

AMENDED APPROVING RESOLUTION

A regular meeting of the County of Oswego Industrial Development Agency was convened in public session on February 3, 2010, at 3:20 p.m., at 44 West Bridge Street, Oswego, New York.

The meeting was called to order by the Chair and, upon the roll being duly called, the following members were:

Present: Jonathan Daniels, Arthur W. Ospelt, Carolyn A. Rush, Morris Sorbello and Gary T. Toth

Absent: Donald H. Kunzwiler and H. Leonard Schick

Also Present: L. Michael Treadwell, David S. Dano, Kevin C. Caraccioli, Jacob Mulcahey and Mary M. Flett

The following resolution was duly offered and seconded:

RESOLUTION AMENDING PRIOR RESOLUTIONS ADOPTED BY THE AGENCY IN CONJUNCTION WITH UNDERTAKING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A CERTAIN PROJECT, APPOINTING OSWEGO HAMILTON HOMES PHASE III, LLC, AND OSWEGO HAMILTON HOMES PHASE IV, LLC, AS AGENTS OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, APPROVING AN AMENDED PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND OSWEGO HAMILTON HOMES PHASE III, LLC AND OSWEGO HAMILTON HOMES PHASE IV, LLC,

WHEREAS, the County of Oswego Industrial Development Agency (the “**Agency**”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “**State**”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the “**Act**”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, 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 grant “financial assistance” (as defined in the Act) in connection with the

acquisition, reconstruction and equipping of one or more “projects” (as defined in the Act); and

WHEREAS, on or about December 4, 2006, Housing Visions Consultants, Inc., a New York not-for-profit corporation (the “**Applicant**”), on behalf of Oswego Hamilton Homes, LLC (“**OHH, LLC**”) and other entities to be formed, submitted an application to the Agency (“**Application**”), a copy of which is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the “**Project**”) to be completed in one or more phases and consisting of: (i) the acquisition of a leasehold interest in approximately 14 acres of improved real property (the “**Land**”) located at 91 and 96 Hamilton Street, in the City of Oswego, Oswego County; (ii) the interior demolition of 27 residential buildings and reconstruction and rehabilitation thereof for use as an approximately 189 unit affordable housing facility and incidental administrative office space (the “**Facility**”), all located on the Land; (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (the “**Equipment**”) (the Land, Facility and Equipment are hereinafter collectively referred to as the “**Project Facility**”); (iv) the granting of certain financial assistance in the form of exemptions from real property tax, mortgage recording tax, and sales and use taxation (collectively, the “**Financial Assistance**”); and (v) the lease with an obligation to purchase or sale of the Project Facility to the Company pursuant to an agreement; and

WHEREAS, the Agency previously adopted resolutions, which among other things, authorized the undertaking of the project, a determination that the Project constituted a “Type II Action” as such term is defined in SEQRA for which no further review is required, the appointment of OHH, LLC as its agent for purposes of completing the Project, a payment in lieu of tax agreement and the granting of certain other financial assistance (hereinafter collectively referred to as the “**Resolutions**”);

WHEREAS, thereafter OHH, LLC submitted a supplemental application (the “**Supplement Application**”), a copy of which is on file at the office of the Agency, clarifying the identity of the entities to be formed and the scope of the phases associated with the Project as well as the financial assistance being provided in conjunction with each phase and the Agency conducted a public hearing in accordance with the Act with respect to the Supplemental Application; and

WHEREAS, the Agency adopted a resolution on January 21, 2010 authorizing and approving, among other things, the amendments and modifications set forth in the Supplemental Application; and

