

RESOLUTION OF THE CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD THE ISSUANCE OF TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS IN AN AMOUNT SUFFICIENT TO FINANCE CERTAIN COSTS OF THE COLONIAL SQUARE FACILITY, APPOINTING TRENTON ROAD, LLC AND/OR AN ENTITY FORMED OR TO BE FORMED ON ITS BEHALF AS AGENT OF THE ISSUER FOR THE PURPOSE OF CONSTRUCTING, RENOVATING AND EQUIPPING THE FACILITY, OR, IN THE ALTERNATIVE, IN CONNECTION WITH A SALE-LEASEBACK OR LEASE-LEASEBACK TRANSACTION FOR SUCH FACILITY, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY.

WHEREAS, Trenton Road, LLC, on behalf of itself and/or the principals of Trenton Road, 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 (i) acquisition of a 58.81± acre parcel of land located on Trenton Road in the City of Utica, commonly known as the Weaver Property (the "Land"); (ii) construction on the Land of a new mixed-use residential development project consisting of one hundred forty-four (144) senior rental apartments in three (3) three-story buildings and a one-story community building (collectively, the "Senior Development"); ten (10) townhouse buildings consisting of four (4) units each with attached garages, seventy (70) single-family homes with attached garages (collectively, "Single-Family Development"), together with all planned infrastructure (the "Infrastructure") (the Senior Development, the Single-Family Development and the Infrastructure referred to collectively as the "Improvements"); and (iii) acquisition and installation of machinery and equipment in the Improvements (the "Equipment"), all for the purpose of developing an intergenerational community known as Colonial Square Subdivision (the Land, the Improvements and the Equipment referred to collectively as the "Facility"), including the following as they relate to the acquisition, renovation and equipping of such buildings, whether or not any materials or supplies described below are incorporated into or become an integral part of such buildings: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, construction and equipping, and (ii) purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, construction 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 to enter into a sale-leaseback or lease-leaseback transaction in connection with the Facility; and

WHEREAS, the Facility will be leased (with the obligation to purchase) or sold 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 issuance of a lease relating to the Senior Development for a term of twenty-eight (28) years, issuance of a lease relating to the Single-Family Development for a term of ten (10) years, exemptions from mortgage recording taxes and sales taxes, abatement of real property taxes relating to the Senior Development for a period of twenty-eight (28) years and abatement of real property taxes relating to the Single-Family Development for a period of ten (10) years, 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. The proposed financial assistance deviates from the Issuer's Uniform Tax Exemption Policy (the "Policy") in the following respects: (a) the real property tax abatements for the Senior Development will commence upon the issuance of a Certificate of Occupancy for the first apartment building and shall continue for a term of twenty-eight (28) years, during which time the Company will pay the greater of 1% of gross potential revenue paid from the Facility or \$28,000 during years 1 through and including 5; 25% of taxes years 6 through and including 10; 30% of taxes in year 11; 31.5% of taxes in year 12; 32.9% of taxes in year 13; 34.4% of taxes in year 14; and 35.9% of taxes in year 15; 37.4% of taxes in year 16; 38.8% of taxes in year 17; 40.3% of taxes in year 18; 41.8% of taxes in year 19; 43.2% of taxes in year 20; 44.7% of taxes in year 21; 46.2% of taxes in year 22; 47.6% of taxes in year 23; 49.1% of taxes in year 24; 50.6% of taxes in year 25; 52.1% of taxes in year 26; 53.5% of taxes in year 27; 55% of taxes in year 28; and 100% of taxes in year 29 and thereafter. The Company contemplates that it will assign to any purchaser thereof at the time of transfer of title the PILOT, the lease and the Company's obligation to purchase the Issuer's interest in the Senior Development; and (b) the real property tax abatements relating to the Single-Family Development will commence upon the issuance of a Certificate of Occupancy for each respective Single-Family housing unit and shall continue for a term of ten (10) years during which time the Single-Family housing unit owner will pay 20% of taxes years 1 through and including 5; 33% of taxes in year 6; 46.6% of taxes in year 7; 60% of taxes in year 8; 73.3% of taxes in year 9; 86.6% of taxes in year 10; and 100% of taxes in year 11 and thereafter. The Company contemplates that it will assign to the individual purchaser of each Single-Family housing unit at the time of transfer of title the PILOT, the lease and the Company's obligation to purchase the Issuer's interest in that unit of the Single-Family Development; and

WHEREAS, prior to the closing of a sale-leaseback or lease-leaseback transaction, and the granting of any tax benefits, 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 A**; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as **Exhibit B**; and will be made available to Timothy Julian, the Mayor of the City of Utica, who must confirm the proposed action of the Issuer before the Issuer can provide financial assistance with respect to the Facility; 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 Issuer (a majority of the members thereof affirmatively concurring) that:

Section 1.

Based upon the Environmental Assessment Form completed by the Company and reviewed by the Issuer and the City of Utica Planning Board (the "Lead Agency") and other representations and information furnished by the Company regarding the Facility, the Issuer determines that the action relating to the acquisition, construction and equipping of the Facility is a "Type I" action, as that term is defined in the State Environmental Quality Review Act ("SEQRA") (Article Eight of the Environmental Conservation Law), and an environmental review of the Facility pursuant to SEQRA was conducted by the Lead Agency. On November 1, 2006 a negative declaration for purposes of SEQRA was adopted by the Lead Agency. The Issuer concurs with the findings of the Lead Agency and as of the date of this resolution determines that the action will not have a "significant effect" on the environment. This determination constitutes a negative declaration for purposes of 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 of the Issuer or counsel to the Issuer.

Section 2.

- (a) The acquisition, construction 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 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, construction 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 title to or a leasehold interest in, construct and equip the Facility, (ii) lease or leaseback 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 lease payments to the Issuer.

Section 5.

The Company is herewith and hereby appointed the agent of Issuer to acquire, construct and equip 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, construct and equip 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 6.

The law firm of Bond, Schoeneck & King, PLLC is appointed Transaction Counsel in connection with the sale-leaseback or lease-leaseback transaction.

Section 7.

Counsel to the Issuer and Bond 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 transaction.

- Section 8. The Issuer will make certain findings relating to the Facility. The Issuer's findings and minutes of the hearing will be made available to Timothy Julian, the Mayor of the City of Utica, who must confirm the proposed action of the Issuer before the Issuer can provide financial assistance with respect to the Facility.
- Section 9. 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 10. On June 28, 2007, the Mohawk Valley Heritage Corridor Commission ("Commission") will consider a resolution ("Commission Resolution") determining the Project's consistent with the Mohawk Valley Heritage Corridor Management Plan ("Plan"). The Issuer's obligations hereunder shall be conditioned upon receipt of the approving Commission Resolution.
- Section 11. This resolution shall take effect immediately.

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

I, the undersigned Assistant 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 27, 2007 at 2:00PM local time, at Utica, New York which the following members were:

Present:                    Joe Hobika, Sr.  
                                  Angela VanDerhoof  
                                  Jim Brock, Jr.  
                                  Jack Spaeth

Also Present:             Dave Williams  
                                  Joseph H. Hobika, Jr.

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

Joe Hobika, Sr. voting aye;  
Angela VanDerhoof voting aye;  
Jim Brock, Jr. voting aye;  
Jack Spaeth 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 \_\_\_ day of \_\_\_\_\_ 2007.



