease Term"). The Agency will lease the Facility back to the Company for the Lease Term. At the end of the Lease Term, the Agency will terminate its leasehold interest in the Facility. The Agency contemplates it will provide financial assistance to the Company the form of exemptions from sales tax, exemptions from mortgage recording tax and abatement of real property tax for a period of twenty years, during which time the Company will pay a fixed PILOT Payment. The financial assistance being contemplated is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein.

A representative of the Issuer will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. A copy of the Application for Financial Assistance filed by the Company with the Issuer, including an analysis of the costs and benefits of the proposed Facility, is available for public inspection at the offices of the Issuer, One Kennedy Plaza, Utica, New York.

4. The Chairman then opened up the hearing for comments from the floor for or against the proposed financial assistance and the location and nature of the Project Facility. The following is a listing of the persons heard and a summary of their views:

Alex Gerould (Observer-Dispatch) and Cara Thomas (Time Warner) were in attendance – No comments

5. The Chairman then asked if there were any further comments, and, there being none, the hearing was closed at 10:00 AM.

  
\_\_\_\_\_  
Emmett Martin II, Secretary

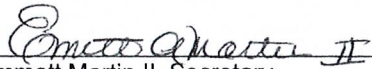
STATE OF NEW YORK        )  
                                      : SS.:  
COUNTY OF ONEIDA        )

I, the undersigned Secretary of the City of Utica Industrial Development Agency,  
DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the City of Utica Industrial Development Agency (the "Issuer") on February 18, 2016 at 9:30AM, local time, at the Utica City Hall, Common Council Chambers, First Floor, One Kennedy Plaza, Utica, New York, with the original thereof on file in the office of the Issuer, and that the same is a true and correct copy of the minutes in connection with such matter.

I FURTHER CERTIFY that (i) pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and Title 1 of Article 18-A of the New York General Municipal Law, said hearing was open to the general public, and public notice of the time and place of said hearing was duly given in accordance with such Section 147(f) and Title 1 of Article 18-A, (ii) the hearing in all respects was duly held, and (iii) members of the public had an opportunity to be heard.

IN WITNESS WHEREOF, I have hereunto set my hand as of May 26, 2016.

  
\_\_\_\_\_  
Emmett Martin II, Secretary







ROBERT PALMIERI  
MAYOR

# CITY OF UTICA

Utica Industrial Development Agency  
1 Kennedy Plaza, Utica, New York 13502  
(315)792-0195 fax: (315)797-6607

JOSEPH HOBIKA, SR.  
CHAIRMAN

JACK SPAETH  
EXECUTIVE DIRECTOR

February 3, 2016

Anthony J. Picente, Jr.  
Oneida County Executive  
800 Park Avenue  
Utica NY 13501

Re: *Lafayette Hotel Associates, LLC (Hotel Utica Facility)*

Dear Mr. Picente:

On February 18, 2016 at 9:30AM, local time, at Utica City Hall, Common Council Chambers, First Floor, One Kennedy Plaza, Utica, New York 13502, the City of Utica Industrial Development Agency (the "Agency") will conduct a public hearing regarding a proposed project for Lafayette Hotel Associates, LLC. Attached is a copy of the Notice of Public Hearing describing the project and the financial assistance contemplated by the Agency. The Notice has been submitted to *Observer-Dispatch* for publication.

You are welcome to attend such hearing at which time you will have an opportunity, both orally and in writing, to present your views with respect to the project. We are providing this notice to you, pursuant to Chapters 356 and 357 of the Laws of 1993, as the chief executive officer of an affected tax jurisdiction within which the project is located.

Should you desire to discuss this matter or if you have any questions concerning this notice please feel free to contact Jack Spaeth at the Agency at telephone number 792-0195.

Very truly yours,

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

By: \_\_\_\_\_

Jack N. Spaeth, Executive Director



# CITY OF UTICA

Utica Industrial Development Agency  
1 Kennedy Plaza, Utica, New York 13502  
(315)792-0195 fax: (315)797-6607

ROBERT PALMIERI  
MAYOR

JOSEPH HOBIKA, SR.  
CHAIRMAN

JACK SPAETH  
EXECUTIVE DIRECTOR

February 3, 2016

Robert Palmieri, Mayor  
City of Utica  
One Kennedy Plaza  
Utica NY 13502

Re: *Lafayette Hotel Associates, LLC (Hotel Utica Facility)*

Dear Mayor Palmieri:

On February 18, 2016 at 9:30AM, local time, at Utica City Hall, Common Council Chambers, First Floor, One Kennedy Plaza, Utica, New York 13502, the City of Utica Industrial Development Agency (the "Agency") will conduct a public hearing regarding a proposed project for Lafayette Hotel Associates, LLC. Attached is a copy of the Notice of Public Hearing describing the project and the financial assistance contemplated by the Agency. The Notice has been submitted to *Observer-Dispatch* for publication.