WHEREAS, the Applicant, on behalf of OHH, LLC and two (2) entities, either formed or to be formed and named or intended to be named, Oswego Hamilton Homes Phase III, LLC (“**Phase III, LLC**”) and Oswego Hamilton Homes Phase IV, LLC (“**Phase IV, LLC**” and together with Phase III, LLC and OHH, LLC collectively referred to herein as the “**Companies**”), submitted a second supplemental application (“**Second Supplemental Application**”) dated January 15, 2010, a copy of which is on file at the office of the Agency, further clarifying the scope of certain phases of the Project and providing for an additional phase of the project, at the discretion of the Company, and clarifying the financial assistance to be provided to the Project, all as more fully set forth in the public hearing notice, a copy of which is attached hereto as Exhibit “A”; and

WHEREAS, the Agency conducted a public hearing with respect to the Second Supplemental Application on February 1, 2010 pursuant to Section 859-a of the Act, notice of which was published on January 21, 2010 in the Palladium Times, a newspaper of general circulation in the County of Oswego, New York and given to the chief executive officers of the affected tax jurisdictions by letter dated January 21, 2010; and

WHEREAS, the Agency now wishes to amend its Resolutions in order to clarify the identity and scope of phase III and the financial assistance being provided in conjunction with phase III and IV, if applicable, of the Project as outlined in the public hearing notice;

NOW, THEREFORE, be it resolved by the members of the County of Oswego Industrial Development Agency, as follows:

Section 1. It is the policy of the State to promote the economic welfare, recreational opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

Section 2. Based upon the representations made by the Company to the Agency, the Agency hereby makes the following determinations:

- a) The Agency ratifies all prior Resolutions passed in connection with this proposed Project as amended hereby.
- b) The Agency approves the clarification of the identity and scope of phase III, and the creation of phase IV, as well as the clarification of the financial assistance being provided in conjunction with each phase of the Project, all as more fully described in the attached public hearing notice.

Section 3. Subject to the conditions set forth in Section 4.02 of the Agreement (hereinafter defined), the Agency will (i) continue its controlling interest in the Project Facility pursuant to a certain lease agreement, as same may be amended in accordance herewith, (the “**Lease**”) to be entered into between some or all of the Companies and the Agency; (ii) lease or sell the Project Facility to some or all of the Companies pursuant to an agreement, as same may be amended in accordance herewith, (the “**Sublease**” and with the Lease, the “**Lease Documents**”) to be entered into between the Agency and some or all of the Companies; (iii) amend the current PILOT agreement with the Companies (“**PILOT Agreement**”) to allow for the allocation of the PILOT payments by and among Phase III, LLC, and/or Phase IV, LLC, as applicable, all in accordance herewith; (iv) grant the Financial Assistance; (v) provided that no default shall have occurred and be continuing under the Lease Documents or the PILOT Agreement, consent to the assignment to and assumption by one or more of the Companies’ affiliates of the Lease Documents and PILOT Agreement in connection with the subdivision of the Land and award of tax credits and the release of the Companies’ of their obligations with respect to such subdivided parcel on such terms and conditions as shall be consistent with the Resolution; and (vi) execute and deliver all

other certificates and documents necessary or appropriate for the grant of the Financial Assistance or requested by the Company or its commercial lender(s) in connection with financing for the Project or one or more phases thereof.

Section 4. The form and substance of the proposed agreement (in the form and on the terms and conditions as presented at this meeting and attached hereto as Exhibit “B”) (the “*Agreement*”) between the Agency and one or more of the Companies setting forth the preliminary undertakings of the Agency and one or more of the Companies with respect to the Project Facility are hereby approved. The Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, in substantially the same form as presented at this meeting and attached hereto as Exhibit “B”, with changes in terms and form as shall be consistent with this Resolution and as the Chairman or Chief Executive Officer shall approve consistent with this Resolution. The execution thereof by the Chairman or Chief Executive Officer shall constitute conclusive evidence of such approval.

Section 5. Subject to the due execution and delivery by each of the Companies, as applicable, of the Agreement, the Companies shall be singularly appointed, as applicable, the true and lawful agent of the Agency to proceed with the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf. The appointment made by this Section 5 shall not be effective until the Agreement referred to in Section 4 hereof is duly executed and delivered by the Company.