Jack N. Spaeth, Assistant Secretary

## EXHIBIT A

### 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 "Issuer") on the 9th day of May 2007 at 9AM, local time, at Utica City Hall, One Kennedy Plaza, Department of Urban and Economic Development Conference Room, Utica, New York 13502 in connection with the following matters:

Trenton Road, LLC, on behalf of itself and/or the principals of Trenton Road, 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 (i) acquisition of a 58.81± acre parcel of land located on Trenton Road in the City of Utica, commonly known as the Weaver Property (the "Land"); (ii) construction on the Land of a new mixed-use residential development project consisting of one hundred forty-four (144) senior rental apartments in three (3) three-story buildings and a one-story community building (collectively, the "Senior Development"); ten (10) townhouse buildings consisting of four (4) units each with attached garages, seventy (70) single-family homes with attached garages (collectively, "Single-Family Development"), together with all planned infrastructure (the "Infrastructure") (the Senior Development, the Single-Family Development and the Infrastructure referred to collectively as the "Improvements"); and (iii) acquisition and installation of machinery and equipment in the Improvements (the "Equipment"), all for the purpose of developing an intergenerational community known as Colonial Square Subdivision (the Land, the Improvements and the Equipment referred to collectively as the "Facility"). The Facility will be initially owned, operated and/or managed by the Company.

The Issuer will acquire title to or a leasehold interest in the Facility and lease the Facility to the Company. At the end of the lease term, the Company (or the assignee of the Company as described below) will purchase the Issuer's interest in the Facility or any portion thereof. The Issuer contemplates that it will provide financial assistance to the Company in the form of issuance of a lease relating to the Senior Development for a term of twenty-eight (28) years, issuance of a lease relating to the Single-Family Development for a term of ten (10) years, exemptions from mortgage recording taxes and sales taxes, abatement of real property taxes relating to the Senior Development for a period of twenty-eight (28) years and abatement of real property taxes relating to the Single-Family Development for a period of ten (10) years, 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. The proposed financial assistance deviates from the Issuer's Uniform Tax Exemption Policy (the "Policy") in the following respects: (a) the real property tax abatements for the Senior Development will commence upon the issuance of a Certificate of Occupancy for the first apartment building and shall continue for a term of twenty-eight (28) years, during which time the Company will pay the greater of 1% of gross potential revenue paid from the Facility or \$28,000 during years 1 through and including 5; 25% of taxes years 6 through and including 10; 30% of taxes in year 11; 31.5% of taxes in year 12; 32.9% of taxes in year 13; 34.4% of taxes in year 14; and 35.9% of taxes in year 15; 37.4% of taxes in year 16; 38.8% of taxes in year 17; 40.3% of taxes in year 18; 41.8% of taxes in year 19; 43.2% of taxes in year 20; 44.7% of taxes



in year 21; 46.2% of taxes in year 22; 47.6% of taxes in year 23; 49.1% of taxes in year 24; 50.6% of taxes in year 25; 52.1% of taxes in year 26; 53.5% of taxes in year 27; 55% of taxes in year 28; and 100% of taxes in year 29 and thereafter. The Company contemplates that it will assign to any purchaser thereof at the time of transfer of title the PILOT, the lease and the Company's obligation to purchase the Issuer's interest in the Senior Development; and (b) the real property tax abatements relating to the Single-Family Development will commence upon the issuance of a Certificate of Occupancy for each respective Single-Family housing unit and shall continue for a term of ten (10) years during which time the Single-Family housing unit owner will pay 20% of taxes years 1 through and including 5; 33% of taxes in year 6; 46.6% of taxes in year 7; 60% of taxes in year 8; 73.3% of taxes in year 9; 86.6% of taxes in year 10; and 100% of taxes in year 11 and thereafter. The Company contemplates that it will assign to the individual purchaser of each Single-Family housing unit at the time of transfer of title the PILOT, the lease and the Company's obligation to purchase the Issuer's interest in that unit of the Single-Family Development.

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.

The Issuer will make certain findings relating to the Facility. The Issuer's findings and minutes of the hearing will be made available to Timothy Julian, the Mayor of the City of Utica, who must confirm the proposed action of the Issuer before the Issuer can provide financial assistance with respect to 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 Project, is available for public inspection at the offices of the Issuer, One Kennedy Plaza, Utica, New York.

CITY OF UTICA INDUSTRIAL  
DEVELOPMENT AGENCY

Dated: April 3, 2007

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

**EXHIBIT B**

MINUTES OF PUBLIC HEARING HELD ON MAY 9, 2006

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY  
2007 Lease-Leaseback Transaction  
(TRENTON ROAD, LLC Facility)

- 
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 Jack N. Spaeth, Assistant 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:

Trenton Road, LLC, on behalf of itself and/or the principals of Trenton Road, 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 (i) acquisition of a 58.81± acre parcel of land located on Trenton Road in the City of Utica, commonly known as the Weaver Property (the "Land"); (ii) construction on the Land of a new mixed-use residential development project consisting of one hundred forty-four (144) senior rental apartments in three (3) three-story buildings and a one-story community building (collectively, the "Senior Development"); ten (10) townhouse buildings consisting of four (4) units each with attached garages, seventy (70) single-family homes with attached garages (collectively, "Single-Family Development"), together with all planned infrastructure (the "Infrastructure") (the Senior Development, the Single-Family Development and the Infrastructure referred to collectively as the "Improvements"); and (iii) acquisition and installation of machinery and equipment in the Improvements (the "Equipment"), all for the purpose of developing an intergenerational community known as Colonial Square Subdivision (the Land, the Improvements and the Equipment referred to collectively as the "Facility"). The Facility will be initially owned, operated and/or managed by the Company.

The Issuer will acquire title to or a leasehold interest in the Facility and lease the Facility to the Company. At the end of the lease term, the Company (or the assignee of the Company as described below) will purchase the Issuer's interest in the Facility or any portion thereof. The Issuer contemplates that it will provide financial assistance to the

Company in the form of issuance of a lease relating to the Senior Development for a term of twenty-eight (28) years, issuance of a lease relating to the Single-Family Development for a term of ten (10) years, exemptions from mortgage recording taxes and sales taxes, abatement of real property taxes relating to the Senior Development for a period of twenty-eight (28) years and abatement of real property taxes relating to the Single-Family Development for a period of ten (10) years, 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. The proposed financial assistance deviates from the Issuer's Uniform Tax Exemption Policy (the "Policy") in the following respects: (a) the Issuer is granting benefits due to the fact that Project is located within the Mohawk Valley Corridor, and by resolution duly adopted June 28, 2007, the Commission found and determined that the Project will (1) develop new housing within the City, (2) improve vacant land within the City with residential structures that help re-establish the historically tightly knit urban nature of the area, and (3) bring to the City additional residents with relatively high disposable income which will benefit the City's economy, including its downtown commercial district and, more broadly, help retain retail and service establishments throughout the City all in accordance with the Plan; and (b) the real property tax abatements for the Senior Development will commence upon the issuance of a Certificate of Occupancy for the first apartment building and shall continue for a term of twenty-eight (28) years, during which time the Company will pay the greater of 1% of gross potential revenue paid from the Facility or \$28,000 during years 1 through and including 5; 25% of taxes years 6 through and including 10; 30% of taxes in year 11; 31.5% of taxes in year 12; 32.9% of taxes in year 13; 34.4% of taxes in year 14; and 35.9% of taxes in year 15; 37.4% of taxes in year 16; 38.8% of taxes in year 17; 40.3% of taxes in year 18; 41.8% of taxes in year 19; 43.2% of taxes in year 20; 44.7% of taxes in year 21; 46.2% of taxes in year 22; 47.6% of taxes in year 23; 49.1% of taxes in year 24; 50.6% of taxes in year 25; 52.1% of taxes in year 26; 53.5% of taxes in year 27; 55% of taxes in year 28; and 100% of taxes in year 29 and thereafter. The Company contemplates that it will assign to any purchaser thereof at the time of transfer of title the PILOT, the lease and the Company's obligation to purchase the Issuer's interest in the Senior Development; and (c) the real property tax abatements relating to the Single-Family Development will commence upon the issuance of a Certificate of Occupancy for each respective Single-Family housing unit and shall continue for a term of ten (10) years during which time the Single-Family housing unit owner will pay 20% of taxes years 1 through and including 5; 33% of taxes in year 6; 46.6% of taxes in year 7; 60% of taxes in year 8; 73.3% of taxes in year 9; 86.6% of taxes in year 10; and 100% of taxes in year 11 and thereafter. The Company contemplates that it will assign to the individual purchaser of each Single-Family housing unit at the time of transfer of title the PILOT, the lease and the Company's obligation to purchase the Issuer's interest in that unit of the Single-Family Development; and (d) the nature of the property before the Facility commences; and (e) the extent to which the Facility will create permanent, private sector jobs.

