

**Final Authorizing Resolution
1002 Oswego Street, LLC Facility**

Date: October 2, 2012

At a meeting of the City of Utica Industrial Development Agency, Utica, New York (the "Agency"), held at Urban and Economic Development Conference Room, One Kennedy Plaza, Utica, New York on the 2nd day of October 2012, the following members of the Agency were:

PRESENT:

Vincent Gilroy
Joseph Hobika, Sr.
Emmett Martin

EXCUSED:

John Buffa
John Zegarelli

ALSO PRESENT:

Jack N. Spaeth, Executive Director
Linda Romano, Esq. (Bond, Schoeneck & King)
John Langey, Esq. (UAS counsel)

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to acquisition of a leasehold interest in and financing of a certain industrial development facility more particularly described below (1002 Oswego Street, LLC Facility) and the leasing of the facility to 1002 Oswego Street, LLC.

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

Vincent Gilroy voting aye;
Joseph Hobika, Sr. voting aye;
Emmett Martin voting aye.

RESOLUTION AUTHORIZING THE AGENCY TO EXECUTE THE
LEASE AGREEMENT, LEASEBACK AGREEMENT, PILOT
AGREEMENT, ENVIRONMENTAL COMPLIANCE AND
INDEMNIFICATION AGREEMENT AND RELATED DOCUMENTS
WITH RESPECT TO THE 1002 OSWEGO STREET, LLC
FACILITY LOCATED AT 1002 OSWEGO STREET IN THE CITY
OF UTICA, ONEIDA COUNTY.

WHEREAS, by Title 1 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 (collectively, the "Act"), the Agency was created with the authority and power among other things, to assist with the acquisition of certain industrial development projects as authorized by the Act; and

WHEREAS, 1002 Oswego Street, LLC (the "Company") has requested the Agency assist in a certain industrial development facility consisting of (a) acquiring a 7.00± acre parcel of vacant land formerly known as the Bossert Site located at 1002 Oswego Street, City of Utica, Oneida County, New York (the "Land"); (b) constructing on the Land a 20,000± square foot mixed-use commercial and retail building (the "Commercial Improvements") and acquiring and installing machinery and equipment in the Commercial Improvements (the "Commercial Equipment") all for the purpose of the distribution of automotive parts and lubricants and providing a regional headquarters for United Auto Supply (the Commercial Improvements and the Commercial Equipment collectively, the "Commercial Facility"); and (c) constructing on a 2.00± acre out-parcel on the Land a commercial/retail structure (the "Retail Improvements") and acquiring and installing machinery and equipment in the Retail Improvements (the "Retail Equipment") all for providing a retail convenience store or other equivalent retail/commercial use (the Retail Improvements and the Retail Equipment collectively, the "Retail Facility"); and

WHEREAS, the Commercial Improvements and the Retail Improvements are sometimes referred to collectively as the "Improvements" and the Commercial Equipment and the Retail Equipment are sometimes referred to collectively as the "Equipment" and the Land, the Commercial Facility and the Retail Facility are sometimes referred to collectively as the "Facility;" and

WHEREAS, the Company has agreed to lease the Facility to the Agency and pursuant to a Lease Agreement (the "Lease Agreement") between the Agency and the Company; and

WHEREAS, the Agency has agreed to lease the Facility back to the Company pursuant to a Leaseback Agreement between the Agency and the Company (the "Leaseback Agreement") for its operation; and

WHEREAS, the Company intends to sublease the Commercial Improvements to United Auto Supply of Syracuse, West, Inc. (the "Sublessee") for its operation pursuant to the terms of a Sublease Agreement dated as of March 1, 2013 between the Company and UAS, as the same may be amended from time to time (the "Sublease Agreement"); and

WHEREAS, the Company is searching for a subtenant (the "Retail Sublessee") to operate the Retail Improvements and intends to sublease the Retail Improvements to the Retail Sublessee pursuant to the terms of a sublease agreement to be entered into (the "Retail Sublease Agreement"); and