Section 6. A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

Section 7. The Chief Executive Officer 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 8. Counsel to the Agency and special Agency counsel are hereby authorized to work with the Company, and others to prepare, for submission to the Agency, all documents necessary to effectuate any transfer of the Company’s interest in the subdivided Land as anticipated by this Resolution as well as the Resolutions.

Section 9. This Resolution shall take effect immediately.

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

	<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Jonathan Daniels	X			
Donald H. Kunzwiler				X
Arthur W. Ospelt	X			
Carolyn A. Rush	X			
H. Leonard Schick				X
Morris Sorbello	X			
Gary T. Toth		X		

The resolution was thereupon declared duly adopted.

State of New York)
) ss.:
County of Oswego)

I, the undersigned Chief Executive Officer of the County of Oswego Industrial Development Agency, Do Hereby Certify that (i) I have compared the annexed extract of the minutes of the meeting of the County of Oswego Industrial Development Agency (the “**Agency**”) held on February 3, 2010, 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 the whole of such original insofar as the same relates to the subject matters referred to therein.

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

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Agency on February 3, 2010.

L. Michael Treadwell
Chief Executive Officer

(SEAL)

EXHIBIT "A"

NOTICE OF PUBLIC HEARING ON PROPOSED PROJECT AND FINANCIAL ASSISTANCE

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 859-a of the New York General Municipal Law will be held by the County of Oswego Industrial Development Agency (the "**Agency**") on the 1st day of February, 2010 at 9:00 o'clock a.m. local time, at 44 West Bridge St., Oswego, NY, in connection with the following matter:

Housing Visions Consultants, Inc., a New York not-for-profit corporation ("**Applicant**"), on behalf of Oswego Hamilton Homes, LLC ("**OHH, LLC**") and two (2) entities, either formed or to be formed and named or intended to be named, Oswego Hamilton Homes Phase III, LLC ("**Phase III, LLC**") and Oswego Hamilton Homes Phase IV, LLC ("**Phase IV, LLC**") and together with Phase III, LLC and OHH, LLC collectively referred to herein as the "**Companies**"), submitted a second supplemental application ("**Second Supplemental Application**") dated January 15, 2010, which application supplements a previous application submitted December 4, 2006, as amended, which culminated in an inducement resolution dated February 16, 2007 (the "**Inducement Resolution**"), granting to OHH, LLC certain financial assistance ("**Financial Assistance**") in the form of exemptions to real property tax ("**PILOT**"), mortgage recording tax and sales and use taxation in connection with a project ("**Project**") consisting of (i) OHH, LLC's acquisition and lease to the Agency of 14 acres of improved real property ("**Land**") located at 91 and 96 Hamilton Street, in the City of Oswego, Oswego County; (ii) the interior demolition of 27 residential buildings and reconstruction and rehabilitation thereof for use as an approximately 189 unit affordable housing facility and incidental administrative office space (the "**Facility**"), all located on the Land; and (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (the "**Equipment**") (the Land, Facility and Equipment are hereinafter collectively referred to as the "**Project Facility**"). The Inducement Resolution contemplated that the Project would be accomplished in three (3) phases.

Following the Inducement Resolution, OHH, LLC submitted a first Supplemental Application to the Agency on November 14, 2007 ("**First Supplemental Application**") which specifically set forth the subdivision of the Land and conveyance thereof to the separate, single purpose entities wholly controlled by OHH, LLC; namely, Phase I, LLC, Phase II, LLC and Phase III, LLC, and requested the bifurcation, then trifurcation of the PILOT, and delineated the financial assistance with respect to each phase. The First Supplemental Application resulted in an amended inducement resolution dated December 11, 2007 (the "**Amended Inducement Resolution**") which clarified the identity and scope of each of the three phases and the financial assistance being provided for each phase; and