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.

The Issuer will make certain findings relating to the Facility. The Issuer's findings and minutes of the hearing will be made available to Timothy Julian, the Mayor of the City of Utica, who must confirm the proposed action of the Issuer before the Issuer can provide financial assistance with respect to 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 Project, 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 issuance of the Bonds and the location and nature of the Project Facility. The following is a listing of the persons heard and a summary of their views:

NONE.

5. The Chairman then asked if there were any further comments, and, there being none, the hearing was closed at 9:15 AM.

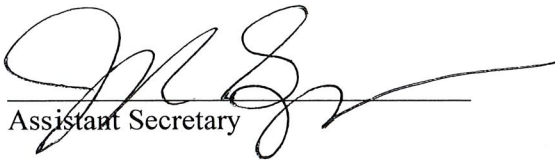
  
Assistant Secretary

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

I, the undersigned Assistant 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 May 9, 2007 at 9:00AM local time, at Utica City  
Hall, Department of Urban and Economic Development Conference Room, One Kennedy Plaza, Utica,  
New York 13502 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.

IN WITNESS WHEREOF, I have hereunto set my hand as of this \_\_\_ day of \_\_\_\_\_,  
2007.

  
Assistant Secretary

## EXHIBIT C

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

February 27, 2007

Walter F. Uccellini, Managing Member  
Trenton Road, LLC  
400 Jordan Road  
Albany, New York 12180

Re: City of Utica Industrial Development Agency  
2007 Lease-Leaseback Transaction (Trenton Road, LLC Facility)

Dear Mr. Uccellini:

Pursuant to a resolution duly adopted on February 27, 2007, the City of Utica Industrial Development Agency (the "Issuer") appointed Trenton Road, LLC, on behalf of itself and/or the principals of Trenton Road, 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 (i) acquisition of a 58.81± acre parcel of land located on Trenton Road in the City of Utica, commonly known as the Weaver Property (the "Land"); (ii) construction on the Land of a new mixed-use residential development project consisting of one hundred forty-four (144) senior rental apartments in three (3) three-story buildings and a one-story community building (collectively, the "Senior Development"); ten (10) townhouse buildings consisting of four (4) units each with attached garages, seventy (70) single-family homes with attached garages (collectively, "Single-Family Development"), together with all planned infrastructure (the "Infrastructure") (the Senior Development, the Single-Family Development and the Infrastructure referred to collectively as the "Improvements"); and (iii) acquisition and installation of machinery and equipment in the Improvements (the "Equipment"), all for the purpose of developing an intergenerational community known as Colonial Square Subdivision (the Land, the Improvements and the Equipment referred to collectively as the "Facility"). The Facility will be initially owned and operated by the Company.

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 acquisition, construction and equipping of any buildings or improvements, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of such buildings or improvements: (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 description used in connection with the acquisition, construction 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

Walter Uccellini  
February 27, 2007  
Page 2

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, the Company, its agents, subagents, contractors and subcontractors, should give the supplier or vendor a copy of this letter to show that the Company, its agents, subagents, contractors and subcontractors are each acting as agent for the Issuer. Construction contracts, purchase orders and other agreements relating to the project should be executed by the Company, or any sub-agent appointed by the Company, as agent of the Issuer. Also, purchases must be billed or invoiced by the vendor to the Company, or any sub-agent appointed by the Company, as agent of the Issuer (e.g. "Trenton Road, LLC as agent for the City of Utica Industrial Development Agency"). The supplier or vendor should identify the Facility as the "Colonial Square Development Facility" on each bill or invoice and indicate thereon that the Company, its agents, subagents, contractors and subcontractors acted as agent for the City of Utica Industrial Development 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 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 Issuer 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 Issuer will be deemed to be the agent, subagent, contractor or subcontractor of the Issuer for purposes of acquiring, constructing and equipping the Facility. **Failure to comply with these requirements may result in loss of sales tax exemptions for the Facility.**

You should be aware that the New York State General Municipal Law requires you to file an Annual Statement with the New York State Department of Taxation and Finance regarding the value of sales tax exemptions you, your agents, consultants or subcontractors have claimed pursuant to the authority we have conferred on you with respect to this Project. The penalty for failure to file such statement is the removal of your authority to act as an agent.

The aforesaid appointment of the Company as agent of the Issuer to acquire, construct, renovate and equip the Facility shall expire on May 9, 2008. 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, Assistant Secretary

Walter Uccellini  
February 27, 2007  
Page 3

**ACCEPTED and AGREED**

**TRENTON ROAD, LLC**

By: \_\_\_\_\_  
Walter Uccellini, Managing Member



## INDUCEMENT AGREEMENT

THIS INDUCEMENT AGREEMENT RELATING TO THE **COLONIAL SQUARE DEVELOPMENT FACILITY** (the "AGREEMENT") is between the City of Utica Industrial Development Agency (the "Issuer") and Trenton Road, LLC, on behalf of itself and/or the principals of Trenton Road, LLC, and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company").

Article 1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of this AGREEMENT are the following:

1.01. The Issuer is authorized and empowered by the provisions of Article 18-A of the General Municipal Law of the State of New York as amended, 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") to undertake "Projects" (as defined in the Act) and to lease or sell the same upon such terms and conditions as the Issuer may deem advisable.

1.02. The purposes of the Act are (i) to promote industry and develop trade by inducing manufacturing, industrial, warehousing, research, civic, recreation and commercial enterprises to locate or remain in the State and (ii) to encourage and assist in the providing of industrial pollution control facilities and (iii) to promote the economic welfare and prosperity of the inhabitants of the State. The Act vests the Issuer with all powers necessary to enable it to accomplish such purposes.

1.03. The Company has requested that the Issuer enter into a transaction in which the Issuer will assist in the (i) acquisition of a 58.81± acre parcel of land located on Trenton Road in the City of Utica, commonly known as the Weaver Property (the "Land"); (ii) construction on the Land of a new mixed-use residential development project consisting of one hundred forty-four (144) senior rental apartments in three (3) three-story buildings and a one-story community building (collectively, the "Senior Development"); ten (10) townhouse buildings consisting of four (4) units each with attached garages, seventy (70) single-family homes with attached garages (collectively, "Single-Family Development"), together with all planned infrastructure (the "Infrastructure") (the Senior Development, the Single-Family Development and the Infrastructure referred to collectively as the "Improvements"); and (iii) acquisition and installation of machinery and equipment in the Improvements (the "Equipment"), all for the purpose of developing an intergenerational community known as Colonial Square Subdivision (the Land, the Improvements and the Equipment referred to collectively as the "Facility"). The Facility will be initially owned and operated by the Company.

1.04. The Company hereby represents to the Issuer that the financing of the Facility through a sale-leaseback or lease-leaseback transaction (a) will not result in the removal of an industrial or manufacturing plant from one area of the State to another area of the State or an abandonment of one or more plants of the Company located in the State; (b) is reasonably necessary to discourage the Company from removing such other plant or facility to a location outside the State, or (c) is reasonably necessary to preserve the competitive position of the Company in its industry. The acquisition, construction and equipping of the Facility has not commenced as of the date hereof.

1.05. The Issuer has determined that the acquisition, construction and equipping of the Facility, as described in the Company's application to the Issuer dated February 15, 2007, which Application may be amended from time to time prior to the closing of the sale-leaseback or lease-leaseback transaction

(the "Application") and the leasing or sale thereof to the Company will promote and further the purposes of the Act.