WHEREAS, NBT Bank, National Association, a New York banking corporation (the "Bank") intends to finance a portion of the costs of the Facility by making a loan to the Company in the principal amount of \$1,200,000.00, to be secured by (a) a Mortgage dated on or about May 31, 2013 (the "Mortgage") from the Agency and the Company to the Bank; and (b) a Collateral Assignment of Leases and Rents dated on or about May 31, 2013 (the "Assignment") from the Agency and the Company to the Bank; and (c) a Security Agreement dated on or about May 31, 2013 (the "Security Agreement") from the Agency and the Company to the Bank; and (d) a Building Loan Agreement dated on or about May 31, 2013 (the "Building Loan Agreement") from the Agency and the Company to the Bank; and

WHEREAS, the Agency by resolution duly adopted on April 17, 2012 (the "Resolution") decided to proceed under the provisions of the Act to lease the Facility and directed that a public hearing be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency, or the location or nature of the Facility, could be heard; and

WHEREAS, based upon representations made by the Company, the Facility will be "primarily used in making retail sales to customers who personally visit" the Facility, as such phrase is used in connection with Section 862 of the General Municipal Law; and

WHEREAS, the Company has agreed to indemnify the Agency against certain losses, claims, expenses, damages and liabilities which may arise in connection with the transaction contemplated by the lease of the land and the transfer of a leasehold interest in the Facility.

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

Section 1. The Agency hereby finds and determines:

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

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

(c) The acquisition, construction and equipping of the Facility, the leasing of the Facility to the Company, the subleasing of the Facility to the Sublessee and other commercial tenants, and the financing of the Facility through the Bank will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the City of Utica and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(d) The acquisition, construction, equipping and financing of the Facility is reasonably necessary to induce the Company to maintain and expand its business operation in the State of New York; and

(e) Based upon representations of the Company and the Company's Counsel, the Facility conforms with the local zoning laws and planning regulations of the City of Utica and all regional and local land use plans for the area in which the Facility is located; and

(f) It is desirable and in the public interest for the Agency to acquire a leasehold interest in the Facility and lease the Facility to the Company; and

(g) The SEQRA findings adopted by the Agency on October 2, 2012, encompassed the actions to be undertaken by this resolution and no changes have been made since that time to the proposed action that would create new or increased adverse environmental impacts; and

(h) The Lease Agreement will be an effective instrument whereby the Company conveys to the Agency a leasehold interest in the Facility; and

(i) the Leaseback Agreement will be an effective instrument whereby the Agency leases the Facility back to the Company; and

(j) the PILOT Agreement by and between the Agency and the Company, in form satisfactory to the Chairman and Agency Counsel, will be an

effective instrument whereby the Agency and the Company set forth the terms and conditions of their Agreement regarding the Company's payments in lieu of real property taxes; and

(k) The Environmental Compliance and Indemnification Agreement (the "Environmental Compliance and Indemnification Agreement") by the Company and the Sublessee in favor of the Agency and the Bank will be an effective instrument whereby the Company and the Sublessee agree to comply with all Environmental Laws (as defined therein) applicable to the Facility and will indemnify and hold harmless the Agency for all liability under all such Environmental Laws.

Section 2. In consequence of the foregoing, the Agency hereby determines to: (i) acquire a leasehold interest in the Facility from the Company pursuant to the Lease Agreement; (ii) execute, deliver and perform the Lease Agreement; (iii) lease the Facility back to the Company pursuant to the Leaseback Agreement; (iv) execute, deliver and perform the Leaseback Agreement; (v) execute, deliver and perform the PLOT Agreement; (vi) execute, deliver and perform the Environmental Compliance and Indemnification Agreement; and (v) grant to the Bank a mortgage and security interest in the Agency's interest in the Facility.

