

**COMMERCIAL/RETAIL FINDINGS RESOLUTION  
THE CEDARS APARTMENTS PROJECT**

A regular meeting of Town of Montgomery Industrial Development Agency (the "Issuer") was convened in public session in the Town Hall located at 110 Bracken Road in the Town of Montgomery, Orange County, New York on May 11, 2015 at 5:30 p.m., local time.

The meeting was called to order by the Chairman of the Issuer and, upon roll being called, the following members of the Issuer were:

PRESENT:

F. Edward Devitt	Chairman
Edwin F. Williams, Jr.	First Vice Chairperson
Stephen Rainaldi	Second Vice Chairperson
<del>Donna Jennings</del>	Treasurer
Richard Lomazzo	Secretary
Michael Hayes	Member

ABSENT:

*Donna Jennings*      *Treasurer*

ISSUER STAFF PRESENT INCLUDED THE FOLLOWING:

Suzanne Hadden      Clerk

Resolution No. \_\_

The following resolution was offered by Member Hayes, seconded by First Vice chairperson Williams to wit:

RESOLUTION (A) DETERMINING THAT THE PROPOSED CEDARS APARTMENTS PROJECT IS A COMMERCIAL PROJECT, AND (B) MAKING CERTAIN FINDINGS REQUIRED UNDER THE GENERAL MUNICIPAL LAW.

WHEREAS, the Issuer 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 527 of the 1971 Laws of New York, as amended, constituting Section 911-c 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 manufacturing, warehousing, research, commercial 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 Issuer is authorized and empowered under the Act to acquire, construct and install one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Walden Preservation, L.P., a to-be formed affiliate of The Related Companies, Inc. (the “Company”) presented an application (the “Application”) to the Issuer, which Application requested that the Issuer consider undertaking a project (the “Project”) for the benefit of the Company or such other person or entity as may be designated by the Company and agreed upon by the Issuer, said Project to consist of the following: (A)(1) the acquisition of certain parcels of land containing approximately 5.33 acres located at 400 Cliff Street and 55 Main Street in the Village of Walden, Town of Montgomery, Orange County, New York (the “Land”) together with the five existing housing buildings containing 89 apartments totaling approximately 80,000 square feet (the “Facility”), (2) the renovation of the Facility, and (3) the acquisition and installation therein and thereon of machinery and equipment (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”); (B) the financing of all or a portion of the costs of the foregoing by the issuance of tax-exempt revenue bonds of the Issuer in one or more issues in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection therewith presently estimated to be approximately \$7,600,000 and in no event to exceed \$8,500,000 (the “Bonds”); (C) the granting of certain other “financial assistance” (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including exemption from certain sales taxes, deed transfer taxes, mortgage recording taxes and real property taxes (collectively with the Bonds, the “Financial Assistance”); and (D) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person or entity as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, pursuant to the authorization contained in a resolution of the Issuer adopted by the members of the Issuer on February 19, 2015 (the “Preliminary Inducement Resolution”), the Chief Executive Officer of the Issuer (A) established the time, date and place for a public hearing of the Issuer (the “Public Hearing”) pursuant to Section 859-a of the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), to hear all persons interested in the nature and location of the Project Facility and the issuance of the Obligations, said Public Hearing to be held in a city, town or village where the Project Facility is or is to be located; (B) caused the Public Hearing Notice to be posted at offices of the Issuer, (C) caused the Public Hearing Notice to be published in the Wallkill Valley Times, a newspaper of general circulation available to the residents of the Town of Montgomery, New York, (D) caused the Public Hearing Notice to be mailed on February 26, 2015 to the chief executive officer of the county and of each city, town, village and school district in which the Project Facility is or is to be located; (E) conducted the Public Hearing on March 16, 2015 at 5:30 o’clock p.m., local time at the offices of the Issuer located at 110 Bracken Road in the Town of Montgomery, Orange County, New York; (G) caused a report of the Public Hearing fairly summarizing the views presented at such Public Hearing (the “Report”) to be prepared; (H) caused a copy of the Report to be made available to the members of the Issuer and (I) caused a copy of the Report to be made available to the Town Board of the Town of Montgomery, New York (the “Town Board”); and