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Very truly yours,

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

By: 

Jack N. Spaeth, Executive Director

c: Patricia A. Lindsey, City Clerk



# CITY OF UTICA

Utica Industrial Development Agency  
1 Kennedy Plaza, Utica, New York 13502  
(315)792-0195 fax: (315)797-6607

ROBERT PALMIERI  
MAYOR

JOSEPH HOBIKA, SR.  
CHAIRMAN

JACK SPAETH  
EXECUTIVE DIRECTOR

February 3, 2016

Christopher Salatino, President  
Board of Education  
Utica City School District  
106 Memorial Parkway  
Utica, New York 13501

Re: *Lafayette Hotel Associates, LLC (Hotel Utica Facility)*

Dear Mr. Salatino:

On February 18, 2016 at 9:30AM, local time, at Utica City Hall, Common Council Chambers, First Floor, One Kennedy Plaza, Utica, New York 13502, the City of Utica Industrial Development Agency (the "Agency") will conduct a public hearing regarding a proposed project for Lafayette Hotel Associates, LLC. Attached is a copy of the Notice of Public Hearing describing the project and the financial assistance contemplated by the Agency. The Notice has been submitted to *Observer-Dispatch* for publication.

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Should you desire to discuss this matter or if you have any questions concerning this notice please feel free to contact Jack Spaeth at the Agency at telephone number 792-0195.

Very truly yours,

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

By: 

Jack N. Spaeth, Executive Director



# CITY OF UTICA

Utica Industrial Development Agency  
1 Kennedy Plaza, Utica, New York 13502  
(315)792-0195 fax: (315)797-6607

ROBERT PALMIERI  
MAYOR

JOSEPH HOBICA, SR.  
CHAIRMAN

JACK SPAETH  
EXECUTIVE DIRECTOR

February 3, 2016

Bruce Karam, Superintendent  
Utica City School District  
106 Memorial Parkway  
Utica, New York 13501

Re: *Lafayette Hotel Associates, LLC (Hotel Utica Facility)*

Dear Mr. Karam:

On February 18, 2016 at 9:30AM, local time, at Utica City Hall, Common Council Chambers, First Floor, One Kennedy Plaza, Utica, New York 13502, the City of Utica Industrial Development Agency (the "Agency") will conduct a public hearing regarding a proposed project for Lafayette Hotel Associates, LLC. Attached is a copy of the Notice of Public Hearing describing the project and the financial assistance contemplated by the Agency. The Notice has been submitted to *Observer-Dispatch* for publication.

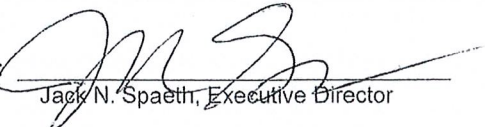
You are welcome to attend such hearing at which time you will have an opportunity, both orally and in writing, to present your views with respect to the project. We are providing this notice to you, pursuant to Chapters 356 and 357 of the Laws of 1993, as the chief executive officer of an affected tax jurisdiction within which the project is located.

Should you desire to discuss this matter or if you have any questions concerning this notice please feel free to contact Jack Spaeth at the Agency at telephone number 792-0195.

Very truly yours,

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

By:

  
Jack N. Spaeth, Executive Director



## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law, will be held by the City of Utica Industrial Development Agency (the "Agency") on the 18th day of February 2016 at 9:30AM, local time, at Utica City Hall, Common Council Chambers, First Floor, One Kennedy Plaza, Utica, New York, in connection with the following matters:

Lafayette Hotel Associates, LLC, on behalf of itself and/or the principals of Lafayette Hotel Associates, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the City of Utica Industrial Development Agency (the "Agency") to enter into a transaction in which the Agency will assist in the acquisition and renovation of an existing 13-story, 158,661± square foot hotel and banquet facility (the "Improvements"), situated on a 1.6± acre parcel of land located at 102 Lafayette Street, City of Utica, Oneida County, New York (the "Land") and the acquisition and installation of equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing a hotel and enhancing economic development in downtown Utica (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the acquisition, renovation and equipping of the Facility is referred to collectively as the "Project"). The Facility will be initially operated and/or managed by the Company.

The Company will own the Land and will lease the Facility to the Agency for a term of approximately twenty years (the "Lease Term"). The Agency will lease the Facility back to the Company for the Lease Term. At the end of the Lease Term, the Agency will terminate its leasehold interest in the Facility. The Agency contemplates it will provide financial assistance to the Company the form of exemptions from sales tax, exemptions from mortgage recording tax and abatement of real property tax for a period of twenty years, during which time the Company will pay a fixed PILOT Payment. The financial assistance being contemplated is a deviation from the Agency's Uniform Tax Exemption Policy, to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to the closing of the transactions described herein.

A representative of the Agency will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. A copy of the Application for Financial Assistance filed by the Company with the Agency, including an analysis of the costs and benefits of the proposed Project, is available for public inspection at the offices of the Agency, One Kennedy Plaza, Utica, New York.

CITY OF UTICA INDUSTRIAL  
DEVELOPMENT AGENCY

Dated: February 3, 2016

By: /s/ Joseph H. Hobika, Sr., Chairman