Section 3. The Agency is hereby authorized to accept a leasehold interest in the real property described in Exhibit A to the Lease Agreement and the personal property described in Exhibit B to the Lease Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Agency with respect to such acquisition are hereby approved, ratified and confirmed.

Section 4. The form and substance of the Lease Agreement, the Leaseback Agreement, the PLOT Agreement and the Environmental Compliance and Indemnification Agreement (each in substantially the forms presented to the Agency and which, prior to the execution and delivery thereof, may be redated) are hereby approved. The form and substance of the financing documents are hereby approved, subject to review and approval by Agency counsel.

Section 5.

(a) The Chairman, Vice Chairman, Secretary or any member of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver the Lease Agreement, the Leaseback Agreement, the PLOT Agreement and the Environmental Compliance and Indemnification Agreement, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chairman, Vice Chairman, Secretary or any member of the

Agency shall approve, and such other related documents as may be, in the judgment of the Chairman and Agency Counsel, necessary or appropriate to effect the transactions contemplated by this resolution, including but not limited to any financing documents (hereinafter collectively called the "Closing Documents"). The execution thereof by the Chairman, Vice Chairman, or any member of the Agency shall constitute conclusive evidence of such approval.

(b) The Chairman, Vice Chairman, Secretary or member of the Agency are further hereby authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Leaseback Agreement).

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

Section 7. This resolution shall take effect immediately.

CITY OF UTICA INDUSTRIAL
DEVELOPMENT AGENCY

By:

Mark N. Spack, Asst. Secretary

~~Emmett Martin II, Secretary~~

June IN WITNESS WHEREOF, I have hereunto set my hand as of this *31st* day of ~~May~~ *June* 2013.

I FURTHER CERTIFY that (i) all members of the Agency 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, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

That the Lease Agreement, the Leaseback Agreement, the PILOT Agreement and the Environmental Compliance and Indemnification Agreement contained in this transcript of proceedings are each in substantially the form presented to the Agency and/or approved by said meeting.

That I have compared the annexed extract of the minutes of the meeting of the City of Utica Industrial Development Agency (the "Agency"), including the resolutions contained therein, held on the 2nd day of October 2012 with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

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

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

CITY OF UTICA

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

JOSEPH HOBIKA, SR.
CHAIRMAN

JACK SPAETH
EXECUTIVE DIRECTOR



ROBERT PALMIERI
MAYOR

September 25, 2012

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

Re: 1002 Oswego Street, LLC Facility

Dear Sir:

On October 2, 2012 at 8:30 a.m. local time at Utica City Hall, Department of Urban and Economic Development Conference Room, One Kennedy Plaza, Utica, New York, the City of Utica Industrial Development Agency (the "Agency") will meet to consider a final authorizing resolution regarding this project for the use of 1002 Oswego Street, LLC. (the "Company").

The Company has applied to the Agency for financial assistance in connection with a project consisting of the acquisition of a 7.00± acre parcel of vacant land formerly known as the "Land"; the construction on the Land of a 45,600± square foot commercial building and a convenience store to be constructed in the future on a 2± acre outparcel (collectively, the "Improvements") and the acquisition and installation of machinery and equipment in the "Improvements" (the "Equipment") (the Land, the Improvements and the Equipment referred to collectively as the "Facility") all for the purpose of the distribution of automotive parts and lubricants, corporate headquarters for United Auto Supply and providing a retail convenience store.