The Second Supplemental Application now requests: (i) the ability to develop the Project in up to four (4) phases by bifurcating what was identified as Phase III in the Amended Inducement Resolution into a Phase III and Phase IV (which phases may be developed separately or jointly); (ii) the further bifurcation of the PILOT to allow for Phase III and Phase IV, if applicable; and (iii) a delineation of the financial assistance with respect to Phase III and Phase IV as follows:

Phase III: convey approximately 2.15 acres of the Land to Phase III, LLC. This section of the Land shall consist of five (5) of the original 27 buildings; approximately thirty-six (36) of the 189 affordable housing units associated with the Project at a total Phase III - Project Facility reconstruction and rehabilitation cost of approximately \$9,807,597; and

Phase IV: convey the remaining Land to Phase IV, LLC. The remaining Land shall consist of all remaining buildings; all remaining of the 189 affordable housing units at a total Phase IV - Project Facility reconstruction and rehabilitation cost of approximately \$6,012,322.

The Applicant, on behalf of the Companies, has requested that the Agency amend its grant of financial assistance (as defined in Section 854(14) of the General Municipal Law) by allowing the Agency's leasehold interest in the Project Facility to be modified to now include, in addition to Phase I, LLC, Phase II, LLC and Phase III, LLC, Phase IV, LLC, as the case may be, and similarly modifying the PILOT to accommodate the rehabilitation and reconstruction of the entire Project Facility in up to four (4) phases.

The Agency is considering the Applicant's request on behalf of the Companies to revise and grant the requested amended Financial Assistance, and more specifically to modify and amend the Lease and PILOT previously granted and set forth in Inducement Resolution and the Amended Inducement Resolution, to reflect the Companies; and continuing and extending the Financial Assistance to Phase I, LLC, Phase II, LLC, Phase III, LLC and Phase IV, LLC, as the case may be.

The Agency will, at the above-stated time and place hear all persons with views in favor of or opposed to the requested amended Financial Assistance. Copies of the Supplemental Applications including a cost/benefit analysis is available at the office of the Agency for review by interested persons.

COUNTY OF OSWEGO INDUSTRIAL DEVELOPMENT AGENCY

Dated: January 19, 2010

EXHIBIT “B”

AGENCY/COMPANY AGREEMENT

AGREEMENT

This Agreement is between the County of Oswego Industrial Development Agency (the “**Agency**”), and [Oswego Hamilton Homes Phase III, LLC (“**Phase III, LLC**” or the “**Company**”) and/or Oswego Hamilton Homes Phase IV, LLC (“**Phase IV, LLC**” or the “**Company**”)] a limited liability company organized and existing under the laws of the State of New York.

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 Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “**State**”), as amended, together with Chapter 234 of the Laws of 1973 of the State of New York, as amended from time to time (collectively, the “**Act**”) to grant “financial assistance” (as defined in the Act) in connection with “Projects” (as defined in the Act) and to lease or sell the same upon such terms and conditions as the Agency may deem advisable.

1.02. The purposes of the Act are to promote, attract, encourage and develop recreation and economically sound commerce and industry in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration. The Act vests the Agency with all powers necessary to enable it to accomplish such purposes, including the power to grant financial assistance.

1.03. Housing Visions Consultants, Inc., a New York not-for-profit corporation (the “**Applicant**”), on behalf of Oswego Hamilton Homes, LLC (“**OHH, LLC**”) and other entities to be formed, previously requested that the Agency undertake a project, as same may have been amended from time to time, (the “**Project**”) to be completed in one or more phases and consisting of: (A)(i) the acquisition of a leasehold interest in approximately 14 acres of improved real property (the “**Land**”) located at 91 and 96 Hamilton Street, in the City of Oswego, Oswego County; (ii) the interior demolition of 27 residential buildings and reconstruction and rehabilitation thereof for use as an approximately 189 unit affordable housing facility and incidental administrative office space (the “**Facility**”), all located on the Land; (iii) the acquisition of and installation in the Facility of various machinery, equipment and furnishings (the “**Equipment**”) (the Land, Facility and Equipment are hereinafter collectively referred to as the “**Project Facility**”); (B) the granting of certain financial assistance, as defined in Section 854(14) of the Act (the “**Financial Assistance**”) in the form of exemption from real property taxes, sales and use taxes and mortgage recording tax and (C) the lease of the Project Facility back to the Company pursuant to a sublease agreement.

