

**RESOLUTION AUTHORIZING PILOT DEVIATION LETTER
AND PUBLIC HEARING TO AMEND PILOT
NORTHSTAR 41 LLC PROJECT**

A regular meeting of County of Clinton Industrial Development Agency (the "Agency") was convened in public session in the offices of the Agency located at 190 Banker Road, Suite 500 in the Town of Plattsburgh, Clinton County, New York on June 9, 2014 at 12:00 o'clock p.m., local time.

The meeting was called to order by the (Vice) Chairperson of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Trent Trahan	Chairperson
David Hoover	Vice Chairperson
Michael E. Zurlo	Secretary
Keith Defayette	Treasurer and Chief Financial Officer
Kim Murray	Assistant Secretary
Mark Leta	Member
John VanNatten	Member

EXCUSED:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Erin M. Hynes	Executive Director
Barbara Shute	Recording Secretary
George W. Cregg, Jr., Esq.	Agency Counsel

The following resolution was offered by J. VanNatten, seconded by K. Murray, to wit:

Resolution No. 06-14-05

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO (A) SEND A LETTER TO THE CHIEF EXECUTIVE OFFICERS OF THE AFFECTED TAXING ENTITIES INFORMING THEM OF A PROPOSED DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY AND (B) CONDUCT A PUBLIC HEARING IN CONNECTION WITH THE PROPOSED NORTHSTAR 41 LLC PROJECT

WHEREAS, County of Clinton Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 225 of the 1971 Laws of New York, as amended, constituting Section 895-f of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial, manufacturing and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health,

general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more “projects” (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on February 28, 2014 (the “Closing”), the Agency entered into a lease agreement dated as of February 1, 2014 (the “Lease Agreement”) by and between the Agency and Northstar 41 LLC (the “Company”) for the purpose of undertaking a project (the “Project”) consisting of the following: (A)(1) the acquisition of an interest in a portion of an approximately 55.70 acre parcel of land located at 641 Ridge Road (Tax Map # 78.-1-13.1) in the Town of Chazy, Clinton County, New York (the “Land”), together with an existing approximately 386,000 square foot building located thereon (the “Facility”), (2) the renovation of the Facility and making of other improvements including but not limited to, parking (collectively, the “Improvements”) and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property, including without limitation, tenant improvement and finish (the “Equipment”) (the Land, the Facility, the Improvements and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to be leased by the Company to manufacturing, warehousing, commercial and other industrial multi-use tenants for long term leases; (B) the granting of certain “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from sales taxes, real property transfer taxes, mortgage recording taxes and real estate taxes (collectively, the “Financial Assistance”); and (C) the lease of the Project Facility to the Company pursuant to the terms of a lease agreement dated as of February 1, 2014 (the “Lease Agreement”) by and between the Company and the Agency; and

WHEREAS, simultaneously with the execution and delivery of the Lease Agreement, (A) the Company executed and delivered to the Agency (1) a certain lease to agency dated as of February 1, 2014 (the “Lease to Agency”) by and between the Company, as landlord, and the Agency, as tenant, pursuant to which the Company leased to the Agency a portion of the Land and all improvements now or hereafter located on said portion of the Land (collectively, the “Leased Premises”) for a lease term ending on December 31, 2024; (2) a certain license agreement dated as of February 1, 2014 (the “License to Agency”) by and between the Company, as licensor, and the Agency, as licensee, pursuant to which the Company granted to the Agency (a) a license to enter upon the balance of the Land (the “Licensed Premises”) for the purpose of undertaking and completing the Project and (b) in the event of an occurrence of an Event of Default by the Company, an additional license to enter upon the Licensed Premises for the purpose of pursuing its remedies under the Lease Agreement; and (3) a bill of sale dated as of February 1, 2014 (the “Bill of Sale to Agency”), which conveyed to the Agency all right, title and interest of the Company in the Equipment, (B) the Company and the Agency executed and delivered (1) a payment in lieu of tax agreement dated as of February 1, 2014 (the “Original Payment in Lieu of Tax Agreement”) by and between the Agency and the Company, pursuant to which the Company agreed to pay certain payments in lieu of taxes with respect to the Project Facility, (2) a certain recapture agreement (the “Section 875 GML Recapture Agreement”) by and between the Company and the Agency, required by the Act, regarding the recovery or recapture of certain sales and use taxes; (C) the Agency filed with the assessor and mailed to the chief executive officer of each “affected tax jurisdiction” (within the meaning of such quoted term in Section 854(16) of the Act) a copy of a New York State Board of Real Property Services Form 412-a (the form required to be filed by the Agency in order for the Agency to obtain a real property tax exemption with respect to the Project Facility under Section 412-a of the Real Property Tax Law) (the “Real Property Tax Exemption Form”) relating to the Project Facility and the

Original Payment in Lieu of Tax Agreement, (D) the Agency executed and delivered to the Company a sales tax exemption letter (the “Sales Tax Exemption Letter”) to ensure the granting of the sales tax exemption which forms a part of the Financial Assistance and (E) the Agency filed with the New York State Department of Taxation and Finance the form entitled “IDA Appointment of Project Operator or Agent for Sales Tax Purposes” (the form required to be filed pursuant to Section 874(9) of the Act) (the “Thirty-Day Sales Tax Report”); and