The Agency contemplates it will provide financial assistance to the Company in the form of the issuance of a lease for ten (10) years, abatement of real property taxes for a period of ten (10) years, exemptions from sales and use taxes and exemptions from mortgage recording taxes. The financial assistance contemplated by the Agency constitutes a deviation from its standard policy in the following respects: the Agency shall lease the Facility to the Company for a period of ten years, during which time the Company shall make the following payments in lieu of taxes:

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| Year 1 | 50% of taxes |
| Year 2 | 50% of taxes |
| Year 3 | 50% of taxes |
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| Year 7 | 70% of taxes |
| Year 8 | 75% of taxes |
| Year 9 | 80% of taxes |
| Year 10 | 85% of taxes |
| After Year 10 | 100% of taxes |

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

- ✓ The nature of the proposed Facility – The Company proposes to construct a mixed-use commercial and retail facility in a distressed area.
- ✓ The nature of the Facility before the project begins – the Facility is a distressed vacant property that has been identified as a "brownfield site. The City has tried for several years to find a suitable developer for the property but environmental conditions have provided challenges.
- ✓ The economic condition of the area at the time of the application – the Facility is located in an area that has been designated an economic development zone pursuant to Article 18-B of the General Municipal Law, and is therefore located in a "highly distressed area" (as defined in Section 854(18) of the New York General Municipal Law) because the Facility is located in a designated Empire Development Zone as described in Article 18-B of the General Municipal Law
- ✓ 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 – For quite some time, the property has not generated any PILOT or tax payments at all. The commercial and retail facilities will also generate sales tax revenues.
- ✓ The impact of the proposed Facility on existing and proposed businesses and economic development projects in the vicinity – new commercial and retail facilities in this area will help to stabilize and revitalize downtown Utica, and will further the City of Utica Master Plan.
- ✓ The amount of private sector investment generated or likely to be generated by the proposed Facility The Company will be investing in excess of \$3 million to the facility over the next three years.
- ✓ The likelihood of accomplishing the proposed Facility in a timely fashion – the Company has substantial, long-term experience in operating similar facilities and, as such, has the marketplace knowledge and skills necessary to help the Facility realize its full potential
- ✓ 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 Jack Spaeth at the Agency at telephone number 792-0195.

Very truly yours,

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

By:



Jack N. Spaeth, Executive Director

JNS/sr

CITY OF UTICA

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

JOSEPH HOBIKA, SR.
CHAIRMAN

JACK SPARTH
EXECUTIVE DIRECTOR



ROBERT PALMIERI
MAYOR

September 25, 2012

Robert Palmieri
Mayor, City of Utica
One Kennedy Plaza
Utica, New York 13502

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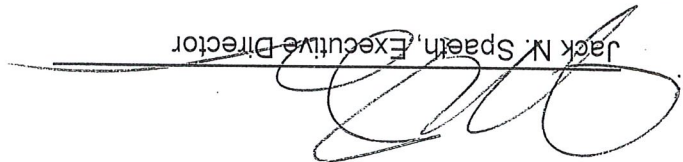
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Very truly yours,

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

By:



Jack M. Spaeth, Executive Director

JNS/sr

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JOSEPH HOBKKA, SR.
CHAIRMAN

JACK SPAETH
EXECUTIVE DIRECTOR



ROBERT PALMIERI
MAYOR

September 25, 2012

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

Re: 1002 Oswego Street, LLC Facility

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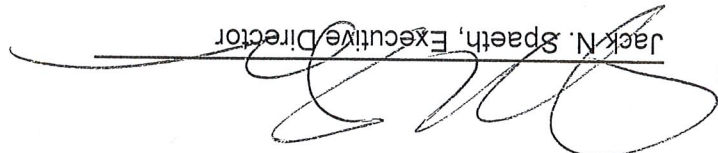
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CHAIRMAN

JACK SPAETH
EXECUTIVE DIRECTOR

September 25, 2012

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

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| Year 10 | 85% of taxes |
| After Year 10 | 100% of taxes |

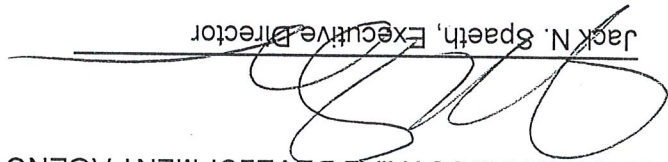
You are welcome to attend such meeting at which time you will have an opportunity, both orally and in writing, to present your views with respect to the project. We are providing this notice to you, pursuant to Chapters 356 and 357 of the Laws of 1993, as the chief executive officer of an affected tax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