1.04. Whereas the Applicant on behalf of OHH, LLC has requested a modification and clarification of the scope of certain phases of the Project and for an optional additional phase of the project, at the discretion of OHH, LLC, and clarification of the financial assistance to be provided to the Project.

1.05 OHH, LLC hereby represents to the Agency that undertaking the Project, as amended, the appointment of the Company as the agent of the Agency for the reconstruction, construction and equipping of the Project Facility and the grant of Financial Assistance (A) will be an inducement to the Company to develop and operate the Project Facility in the County of Oswego, and (B) will not result in the removal of any commercial, industrial or manufacturing plant or facility of the Company or of any other proposed occupant of the Project Facility from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State.

1.06. The Agency has determined that the acquisition, reconstruction, construction and equipping of the Project Facility and the leasing of the same to the Company will promote and further the purposes of the Act.

1.07. On February 3, 2010, the Agency adopted a resolution (the “***Amended Approving Resolution***”) preliminarily agreeing, subject to the satisfaction of all conditions precedent set forth in such resolution, to appoint [Phase III, LLC and/or Phase IV, LLC] as the Agency’s agent for the reconstruction, construction and equipping of the Project Facility.

1.08 In the Amended Approving Resolution, subject to the execution of this Agreement by the Company and other conditions set forth therein and herein the Agency appointed [Phase III, LLC and/or Phase IV, LLC] as its agent for the purposes of reconstructing, constructing and equipping the Project Facility, entering into contracts and doing all things requisite and proper for reconstructing and equipping the Project Facility.

Article 2. Undertakings on the Part of the Agency. Based upon the statements, representations and undertakings of the Company and subject to the conditions set forth herein, the Agency agrees as follows:

2.01. Reserved.

2.02. The Agency will adopt such proceedings and authorize the execution of such documents as may be necessary or advisable for (A) the designation of the [Phase III, LLC and/or Phase IV, LLC] as the Agency’s agent, (B) the acquisition, reconstruction, construction and equipping of the Project Facility, and (C) the leasing and subleasing of the Project Facility to the Company, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company.

2.03. The Agency will enter into an agreement, or amended agreements,

as applicable, to lease the Project Facility from and sublease the Project Facility to the Company (collectively, the “***Lease Documents***”). The Lease Documents shall contain all provisions required by law and such other provisions as shall be mutually satisfactory to the Agency and the Company.

2.04. The Company may proceed with the acquisition, reconstruction, construction and equipping of the Project Facility and advance such funds as may be necessary to accomplish such purposes.

2.05 Subject to Section 4.02 hereof, the Company is appointed the true and lawful agent of the Agency for the reconstruction, construction and equipping of the Project Facility, and to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency, and in general to do all things which may be requisite or proper for the reconstruction, construction and equipping of the Project Facility, all with the same powers and the same validity as if the Agency were acting in its own behalf.

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

3.01. Prior to the grant of exemption from real property taxes, the Company will enter into an amended Payment in Lieu of Tax Agreement and Lease Documents with the Agency containing the terms and conditions described in Section 2.03 hereof.

3.02 (a) The Company shall indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition, reconstruction, construction and equipping of the Project Facility (including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of any of the foregoing).

(b) The Company shall not permit to stand, and will, at its own expense, take all steps reasonably necessary to remove, any mechanics' or other liens against the Project Facility for labor or material furnished in connection with the acquisition, reconstruction, construction and equipping of the Project Facility.