1.06. On February 27, 2007, the Issuer adopted a resolution (the "Resolution" or the "Inducement Resolution") agreeing to undertake the Facility in order to assist the Company and to effectuate the purposes of the Act and, subject to the happening of all acts, conditions and things required precedent to such undertaking and the satisfactory completion of such additional acts and reviews as the Issuer may deem appropriate, to undertake a sale-leaseback or lease-leaseback transaction in connection with the Facility.

1.07. In the Resolution, the Issuer appointed the Company and its agents and other designees, as its agent for the purposes of acquiring, constructing and equipping the Facility, and such appointment includes the following activities as they relate to the acquisition, construction and equipping of the Facility, whether or not the materials, services 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 acquiring, constructing and equipping the Facility, (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with acquiring, constructing and equipping the Facility, 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 the Facility, including all repairs and replacements of such property. Such agency appointment includes the power to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Issuer, and in general to do all things which may be requisite or proper for completing the Facility, all with the same powers and with the same validity as the Issuer could do if acting on its own behalf.

Article 2. Undertakings on the Part of the Issuer. Based upon the statements, representations and undertakings of the Company regarding the Facility and subject to the conditions set forth herein, the Issuer hereby confirms and acknowledges:

2.01. Upon satisfactory completion of the conditions precedent set forth herein and in the Resolution and the satisfactory completion of such additional acts and reviews as the Issuer may deem appropriate, the Issuer will (A) adopt, or cause to be adopted, such proceedings and authorize the execution of such documents as may be necessary or advisable for (i) a sale-leaseback or lease-leaseback transaction, (ii) the acquisition, construction and equipping of the Facility, and (iii) the leasing or sale of the Facility to the Company, all as shall be authorized by law and be mutually satisfactory to the Issuer and the Company and (B) enter into a sale-leaseback or lease-leaseback or lease-leaseback transaction pursuant to the terms of the Act, as then in force, for the purpose of financing certain costs of the Facility.

2.02. The Issuer will enter into an agreement to lease or sell the Facility to the Company (the "Lease Agreement" or in the case of a lease-leaseback transaction, the "Leaseback Agreement"). The Lease Agreement or Leaseback Agreement shall obligate the Company to make aggregate basic payments in an amount at least sufficient to pay the annual administrative costs of the Issuer for the sale-leaseback or lease-leaseback transaction, as and when the same shall become due and payable. If the Issuer enters into a sale-leaseback or lease-leaseback transaction, basic payments shall be \$5,000 per year. The Company shall be entitled to acquire from the Issuer title to or its interest in the Facility for an aggregate amount of \$1.00, plus such additional amounts as shall be prescribed in the Lease Agreement or

Leaseback Agreement. The Lease Agreement or Leaseback Agreement shall contain all provisions required by law and such other provisions as shall be mutually acceptable to the Issuer and the Company.

2.03. That all services, costs and expenses of whatever nature incurred in connection with the acquisition, construction, equipping, installation, replacement, rebuilding, restoration, repair, maintenance and operation of the Facility have been and will continue to be undertaken by the Company as agent for the Issuer, regardless of whether such services, costs and expenses were undertaken and/or paid in its own name or in the name of the Issuer, and the Issuer shall furnish to the Company an appropriate letter on Issuer letterhead evidencing the authority of the Company to act as agent of the Issuer.

2.04. That, in connection with any lease by the Issuer to the Company that is, in turn, subleased or leased by the Company, it is the intent of all parties to the transactions that any sublease or lease is undertaken by the Company as agent for the Issuer.

2.05. That, at the request of the Company, and subject to the agreement between the Issuer and the Company, any future transfers of any portion of real property upon which the Facility is located and not owned by the Issuer, are hereby authorized, such transfers to be from the Company to the Issuer, and there shall be no need for any further official action on behalf of the Issuer other than the execution of the appropriate documents evidencing such transfer.

2.06. The Issuer will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

Article 3. Undertakings on the Part of the Company. Based upon the statements, representations and undertakings of the Issuer herein and in the Resolution and subject to the conditions set forth herein and in the Resolution, the Company agrees as follows:

3.01. The Company hereby accepts the appointment made by the Issuer in the Resolution to be the true and lawful agent of the Issuer to (i) acquire, construct, equip, repair and maintain the Facility and (ii) make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent of the Issuer, and in general to do all things which may be requisite or proper for completing the Facility, all with the same powers and the same validity as the Issuer could do if acting on its own behalf, including the authority to delegate such Issuer appointment, as described in the Resolution.

3.02. [Reserved]

3.03. The Company will, to the extent deemed by it to be necessary or desirable, enter into a contract or contracts for the acquisition, construction and equipping of the Facility (including any necessary contracts for the acquisition of real property necessary or useful in said Facility), and, on the terms and conditions set forth in the Lease Agreement or Leaseback Agreement, it will transfer to the Issuer, or cause to be transferred to the Issuer, title to or a leasehold interest in the Facility.

3.04. Contemporaneously with the closing of the sale-leaseback or lease-leaseback transaction, the Company will enter into the Lease Agreement or Leaseback Agreement with the Issuer containing, among other things, the terms and conditions described in Section 2.02 hereof.

3.05. (a) The Company shall not permit to stand, and will, at its own expense, take all steps reasonably necessary to remove (or bond the same if acceptable to the Issuer and its counsel), any mechanics' or other liens against the Facility for labor or materials furnished in connection with the acquisition, construction, renovation and equipping of the Facility. The Company shall forever defend, indemnify and hold the Issuer, its members, officers, employees, and agents, and anyone for whose acts or omissions the Issuer or any of them may be liable, harmless from and against all costs, losses, expenses, claims, damages and liabilities of whatever kind or nature arising, directly or indirectly, out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition, construction and equipping of the Facility or arising out of any contract or other arrangement therefor (and including any expenses incurred by the Issuer in defending any claims, suits or actions which may arise as a result of any of the foregoing), whether such claims or liabilities arise as a result of the Company acting as agent for the Issuer pursuant to this AGREEMENT or otherwise.

(b) The Company shall forever defend, indemnify and hold harmless the Issuer, its members, officers, employees and agents, and anyone for whose acts or omissions the Issuer or any of them may be liable, from and against all claims, causes of action, liabilities and expenses (including without limitation attorneys' fees) howsoever arising for loss or damage to property or any injury to or death of any person (including, without limitation, death of or injury to any employee of the Company) that may occur subsequent to the date hereof by any cause whatsoever in relation to the Facility including the failure to comply with the provisions of Article 3.05 hereof, or arising, directly or indirectly, out of the ownership, construction, acquisition, operation, maintenance, repair or financing of the Facility, and including, without limitation, any expenses incurred by the Issuer in defending any claims, suits or actions which may arise as a result of the foregoing.

(c) The defense and indemnities provided for in this Article 3 shall apply whether or not the claim, liability, cause of action or expense is caused or alleged to be caused, in whole or in part, by the activities, acts, fault or negligence of the Issuer, its members, officers, employees and agents, anyone under the direction and control of any of them, or anyone for whose acts or omissions the Issuer or any of them may be liable, and whether or not based upon the breach of a statutory duty or obligation or any theory or rule of comparative or apportioned liability, subject only to any specific prohibition relating to the scope of indemnities imposed by law. Without limiting the generality of the foregoing, the foregoing indemnifications shall apply to and encompass any action (or alleged failure to act) of the Issuer pursuant to the SEQR Act.

(d) The Company shall provide and carry workers' compensation and disability insurance as required by law and comprehensive liability insurance with such coverages (including, without limitation, owner's protective for the benefit of the Issuer and contractual coverage covering the indemnities herein provided for), with such limits and with such companies as may be approved by the Issuer. Upon the request of the Issuer, the Company shall provide certificates of insurance in form satisfactory to the Issuer evidencing such insurance.