Very truly yours,

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

By:



Jack N. Spaeth, Executive Director

JNS/isr

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY

Statement of Findings Pursuant
to Section 862(2) of the
General Municipal Law

City of Utica Industrial Development Agency (the "Issuer"), pursuant to the provisions of Section 862(2) of the General Municipal Law of the State of New York, hereby finds as follows:

1. 1002 Oswego Street LLC, on behalf of itself and/or the principals of 1002 Oswego Street LLC, and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the City of Utica Industrial Development Agency (the "Issuer") to enter into a transaction in which the Issuer will assist in the acquisition of a 7.00± acre parcel of vacant land formerly known as the Bossert Site located at 1002 Oswego Street, City of Utica, Oneida County, New York (the "Land"); the construction on the Land of a 45,600± square foot commercial building and a convenience store to be constructed in the future on a 2± acre outparcel (collectively, the "Improvements"), and the acquisition and installation of machinery and equipment in the Improvements (the "Equipment") (the Land, the Improvements and the Equipment referred to collectively as the "Facility") all for the purpose of the distribution of automotive parts and lubricants, corporate headquarters for United Auto Supply and providing a retail convenience store. The Company has requested that the Agency provide financial assistance in the form of issuance of a lease for ten (10) years, exemptions from sales and use taxes, exemptions from mortgage recording taxes and abatement of property taxes for a period of ten (10) years on the Facility, which benefits represent a deviation from the Issuer's Uniform Tax Exemption Policy.

2. After notice duly published in *The Observer-Dispatch* on September 19, 2012 and notice to all affected tax jurisdictions, the Agency conducted a public hearing (the "Public Hearing") on October 1, 2012 at 9:00AM at One Kennedy Plaza, Utica NY 13502. The minutes of the Public Hearing are attached hereto as Exhibit A.

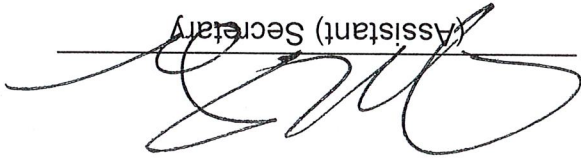
3. Based on information provided by the Company in the Application, the Agency finds as follows:

THE FACILITY IS LOCATED IN A "HIGHLY DISTRESSED AREA," AS SUCH TERM IS DEFINED IN SECTION 854(18) OF THE GENERAL MUNICIPAL LAW BECAUSE THE FACILITY IS LOCATED IN A DESIGNATED EMPIRE DEVELOPMENT ZONE AS DESCRIBED IN ARTICLE 18-B OF THE GENERAL MUNICIPAL LAW.

The Agency finds further that the Facility will serve the public purposes of Article 18-A of the General Municipal Law by preserving and increasing the overall number of permanent, private sector jobs in the State.

4. The Agency hereby determines to request Robert Palmieri, Mayor of the City of Utica, to confirm the proposed action of the Agency with respect to the Facility.

Dated: February 13, 2013


(Assistant) Secretary

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of February 2013.

I further CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of the State of New York, that all members of the Agency had due notice of said meeting and that the meeting was in all respects duly held.