WHEREAS, the Company has made a request to the Agency (the “Pilot Request”) that the Agency amend the Original Payment in Lieu of Tax Agreement pursuant to an amendment to payment in lieu of tax agreement (the “First Amendment to Payment in Lieu of Tax Agreement”) by and between the Agency and the Company; and

WHEREAS, the First Amendment to Payment in Lieu of Tax Agreement will be a deviation from the Agency’s uniform tax exemption policy, said deviation as outlined in Exhibit A attached hereto and as outlined by the Executive Director of the Agency at this meeting; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency’s uniform tax exemption policy, the Agency must give the chief executive officers of the County and each city, town, village and school district in which the Project Facility is located (collectively, the “Affected Tax Jurisdictions”) prior written notice of the proposed deviation from the Agency’s uniform tax exemption policy and the reasons therefor; and

WHEREAS, pursuant to Section 856(15) of the Act, unless otherwise agreed by the affected tax jurisdictions, payments in lieu of taxes must be allocated among the affected tax jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected tax jurisdiction had the Project Facility not been tax exempt due to the status of the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43 B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Part 617, as amended (the “Regulations” and collectively with the SEQR Act, “SEQRA”), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to enter into the First Amendment to Payment in Lieu of Tax Agreement (the “Amendment”); and

WHEREAS, pursuant to SEQRA, the Agency has examined the Amendment in order to make a determination as to whether the Amendment is subject to SEQRA, and it appears that the Amendment constitutes a Type II action under SEQRA; and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any financial assistance of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing with respect said project;

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

Section 1. Based upon an examination of the Amendment, the Agency hereby determines that the Amendment constitutes a “Type II action” pursuant to 6 NYCRR 617.5(26), and therefor that, pursuant to 6 NYCRR 617.6(1)(i), the Agency has no further responsibilities under SEQRA with respect to the Amendment.

Section 2. Subject to receipt by the Agency of written approval of the Pilot Request by the Affected Tax Jurisdictions, the Agency hereby authorizes the Executive Director of the Agency, after consultation with the members of the Agency and Agency Counsel, (A) to establish the time, date and place for a public hearing of the Agency to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Amendment, said public hearing to be held in the city, town or village where the Project Facility is or is to be located; (B) to cause notice of such public hearing to be given to the public by publishing a notice of such hearing in a newspaper of general circulation to available to the residents of the governmental units where the Project Facility is or is to be located, such notice to comply with the requirements of Section 859-a of the Act; (C) to cause notice of said public hearing to be given to the chief executive officer of the county and each city, town, village and school district in which the Project Facility is or is to be located to comply with the requirements of Section 859-a of the Act; (D) to conduct such public hearing; and (E) to cause a report of said public hearing fairly summarizing the views presented at said public hearing to be promptly prepared and cause copies of said report to be made available to the members of the Agency.

Section 3. Having considered the Company’s Pilot Request, the Executive Director, subject to receipt by the Agency of written approval of the Pilot Request by the Affected Tax Jurisdictions, is hereby authorized to send a written notice to the chief executive officers of each of the Affected Tax Jurisdictions (A) informing them that the Agency is considering a proposed deviation, as outlined in Exhibit A and as outlined by the Executive Director of the Agency at this meeting, from its uniform tax exemption policy with respect to the Project and the reasons therefor and (B) soliciting any comments that such Affected Tax Jurisdictions may have with respect to said proposed deviation.

Section 4. The Chairperson, Vice Chairperson and/or Executive Director of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 5. This Resolution shall take effect immediately.

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

Trent Trahan	VOTING	<u>YES</u>
David Hoover	VOTING	<u>YES</u>
Michael E. Zurlo	VOTING	<u>YES</u>
Keith Defayette	VOTING	<u>YES</u>
Kim Murray	VOTING	<u>YES</u>
Mark Leta	VOTING	<u>YES</u>
John VanNatten	VOTING	<u>YES</u>

The foregoing Resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of County of Clinton Industrial Development Agency (the “Agency”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on June 9, 2014 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 9th day of June, 2014.

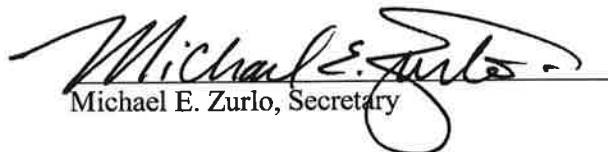

Michael E. Zurlo, Secretary



EXHIBIT A
PROPOSED FORM OF DEVIATION

- SEE ATTACHED -



VIA ELECTRONIC MAIL AND REGULAR MAIL

May 9, 2014

Erin M. Hynes, Executive Director
COUNTY OF CLINTON INDUSTRIAL
DEVELOPMENT AGENCY
190 Banker Road, Suite 500
Plattsburgh, New York 12901

RE: NORTHSTAR 41 PILOT LEASE/LEASEBACK TRANSACTION

Dear Erin,

Pursuant to Section 6.6(e) of the Lease Agreement, and on behalf of the Tenant, Northstar 41 LLC and kindly consider this letter as a formal request to the County of Clinton Industrial Development Agency for a deviation from the existing Payment in Lieu of Tax Agreement ("PILOT"), dated February 1, 2014.