3.06. With the exception of the authorizations required to be adopted by the Issuer for the Issuer to issue the Bonds, or, in the alternative, to enter into the sale-leaseback or lease-leaseback transaction, the Company agrees that, as agent for the Issuer or otherwise, it will comply with all the requirements of all federal, state and local laws, rules and regulations of whatever kind and howsoever denominated applicable to the Issuer and/or the Company with respect to the Facility, the acquisition, construction and equipping thereof, the operation and maintenance of the Facility and the financing thereof. Every

provision required by law to be inserted herein shall be deemed to be set forth herein as if set forth in full; and upon the request of either party, this AGREEMENT shall be amended to specifically set forth any such provision or provisions.

3.07. The Company will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3.08. If it should be determined that any State or local sales or compensatory use taxes or similar taxes however denominated are payable with respect to the acquisition, purchase or rental of machinery or equipment, materials or supplies in connection with the Facility, or are in any manner otherwise payable directly or indirectly in connection with the Facility, the Company shall pay the same and defend and indemnify the Issuer from and against any liability, expenses and penalties arising out of, directly or indirectly, the imposition of any such taxes.

3.09. The Company shall file with the New York State Department of Taxation and Finance an annual statement of the value of all sales and use tax exemptions claimed in connection with the Facility, in compliance with Section 874(8) of the New York State General Municipal Law. The Company shall provide the Issuer with a copy of such annual statement at the time of filing with the State Department of Taxation and Finance.

3.10. If the Facility is leased to another party by the Issuer and subleased to the Company, then in such event, the Company guarantees all of the covenants, undertakings and indemnities of such other party as set forth in this Article 3.

#### Article 4. General Provisions.

4.01. This AGREEMENT shall take effect on the date of execution hereof by the Issuer and the Company and shall remain in effect until the Lease Agreement or Leaseback Agreement becomes effective. It is the intent of the Issuer and the Company that this AGREEMENT be superseded in its entirety by the Lease Agreement or Leaseback Agreement, except for the indemnities and guarantee of indemnities contained herein, which shall survive.

4.02. It is understood and agreed by the Issuer and the Company that entering into the sale-leaseback or lease-leaseback transaction and the execution of the Lease Agreement or Leaseback Agreement and related documents are subject to (i) obtaining all necessary governmental approvals, (ii) approval of the members of the Issuer, (iii) satisfactory completion of the environmental review of the Facility by the Issuer in compliance with the State Environmental Quality Review Act, (iv) agreement by the Issuer, the Company and the Purchaser(s) of the Bonds upon mutually acceptable terms for the Bonds and for the sale and delivery thereof and mutually acceptable terms and conditions for the Lease Agreement or Leaseback Agreement and other documentation usual and customary to transaction of this nature, (v) the condition that there are no changes in New York State Law which prohibit or limit the Issuer from fulfilling its obligation and commitment as herein set forth to authorize, issue, sell and deliver its Bonds, or, in the alternative, to enter into the sale-leaseback or lease-leaseback transaction (vi) the Issuer making certain findings relating to the Facility and delivering the findings to Timothy Julian, the Mayor of the City of Utica, who must confirm the proposed action of the Issuer (vii) delivery by the Mohawk Valley Heritage Corridor Commission of an approving resolution relating to the qualification of the Facility and (viii) payment by the Company of the Issuer's transaction fee and the fees and disbursements of transaction counsel.

4.03. The Company agrees that it will reimburse the Issuer for all reasonable and necessary direct out-of-pocket expenses which the Issuer may incur as a consequence of executing this AGREEMENT or performing its obligations hereunder.

4.04. If for any reason the sale-leaseback or lease-leaseback transaction does not close on or before twelve (12) months from the execution hereof, the provisions of this AGREEMENT (other than the provisions of Articles 3.05, 3.06, 3.07 and 3.08 above, which shall survive) shall, unless extended by agreement of the Issuer and the Company (whether before or after such original expiration date), terminate and be of no further force or effect, and following such termination neither party shall have any rights against the other party except:

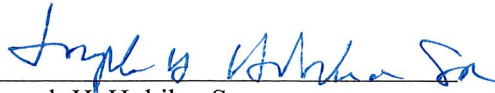
(a) The Company shall pay the Issuer for all expenses which were authorized by the Company and incurred by the Issuer in connection with the acquisition, construction and equipping of the Facility;

(b) The Company shall assume and be responsible for any contracts for construction or purchase of equipment entered into by the Issuer at the request of or as agent for the Company in connection with the Facility; and


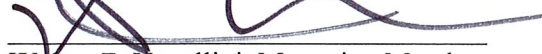
(c) The Company will pay the out-of-pocket expenses of members of the Issuer, counsel for the Issuer and Transaction Counsel incurred in connection with the Facility and will pay the reasonable fees of counsel for the Issuer and Transaction Counsel for legal services relating to the Facility or the proposed financing thereof.

IN WITNESS WHEREOF, the parties hereto have entered into this AGREEMENT as of the 27th day of February 2007.

CITY OF UTICA  
INDUSTRIAL DEVELOPMENT AGENCY

By:   
Joseph H. Hobika, Sr.  
Chairman

TRENTON ROAD, LLC

  
By:   
Walter F. Uccellini, Managing Member

STATE OF NEW YORK)

)ss

County of Oneida)

Patricia Zehr

of the City of Utica

county, being duly sworn, says she is the Principal Clerk of the Utica O Dispatch the Publishers of (Observer-Dispatch), a daily newspaper pri published in the city of Utica, County and State aforesaid, and that an adver of which the attached is a copy, cut from the columns of said paper I regularly published in said paper on each of the following dates:

4/6/07

Patricia Zehr

Sworn to before me this

10th day of April 2007

Elizabeth Leone-Noumat

NOTARY PUBLIC ONEIDA CO., N.Y.

er prior to the closing of the transactions described herein. The proposed financial assistance deviates from the Issuer's Uniform Tax Exemption Policy (the "Policy") in the following respects: (a) the real property tax abatements for the Senior Development will commence upon the issuance of a Certificate of Occupancy for the first apartment building and shall continue for a term of twenty-eight (28) years, during which time the Company will pay the greater of 1% of gross potential revenue paid from the Facility or \$28,000 during years 1 through and including 5; 25% of taxes years 6 through and including 10; 30% of taxes in year 11; 31.5% of taxes in year 12; 32.9% of taxes in year 13; 34.4% of taxes in year 14; and 35.9% of taxes in year 15; 37.4% of taxes in year 16; 38.8% of taxes in year 17; 40.3% of taxes in year 18; 41.8% of taxes in year 19; 43.2% of taxes in year 20; 44.7% of taxes in year 21; 46.2% of taxes in year 22; 47.6% of taxes in year 23; 49.1% of taxes in year 24; 50.6% of taxes in year 25; 52.1% of taxes in year 26; 53.5% of taxes in year 27; 55% of taxes in year 28; and 100% of taxes in year 29 and thereafter. The Company contemplates that it will assign to any purchaser thereof at the time of transfer of title the PILOT, the lease and the Company's obligation to purchase the Issuer's interest in the Senior Development; and (b) the real property tax abatements, relating to the Single-Family Development will commence upon the issuance of a Certificate of

Occupancy for each respective Single-Family housing unit and shall continue for a term of ten (10) years during which time the Single-Family housing unit owner will pay 20% of taxes years 1 through and including 5; 33% of taxes in year 6; 46.6% of taxes in year 7; 60% of taxes in year 8; 73.3% of taxes in year 9; 86.6% of taxes in year 10; and 100% of taxes in year 11 and thereafter. The Company contemplates that it will assign to the individual purchaser of each Single-Family housing unit at the time of transfer of title the PILOT, the lease and the Company's obligation to purchase the Issuer's interest in that unit of the Single-Family Development.