That I have compared the Statement of Findings annexed hereto, adopted by the City of Utica Industrial Development Agency (the "Agency") at a meeting held on February 13, 2013, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such findings set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

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

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

EXHIBIT A

MINUTES OF PUBLIC HEARING HELD ON OCTOBER 1, 2012

CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY
LEASE-LEASEBACK TRANSACTION
(1002 OSWEGO STREET 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 Emmett Martin, Secretary of the Issuer, to record the minutes of the hearing.
3. The Chairman then described the proposed financial assistance and the location and nature of the Project Facility as follows:

1002 Oswego Street, LLC, on behalf of itself and/or the principals of 1002 Oswego Street, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Issuer to enter into a transaction in which the Issuer will assist in the acquisition of a 7.00± acre parcel of vacant land formerly known as the Bossert Site located at 1002 Oswego Street, City of Utica, Oneida County, New York (the "Land"); the construction on the Land of a 45,600± square foot commercial building and a convenience store to be constructed in the future on a 2± acre outparcel (collectively, the "Improvements") and the acquisition and installation of machinery and equipment in the Improvements (the "Equipment") (the Land, the Improvements and the Equipment referred to collectively as the "Facility") all for the purpose of the distribution of automotive parts and lubricants, corporate headquarters for United Auto Supply and providing a retail convenience store. The Facility will be initially owned, operated and/or managed by the Company. The Company will sublease a portion of the Facility to United Auto Supply of Syracuse West, Inc., and other portions of the Facility may be subleased to other commercial tenants.

The Issuer will acquire a leasehold interest in the Facility from the Company and leaseback the Facility to the Company for its operation. At the end of the lease term, the Issuer will terminate its leasehold interest. The Issuer contemplates it will provide financial assistance to the Company in the form of the issuance of a lease for ten (10) years, abatement of real property taxes for a period of ten (10) years, exemptions from sales and use taxes and exemptions from mortgage

recording taxes, which benefits represent a deviation from the Issuer's Uniform Tax Exemption Policy.

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

4. The Chairman then opened up the hearing for comments from the floor for or against the proposed 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:

John Langey, Andrew Brindisi and James Thrasher appeared on behalf of the Company. There were no comments.

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

CITY OF UTICA

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

JOSEPH HOBKA, SR.
CHAIRMAN

JACK SPAETH
EXECUTIVE DIRECTOR



ROBERT PALMIERI
MAYOR

February 13, 2013

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

Re: City of Utica Industrial Development Agency 2013 Lease-Leaseback Transaction
(1002 Oswego Street, LLC Facility)

Dear Mayor Palmieri:

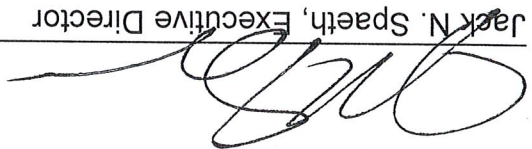
1002 Oswego Street, LLC, on behalf of itself and/or the principals of 1002 Oswego Street, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Issuer to enter into a transaction in which the Issuer will assist in the acquisition of a 7.00± acre parcel of vacant land formerly known as the Bossert Site located at 1002 Oswego Street, City of Utica, Oneida County, New York (the "Land"); the construction on the Land of a 45,600± square foot commercial building and a convenience store to be constructed in the future on a 2± acre outparcel (collectively, the "Improvements") and the acquisition and installation of machinery and equipment in the Improvements (the "Equipment") (the Land, the Improvements and the Equipment referred to collectively as the "Facility") all for the purpose of the distribution of automotive parts and lubricants, corporate headquarters for United Auto Supply and providing a retail convenience store. The Company has requested that the Agency provide financial assistance in the form of issuance of a lease for ten (10) years, exemptions from sales and use taxes, exemptions from mortgage recording taxes and abatement of property taxes for a period of ten (10) years on the Facility, which benefits represent a deviation from the Issuer's Uniform Tax Exemption Policy. The Facility will be "primarily used in making retail sales to customers who personally visit" such Facility, as such phrase is used in connection with Section 862 of the General Municipal Law.

On February 13, 2013, based on information contained in the Company's application, the Agency adopted a Statement of Findings relating to the Facility. A copy of the Statement of Findings is enclosed for your review.