We are seeking deviation from the existing PILOT agreement in two (2) respects. First, we would request the PILOT agreement be amended to provide that the current assessment upon which the PILOT payments are calculated be fixed for the term of the Agreement (10 years). Secondly, the Tenant requests that the PILOT Agreement be amended to provide that the PILOT payment on the portion of assessment attributable to land shall be calculated in the same manner as the PILOT payments are calculated on the portion of assessment attributable to improvements as set forth in Article II, Section 2.02(C)(4).

Enclosed herewith please find the letter of Stephen Podd, as a Director of Northstar 41 LLC submitted in support of the requested deviations.

Please do not hesitate to contact this office for any further information or documentation required to support this request. Thank you.

Very truly yours,

O'CONNELL AND ARONOWITZ, P.C.

By: 
William A. Favreau

WAF/dpm
Enclosures

cc: Stephen Podd (via email only)
Victor Podd (via email only)
Karen Lamberton (via email only)
Nadene Zeigler, Esq. (via email only)

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54 STATE STREET
ALBANY, NY 12207-2501
TEL: (518) 462-5601

RESPOND TO:
206 WEST BAY PLAZA
PLATTSBURGH, NY 12901-1786
TEL: (518) 562-0600
FAX: (518) 562-0657

www.oalaw.com

1 COURT STREET
SARATOGA SPRINGS, NY 12866-4301
TEL: (518) 584-5205

EDWARD J. O'CONNELL
1925-1939
SAMUEL E. ARONOWITZ
1925-1973
LEWIS A. ARONOWITZ
1951-1979

CORNELIUS D. MURRAY
NEIL H. RIVCHIN
FRED B. WANDER
STEPHEN R. COFFEY
JEFFREY J. SHERRIN
WILLIAM A. FAVREAU
THOMAS J. DINOVO
NANCY SCIOCCHETTI
PAMELA A. NICHOLS
DONALD W. BIGGS
JAMIDURANTE
ROGOWSKI
HEDI DENNIS
DAVID R. ROSS
KURT E. BRATTEN
MICHAEL P. McDERMOTT
KELLY J. MIKULLITZ

OF COUNSEL

PETER DANZIGER
MATTHEW J. DORSEY
DAVID W. MORRIS
RICHARD S. HARROW
MEREDITH H. SAVITT
F. MATTHEW JACKSON

WILLIAM F. BERGLUND
SARA B. FEDELE
DAVID E. NARDOLILLO
MICHAEL D. KOGUT
JOHN A. MUSACCHIO
JESSICA M. ZWICKLBAUER
CRISTINA D. COMMISSO
BRITTINAY M. McMAHON
DANIELLE S. HOLLEY
BENJAMIN S. BARRY
CAITLIN J. MONJEAU



County of Clinton Industrial Development Agency (CCIDA)
190 Banker Road
Suite 500
Plattsburgh, NY 12901

RE: Northstar 41 PILOT Lease/Leaseback transaction

March 3, 2014

To Whom It May Concern:

This letter is to request and have your support for a deviation to the standard Straight Lease for the transactions that we were seeking, PILOT, Sales Tax Exemption and Mortgage Recording Exemption.

We would like to request the deviation to have the current assessment of \$3MM held for the life of the Lease transaction, along with the land being fully included in the exemption amount.

As the CCIDA is fully aware, this project requires substantial cash flow, including marketing, maintenance, retrofitting and operating expenses. We are marketing with one of the top firms for this type of building, and this additional deviation for taxes, puts us ahead of the competition. We are currently in negotiation with several possible tenants to come to the Northstar facility. However, in order to entice them to this remarkable facility, we need to be able to keep costs down to as low as possible to offer the best rental rates. Along with offering these rates, they need to be assured we could hold rates for a period of time with minimal or no increases. One of the issues we emphasize is the PILOT agreement where we would be able to offer real estate taxes at a reduced rate for ten years, and would be based on the current assessment, so they know this will be fixed for ten years.

This additional incentive that will be passed on to these tenants to make this facility more attractive to them is a very crucial one, as this alone could be the difference between a new tenant (possibly a ten year lease) or none.

Therefore, we ask you to consider and approve this request for these two deviations, so we can move forward with our current lease negotiations as quoted, and not have to revise them, and hopefully proceed with getting this facility back to full capacity.

Thanking you in advance and feel free to contact me at 518-297-4000 with any questions.

Sincerely,
Northstar 41 LLC

A handwritten signature in black ink, appearing to read "Stephen Podd", is written over the typed name.

Stephen Podd
Director

KML/
NORTHSTAR PRIVATE CAPITAL LLC - ONE LINCOLN BLVD - ROUSES POINT , NY 12979