(c) The Company shall indemnify and hold the Agency, its members, officers, employees and agents and anyone for whose acts or omissions the Agency or any one of them may be liable, harmless from all claims and liabilities for loss or damage to property or any injury to or death of any person that may be occasioned subsequent to the date hereof by any cause whatsoever in relation to the Project, including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

(d) The defense and indemnities provided for in this Article 3 shall survive expiration or termination of this Agreement and 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 Agency, its members, officers, employees and agents, anyone under the direction and control of any of them, or anyone for whose acts or omissions the Agency 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 statutory law.

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

(f) The Company shall include the Agency as a named insured under all public liability insurance policies obtained by the Company with respect to the Project Facility.

3.03. The Company agrees that as agent of the Agency or otherwise, it will comply with all the requirements of all federal, state and local law, rules and regulations of whatever kind and howsoever denominated applicable to the Agency and/or the Company with respect to the Project, the acquisition, reconstruction, construction and equipping of the Project 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.

3.04. The Company agrees that, as agent for the Agency, to the extent that such provisions of law are in fact applicable (without creating an obligation by contract beyond that which is created by statute), it will comply with all the requirements Section 220 of the Labor Law of the State of New York, as amended.

3.05. 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.

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

3.07 The Company hereby ratifies and confirms its obligations to pay an administrative fee to the Agency in the amount of .50% of the Project costs. Such amount is due and payable in full at closing.

3.08 The Company hereby ratifies and confirms its obligations to pay an annual administrative reporting fee of \$500.00 to cover administrative and reporting requirements to comply with New York State reporting regulations on Agency assisted projects.

3.09 Whenever practicable, the Company and/or its agents, employees and contractors agree to hire from the local labor pool during the construction period of the Project Facility.

Article 4. General Provisions.

4.01. This Agreement shall take effect on the date of the execution hereof by the Agency and the Company and, subject to Section 4.05 hereof, shall remain in effect until the Lease Documents become effective. It is the intent of the Agency and the Company that this Agreement be superseded in its entirety by the Lease Documents, except Sections 3.02, 4.03 and 4.04 hereof which shall survive.

4.02. It is understood and agreed by the Agency and the Company that grant of Financial Assistance and the execution of the Lease Documents and related documents are subject to (A) obtaining all necessary governmental approvals; (B) approval by the members of the Agency; (C) approval by the Company; and (D) the condition that there are no changes in New York State Law, including regulations, which prohibit or limit the Agency from fulfilling its obligations hereunder.

4.03. The Company agrees that it will reimburse the Agency for all reasonable and necessary expenses, including without limitation the fees and expenses of counsel to the Agency and special counsel to the Agency and indemnify the Agency from all losses, claims, damages and liabilities, in each case which the Agency may incur as a consequence of executing this Agreement or performing its obligations hereunder.

4.04. If for any reason the Lease Documents are not executed and delivered by the Company and the Agency on or before eighteen (18) months from the execution hereof, the provisions of this Agreement (other than the provisions of Articles 3.02, 3.03, 3.04, 3.06 and 4.03 above, which shall survive) shall unless extended by agreement of the Agency and the Company, 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 Agency for all expenses which were authorized by the Company and incurred by the Agency in connection with the acquisition, reconstruction, construction and equipping of the Project Facility;

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

(c) The Company will pay the out-of-pocket expenses of members of

the Agency, counsel for the Agency and special Agency counsel incurred in connection with the Project and will pay the fees of counsel for the Agency and special Agency counsel for legal services relating to the Project or the proposed financing thereof.

In Witness Whereof, the parties hereto have entered in this Agreement as of _____, 2010.

County of Oswego Industrial Development Agency

By: _____
L. Michael Treadwell
Chief Executive Officer

Oswego Hamilton Homes Phase III, LLC

By: _____
Name: _____
Title: _____

Oswego Hamilton Homes Phase IV, LLC

By: _____
Name: _____
Title: _____