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.

The Issuer will make certain findings relating to the Facility. The Issuer's findings and minutes of the hearing will be made available to Timothy Julian, the Mayor of the City of Utica, who must confirm the proposed action of the Issuer before the Issuer can provide financial assistance with respect to 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 Project, is available for public inspection at the offices of the Issuer, One Kennedy Plaza, Utica, New York.

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY Dated: April 3, 2007 By: Joseph H. Hobika, Sr., Chairman /s/ O-D: 4/6/07

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 "Issuer") on the 9th day of May 2007 at 9AM, local time, at Utica City Hall, One Kennedy Plaza, Department of Urban and Economic Development Conference Room, Utica, New York 13502 in connection with the following matters:

Trenton Road, LLC, on behalf of itself and/or the principals of Trenton Road, 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 (i) acquisition of a 58.81± acre parcel of land located on Trenton Road in the City of Utica, commonly known as the Weaver Property (the "Land"); (ii) construction on the Land of a new, mixed-use residential development project consisting of one hundred forty-four (144) senior rental apartments in three (3) three-story buildings and a one-story community building (collectively, the "Senior Development"); ten (10) townhouse buildings consisting of four (4) units each with attached garages, seventy (70) single-family homes with attached garages (collectively, "Single-Family Development"), together with all planned infrastructure (the "Infrastructure") (the Senior Development, the Single-Family Development and the Infrastructure referred to collectively as the "Improvements"); and (iii) acquisition and installation of machinery and equipment in the Improvements (the "Equipment"), all for the purpose of developing an intergenerational community known as Colonial Square Subdivision (the Land, the Improvements and the Equipment referred to collectively as the "Facility"). The Facility will be initially owned, operated and/or managed by the Company.

The Issuer will acquire title to or a leasehold interest in the Facility and lease the Facility to the Company. At the end of the lease term, the Company (or the assignee of the Company as described below) will purchase the Issuer's interest in the Facility or any portion thereof. The Issuer contemplates that it will provide financial assistance to the Company in the form of issuance of a lease relating to the Senior Development for a term of twenty-eight (28) years, issuance of a lease relating to the Single-Family Development for a term of ten (10) years, exemptions from mortgage recording taxes and sales taxes, abatement of real property taxes relating to the Senior Development for a period of twenty-eight (28) years and abatement of real property taxes relating to the Single-Family Development for a period of ten (10) years, to be more particularly described in a Final Authorizing Resolution to be adopted by the Issu-



MINUTES OF PUBLIC HEARING HELD ON MAY 9, 2006

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY  
2007 Lease-Leaseback Transaction  
(TRENTON ROAD, LLC Facility)

---

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 Jack N. Spaeth, Assistant 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:

Trenton Road, LLC, on behalf of itself and/or the principals of Trenton Road, 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 (i) acquisition of a 58.81± acre parcel of land located on Trenton Road in the City of Utica, commonly known as the Weaver Property (the "Land"); (ii) construction on the Land of a new mixed-use residential development project consisting of one hundred forty-four (144) senior rental apartments in three (3) three-story buildings and a one-story community building (collectively, the "Senior Development"); ten (10) townhouse buildings consisting of four (4) units each with attached garages, seventy (70) single-family homes with attached garages (collectively, "Single-Family Development"), together with all planned infrastructure (the "Infrastructure") (the Senior Development, the Single-Family Development and the Infrastructure referred to collectively as the "Improvements"); and (iii) acquisition and installation of machinery and equipment in the Improvements (the "Equipment"), all for the purpose of developing an intergenerational community known as Colonial Square Subdivision (the Land, the Improvements and the Equipment referred to collectively as the "Facility"). The Facility will be initially owned, operated and/or managed by the Company.

The Issuer will acquire title to or a leasehold interest in the Facility and lease the Facility to the Company. At the end of the lease term, the Company (or the assignee of the Company as described below) will purchase the Issuer's interest in the Facility or any portion thereof. The Issuer contemplates that it will provide financial assistance to the Company in the form of issuance of a lease relating to the Senior Development for a term of twenty-eight (28) years, issuance of a lease relating to the Single-Family Development for a term of ten (10) years, exemptions from mortgage recording taxes and sales taxes, abatement of real property taxes relating to the Senior Development for a period of twenty-eight (28) years and abatement of real property taxes relating to the Single-Family Development for a period of ten (10) years, 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. The proposed financial assistance deviates from the Issuer's Uniform Tax Exemption Policy (the "Policy") in the following respects: (a) the Issuer is granting

benefits due to the fact that Project is located within the Mohawk Valley Corridor, and by resolution duly adopted June 28, 2007, the Commission found and determined that the Project will (1) develop new housing within the City, (2) improve vacant land within the City with residential structures that help re-establish the historically tightly knit urban nature of the area, and (3) bring to the City additional residents with relatively high disposable income which will benefit the City's economy, including its downtown commercial district and, more broadly, help retain retail and service establishments throughout the City all in accordance with the Plan; and

(b) the real property tax abatements for the Senior Development will commence upon the issuance of a Certificate of Occupancy for the first apartment building and shall continue for a term of twenty-eight (28) years, during which time the Company will pay the greater of 1% of gross potential revenue paid from the Facility or \$28,000 during years 1 through and including 5; 25% of taxes years 6 through and including 10; 30% of taxes in year 11; 31.5% of taxes in year 12; 32.9% of taxes in year 13; 34.4% of taxes in year 14; and 35.9% of taxes in year 15; 37.4% of taxes in year 16; 38.8% of taxes in year 17; 40.3% of taxes in year 18; 41.8% of taxes in year 19; 43.2% of taxes in year 20; 44.7% of taxes in year 21; 46.2% of taxes in year 22; 47.6% of taxes in year 23; 49.1% of taxes in year 24; 50.6% of taxes in year 25; 52.1% of taxes in year 26; 53.5% of taxes in year 27; 55% of taxes in year 28; and 100% of taxes in year 29 and thereafter. The Company contemplates that it will assign to any purchaser thereof at the time of transfer of title the PILOT, the lease and the Company's obligation to purchase the Issuer's interest in the Senior Development; and (c) the real property tax abatements relating to the Single-Family Development will commence upon the issuance of a Certificate of Occupancy for each respective Single-Family housing unit and shall continue for a term of ten (10) years during which time the Single-Family housing unit owner will pay 20% of taxes years 1 through and including 5; 33% of taxes in year 6; 46.6% of taxes in year 7; 60% of taxes in year 8; 73.3% of taxes in year 9; 86.6% of taxes in year 10; and 100% of taxes in year 11 and thereafter. The Company contemplates that it will assign to the individual purchaser of each Single-Family housing unit at the time of transfer of title the PILOT, the lease and the Company's obligation to purchase the Issuer's interest in that unit of the Single-Family Development; and (d) the nature of the property before the Facility commences; and (e) the extent to which the Facility will create permanent, private sector jobs.

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.

The Issuer will make certain findings relating to the Facility. The Issuer's findings and minutes of the hearing will be made available to Timothy Julian, the Mayor of the City of Utica, who must confirm the proposed action of the Issuer before the Issuer can provide financial assistance with respect to 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 Project, 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 issuance of the Bonds and the location and nature of the Project Facility. The following is a listing of the persons heard and a summary of their views:

NONE.

5. The Chairman then asked if there were any further comments, and, there being none, the hearing was closed at 9:15 AM.



Assistant Secretary

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

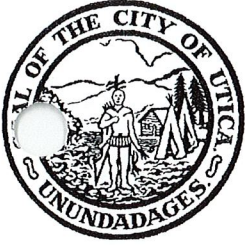
I, the undersigned Assistant Secretary of the City of Utica Industrial Development Agency, DO HEREBY CERTIFY:

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 May 9, 2007 at 9:00AM, local time, at the Mayor's Conference Room, Utica City Hall, 1 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 9 day of July, 2007.