Pursuant to Section 862(c) of the General Municipal Law, the Agency requests that you, as Chief Executive Officer of the municipality for whose benefit the Agency was created, execute the enclosed certificate confirming the proposed action of the Agency with respect to the Facility.

Respectfully submitted,

CITY OF UTICA INDUSTRIAL
DEVELOPMENT AGENCY



By:

Jack N. Spaeth, Executive Director

CERTIFICATE OF CHIEF EXECUTIVE OFFICER OF SPONSORING MUNICIPALITY
CONFIRMING ACTION OF CITY OF UTICA INDUSTRIAL DEVELOPMENT AGENCY WITH
RESPECT TO 1002 OSWEGO STREET, LLC IN ACCORDANCE WITH
SECTION 862(c) OF THE GENERAL MUNICIPAL LAW

WHEREAS, Robert Palmieri, Mayor of the City of Utica, has been advised by the City of Utica Industrial Development Agency (the "Agency") that the Agency proposes to provide financial assistance in the form of issuance of a lease for ten (10) years, exemptions from sales and use taxes, exemptions from mortgage recording taxes and abatement of property taxes for a period of ten (10) years on the Facility, which benefits represent a deviation from the Issuer's Uniform Tax Exemption Policy, to 1002 Oswego Street, LLC (the "Applicant") in connection with a Facility described below;

WHEREAS, the Facility consists of the acquisition of a 7.00± acre parcel of vacant land formerly known as the Bossert Site located at 1002 Oswego Street, City of Utica, Oneida County, New York (the "Land"); the construction on the Land of a 45,600± square foot commercial building and a convenience store to be constructed in the future on a 2± acre outparcel (collectively, the "Improvements") and the acquisition and installation of machinery and equipment in the Improvements (the "Equipment") (the Land, the Improvements and the Equipment referred to collectively as the "Facility") all for the purpose of the distribution of automotive parts and lubricants, corporate headquarters for United Auto Supply and providing a retail convenience store.

WHEREAS, on February 13, 2013, after consideration of the application and other information provided by the Company, the Agency adopted a Statement of Findings with respect to the Facility (the "Statement of Findings") a copy of which is attached hereto; and

WHEREAS, by resolution dated October 2, 2012, the Agency found that (1) the Project is located in an area that has been designated an economic development zone pursuant to Article 18-B of the General Municipal Law, and is therefore located in a "highly distressed area" (as defined in Section 854(18) of the New York General Municipal Law) because the Facility is located in a designated Empire Development Zone as described in Article 18-B of the General Municipal Law and (2) the Project will preserve permanent, private sector jobs in the State of New York and thereby serve the public purposes of the Act, and the Agency determined to undertake the Project as requested by the Applicants; and

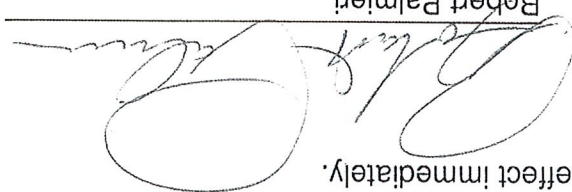
WHEREAS, pursuant to Section 862(c) of the General Municipal Law, the Agency is prohibited from providing financial assistance to the Facility unless the chief executive officer of its sponsoring municipality confirms the proposed action of the Agency with respect to the Facility.

NOW, THEREFORE, PURSUANT TO THE POWER VESTED IN ROBERT PALMIERI, MAYOR OF THE CITY OF UTICA, UNDER NEW YORK LAW, BE IT DETERMINED, APPROVED AND RESOLVED AS FOLLOWS:

1. For the sole purpose of complying with Section 862(c) of the General Municipal Law and based on the findings of the Agency set forth in the Statement of Findings, the Mayor of the City of Utica hereby confirms the proposed action of the Agency with respect to the Facility.

2. This confirmation shall take effect immediately.

Dated: February 26, 2013


Robert Palmieri
Mayor, City of Utica