  
Assistant Secretary



# CITY OF UTICA

UTICA INDUSTRIAL DEVELOPMENT AGENCY  
1 Kennedy Plaza, Utica, New York 13502  
315-792-0181 fax: 315-797-6607

TIMOTHY J. JULIAN  
MAYOR

JOSEPH HOBKA, SR.  
Chairman

JOSEPH HOBKA, JR.  
Executive Director

Re: CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

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

Jack N. Spaeth, being duly sworn, deposes and says:

On April 4, 2007 he deposited in a post office box regularly maintained by the United States Government in the City of Utica, New York, a copy of the Notice of Public Hearing regarding Trenton Road, LLC to be held on the 9th day of May 2007 at 9:00AM local time, at the offices of City of Utica Industrial Development Agency, Utica City Hall, Department of Urban and Economic Development Conference Room, One Kennedy Plaza, City of Utica, Oneida County, New York 13502, copy of said Notice is attached hereto and made a part hereof, to the following parties at respective addresses set forth below:

Anthony J. Picente, Jr.  
Oneida County Executive  
Oneida County Office Building  
800 Park Avenue  
Utica, New York 13501

Timothy Julian  
Mayor, City of Utica  
One Kennedy Plaza  
Utica, New York 13502

Marilyn Skermont  
Superintendent  
Utica City School District  
1115 Mohawk Street  
Utica, New York 13501

Barbara Klein, President  
Board of Education  
Utica City School District  
1115 Mohawk Street  
Utica, New York 13501

  
Jack N. Spaeth

Sworn to before me this 3rd  
day of April 2007.

  
Notary Public

CATHERINE M. MACK  
Notary Public, State of New York  
Reg.# 01MA6061896  
Appointed in Onelda County  
My Commission Expires July 23, 2009



# CITY OF UTICA

UTICA INDUSTRIAL DEVELOPMENT AGENCY

1 Kennedy Plaza, Utica, New York 13502

315-792-0181 fax: 315-797-6607

TIMOTHY J. JULIAN  
MAYOR

JOSEPH HOBIKA, SR.  
Chairman

JOSEPH HOBIKA, JR.  
Executive Director

April 3, 2007

Barbara Klein, President  
Board of Education  
Utica City School District  
1115 Mohawk Street  
Utica, New York 13501

**Re: Colonial Square Development**

Dear Ms. Klein:

On May 9, 2007 at 9:00AM local time at City Hall, Department of Urban and Economic Development Conference Room, One Kennedy Plaza, Utica, New York 13502, the City of Utica Industrial Development Agency (the "Agency") will conduct a public hearing regarding the above-referenced project for the use of Trenton Road, 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 the *Observer-Dispatch*, Utica, New York for publication.

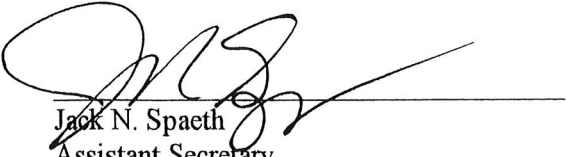
You are welcome to attend such hearing at which time you will have an opportunity, both orally and in writing, to present your views with respect to the project. We are providing this notice to you, pursuant to Chapters 356 and 357 of the Laws of 1993, as the chief executive officer of an affected tax 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 N. Spaeth in the Department of Urban and Economic Development at telephone number 792-0195.

Very truly yours,

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

By:

  
Jack N. Spaeth  
Assistant Secretary



# CITY OF UTICA

UTICA INDUSTRIAL DEVELOPMENT AGENCY

1 Kennedy Plaza, Utica, New York 13502

315-792-0181 fax: 315-797-6607

TIMOTHY J. JULIAN  
MAYOR

JOSEPH HOBKA, SR.  
Chairman

JOSEPH HOBKA, JR.  
Executive Director

April 3, 2007

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

**Re: Colonial Square Development**

Dear Mr. Picente:

On May 9, 2007 at 9:00AM local time at City Hall, Department of Urban and Economic Development Conference Room, One Kennedy Plaza, Utica, New York 13502, the City of Utica Industrial Development Agency (the "Agency") will conduct a public hearing regarding the above-referenced project for the use of Trenton Road, 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 the *Observer-Dispatch*, Utica, New York 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 N. Spaeth in the Department of Urban and Economic Development at telephone number 792-0195.

Very truly yours,

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

By:

  
\_\_\_\_\_  
Jack N. Spaeth  
Assistant Secretary



# CITY OF UTICA

UTICA INDUSTRIAL DEVELOPMENT AGENCY

1 Kennedy Plaza, Utica, New York 13502

315-792-0181 fax: 315-797-6607

TIMOTHY J. JULIAN  
MAYOR

JOSEPH HOBICA, SR.  
Chairman

JOSEPH HOBICA, JR.  
Executive Director

April 3, 2007

Timothy Julian  
Mayor, City of Utica  
One Kennedy Plaza  
Utica, New York 13502

**Re: Colonial Square Development**

Dear Mayor:

On May 9, 2007 at 9:00AM local time at City Hall, Department of Urban and Economic Development Conference Room, One Kennedy Plaza, Utica, New York 13502, the City of Utica Industrial Development Agency (the "Agency") will conduct a public hearing regarding the above-referenced project for the use of Trenton Road, 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 the *Observer-Dispatch*, Utica, New York for publication.

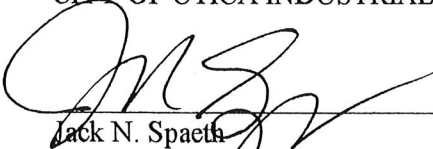
You are welcome to attend such hearing at which time you will have an opportunity, both orally and in writing, to present your views with respect to the project. We are providing this notice to you, pursuant to Chapters 356 and 357 of the Laws of 1993, as the chief executive officer of an affected tax 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 N. Spaeth in the Department of Urban and Economic Development at telephone number 792-0195.

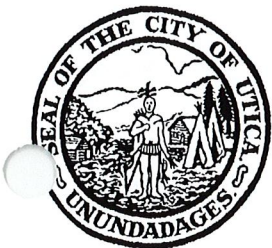
Very truly yours,

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

By:

  
\_\_\_\_\_  
Jack N. Spaeth  
Assistant Secretary





# CITY OF UTICA

UTICA INDUSTRIAL DEVELOPMENT AGENCY

1 Kennedy Plaza, Utica, New York 13502

315-792-0181 fax: 315-797-6607

TIMOTHY J. JULIAN  
MAYOR

JOSEPH HOBKA, SR.  
Chairman

JOSEPH HOBKA, JR.  
Executive Director

April 3, 2007

Marilyn Skermont, Superintendent  
Utica City School District  
1115 Mohawk Street  
Utica, New York 13501

**Re: Colonial Square Development**

Dear Ms. Skermont:

On May 9, 2007 at 9:00AM local time at City Hall, Department of Urban and Economic Development Conference Room, One Kennedy Plaza, Utica, New York 13502, the City of Utica Industrial Development Agency (the "Agency") will conduct a public hearing regarding the above-referenced project for the use of Trenton Road, 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 the *Observer-Dispatch*, Utica, New York 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 N. Spaeth in the Department of Urban and Economic Development at telephone number 792-0195.

Very truly yours,

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

By:

  
\_\_\_\_\_  
Jack N. Spaeth  
Assistant Secretary

## 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 "Issuer") on the 9th day of May 2007 at 9AM, local time, at Utica City Hall, One Kennedy Plaza, Department of Urban and Economic Development Conference Room, Utica, New York 13502 in connection with the following matters:

Trenton Road, LLC, on behalf of itself and/or the principals of Trenton Road, 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 (i) acquisition of a 58.81± acre parcel of land located on Trenton Road in the City of Utica, commonly known as the Weaver Property (the "Land"); (ii) construction on the Land of a new mixed-use residential development project consisting of one hundred forty-four (144) senior rental apartments in three (3) three-story buildings and a one-story community building (collectively, the "Senior Development"); ten (10) townhouse buildings consisting of four (4) units each with attached garages, seventy (70) single-family homes with attached garages (collectively, "Single-Family Development"), together with all planned infrastructure (the "Infrastructure") (the Senior Development, the Single-Family Development and the Infrastructure referred to collectively as the "Improvements"); and (iii) acquisition and installation of machinery and equipment in the Improvements (the "Equipment"), all for the purpose of developing an intergenerational community known as Colonial Square Subdivision (the Land, the Improvements and the Equipment referred to collectively as the "Facility"). The Facility will be initially owned, operated and/or managed by the Company.

The Issuer will acquire title to or a leasehold interest in the Facility and lease the Facility to the Company. At the end of the lease term, the Company (or the assignee of the Company as described below) will purchase the Issuer's interest in the Facility or any portion thereof. The Issuer contemplates that it will provide financial assistance to the Company in the form of issuance of a lease relating to the Senior Development for a term of twenty-eight (28) years, issuance of a lease relating to the Single-Family Development for a term of ten (10) years, exemptions from mortgage recording taxes and sales taxes, abatement of real property taxes relating to the Senior Development for a period of twenty-eight (28) years and abatement of real property taxes relating to the Single-Family Development for a period of ten (10) years, 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. The proposed financial assistance deviates from the Issuer's Uniform Tax Exemption Policy (the "Policy") in the following respects: (a) the real property tax abatements for the Senior Development will commence upon the issuance of a Certificate of Occupancy for the first apartment building and shall continue for a term of twenty-eight (28) years, during which time the Company will pay the greater of 1% of gross potential revenue paid from the Facility or \$28,000 during years 1 through and including 5; 25% of taxes years 6 through and including 10; 30% of taxes in year 11; 31.5% of taxes in year 12; 32.9% of taxes in year 13; 34.4% of taxes in year 14; and 35.9% of taxes in year 15; 37.4% of taxes in year 16; 38.8% of taxes in year 17; 40.3% of taxes in year 18; 41.8% of taxes in year 19; 43.2% of taxes in year 20; 44.7% of taxes in year 21; 46.2% of taxes in year 22; 47.6% of taxes in year 23; 49.1% of taxes in year 24; 50.6% of taxes in year 25; 52.1% of taxes in year 26; 53.5% of taxes

in year 27; 55% of taxes in year 28; and 100% of taxes in year 29 and thereafter. The Company contemplates that it will assign to any purchaser thereof at the time of transfer of title the PILOT, the lease and the Company's obligation to purchase the Issuer's interest in the Senior Development; and (b) the real property tax abatements relating to the Single-Family Development will commence upon the issuance of a Certificate of Occupancy for each respective Single-Family housing unit and shall continue for a term of ten (10) years during which time the Single-Family housing unit owner will pay 20% of taxes years 1 through and including 5; 33% of taxes in year 6; 46.6% of taxes in year 7; 60% of taxes in year 8; 73.3% of taxes in year 9; 86.6% of taxes in year 10; and 100% of taxes in year 11 and thereafter. The Company contemplates that it will assign to the individual purchaser of each Single-Family housing unit at the time of transfer of title the PILOT, the lease and the Company's obligation to purchase the Issuer's interest in that unit of the Single-Family Development.

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.

The Issuer will make certain findings relating to the Facility. The Issuer's findings and minutes of the hearing will be made available to Timothy Julian, the Mayor of the City of Utica, who must confirm the proposed action of the Issuer before the Issuer can provide financial assistance with respect to 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 Project, is available for public inspection at the offices of the Issuer, One Kennedy Plaza, Utica, New York.

CITY OF UTICA INDUSTRIAL  
DEVELOPMENT AGENCY

Dated: April 3, 2007

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

May 9, 2007

Anthony J. Picente, Jr.  
Oneida County Executive  
Oneida County Office Building  
800 Park Avenue  
Utica, New York 13501

Timothy Julian  
Mayor, City of Utica  
One Kennedy Plaza  
Utica, New York 13502

Marilyn Skermont  
Superintendent  
Utica City School District  
1115 Mohawk Street  
Utica, New York 13501

Barbara Klein, President  
Board of Education  
Utica City School District  
1115 Mohawk Street  
Utica, New York 13501

**Re: Trenton Road, LLC – Colonial Square Facility**

Dear Sirs and Madams:

On May 9, 2007 at 9:00 a.m. local time at One Kennedy Plaza, Utica, New York 13441, the City of Utica Industrial Development Agency (the "Agency") will meet to consider a final authorizing resolution regarding this project for the use of Special Metals Corporation.

The financial assistance contemplated by the Agency constitutes a deviation from its standard policy in the following respects:

The Agency is deviating from its policy for the following reasons:

- ✓ The nature of the proposed Facility
- ✓ The nature of the Facility before the project begins
- ✓ The extent to which the Facility will retain permanent, private sector jobs
- ✓ The estimated value of tax exemptions to be provided
- ✓ The impact of the Facility and the proposed tax exemptions on affected tax jurisdictions
- ✓ The impact of the proposed Facility on existing and proposed businesses and economic development projects in the vicinity
- ✓ The development is located within the Mohawk Valley Corridor, and by resolution duly adopted June 28, 2007, the Commission found and the determined the project will:
  - Develop new housing within the City
  - Improve vacant land within the City with residential structures that help re-establish the historically tightly knit urban nature of the area
  - Bring to the City additional residents with relatively high disposable income which will benefit the City's economy, including its downtown commercial district , and more broadly, help retain retail and service establishments throughout the City all in accordance with the Plan
- ✓ The likelihood of accomplishing the proposed Facility in a timely fashion

- ✓ The extent to which the proposed Facility will provide additional sources of revenue for municipalities and school districts in which the project is located
- ✓ The extent to which the proposed Facility will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located

You are welcome to attend such meeting 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 Shawna Papale at the Agency at telephone number 338-0393.

Very truly yours,

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

By:

  
\_\_\_\_\_  
Jack N. Spaeth, Assistant Secretary

Re: CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

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

Jack N. Spaeth, being duly sworn, deposes and says:

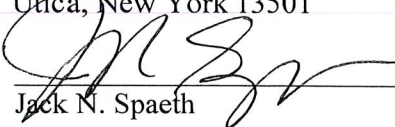
On May 9, 2007 he deposited in a post office box regularly maintained by the United States Government in the City of Utica, New York, a notice regarding a meeting to be held by the City of Utica Industrial Development Agency regarding Trenton Road, LLC to be held on the 9<sup>th</sup> day of May 2007 at 9:00AM local time, at One Kennedy Plaza, Utica, New York, copy of said notice is attached hereto and made a part hereof, to the following parties at their respective addresses set forth below:

Anthony J. Picente, Jr.  
Oneida County Executive  
Oneida County Office Building  
800 Park Avenue  
Utica, New York 13501


Timothy Julian  
Mayor, City of Utica  
One Kennedy Plaza  
Utica, New York 13502

Marilyn Skermont  
Superintendent  
Utica City School District  
1115 Mohawk Street  
Utica, New York 13501

Barbara Klein, President  
Board of Education  
Utica City School District  
1115 Mohawk Street  
Utica, New York 13501

  
\_\_\_\_\_  
Jack N. Spaeth

Sworn to before me this 9<sup>th</sup>  
day of July 2007

  
\_\_\_\_\_  
Notary Public

JOSEPH H. HOBIKA, JR.  
Notary Public, State of New York  
Reg. No 02HO6100395  
Appointed in Oneida County 07  
My Commission Expires 10/20/20