WHEREAS, by resolution adopted by the members of the Issuer on May 11, 2015 (the “SEQR Resolution”), the Issuer determined that the Project constituted a “Type II action” (as such quoted term is defined under SEQRA), and therefor that no further action with respect to the Project was required under SEQRA; and

WHEREAS, in Opinion of the State Comptroller Number 85-51, the State Comptroller indicated that the determination whether a project that consists of the construction of an apartment house is a commercial activity within the meaning of the Act is to be made by local officials based upon all of the facts relevant to the proposed project, and that any such determination should take into account the stated purpose of the Act, that

is, the promotion of employment opportunities and the prevention of economic deterioration; and

WHEREAS, to aid the Issuer in determining whether the Project qualifies for Financial Assistance as a commercial project within the meaning of the Act, the Issuer has reviewed the following (collectively, the "Project Qualification Materials"): (A) the Application, including the attached Cost Benefit Analysis, and (B) a presentation and supporting materials provided by the Related Group at this meeting; and

WHEREAS, the Issuer has given due consideration to the Project Qualification Materials, and to representations by the Company that although the Project constitutes a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the predominant purpose of the Project would be to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town, or village within which the Project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services; and

WHEREAS, pursuant to Section 862(2)(b) of the Act, the Issuer would be authorized to provide financial assistance in respect of the Project provided that the obligation of the Issuer to proceed with the Project was subject to certain conditions, including (1) following compliance with the procedural requirements of Section 859-a of the Act, a finding by the Issuer that the Project would preserve permanent, private sector jobs in the State of New York or increase the overall number of permanent, private sector jobs in the State of New York and (2) confirmation by the Town Board of the proposed action by the Issuer with respect to the Project; and

WHEREAS, having complied with the requirements of SEQRA and Section 859-a of the Act with respect to the Project, the Issuer now desires, pursuant to Section 862(2)(c) of the Act, to make its final findings with respect to the Project and its final determination whether to proceed with the Project;

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

Section 1. Based upon an examination of the Project Qualification Materials and based further upon the Issuer's knowledge of the area surrounding the Project and such further investigation of the Project and its economic effects as the Issuer has deemed appropriate, the Issuer makes the following findings and determinations with respect to the Project:

A. The Project is located in an area having a mixture of residential, not-for-profit, commercial, retail, and service uses.

B. The Project Qualification Materials make the following comments/findings regarding the Project's impact in the Town of Montgomery:

- Encourage investment in urban land and buildings for employment and housing.
- Provide a variety of housing types to meet the varied needs of the Town of Montgomery's households, including low income housing.
- The Project provides a housing product in-line with expected demand.

C. That undertaking the Project will assist and maintain current and future residential and commercial development and expansion in the area of the Project.

D. The Company has informed representatives of the Issuer that the Project is expected to create approximately one (1) full time permanent, private sector jobs.

E. The Company has informed representatives of the Issuer that the Company is not aware of any adverse employment impact caused by the undertaking of the Project.

Section 2. Based upon the foregoing review of the Project Qualification Materials and based further upon the Issuer's knowledge of the area surrounding the Project Facility and such further investigation of the Project and its economic effects as the Issuer has deemed appropriate, the Issuer makes the following determinations with respect to the Project:

A. That although the Project does constitute a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one-third of the total project cost, the predominant purpose of the Project would be to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town, or village within which the Project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services.

B. That (1) the Project Facility will provide necessary infrastructure for area employers and businesses, (2) the completion of the Project Facility will have an impact upon the creation, retention and expansion of employment opportunities in the Town of Montgomery and in the State of New York, and (3) the completion of the Project will assist in promoting employment opportunities and assist in preventing economic deterioration in the Town of Montgomery and in the State of New York.

C. That the acquisition, reconstruction and installation of the Project Facility is essential to the retention of existing employment and the creation of new employment opportunities and is essential to the prevention of economic deterioration of businesses and neighborhoods located in the Town of Montgomery.

D. That the Project constitutes a "commercial" project, within the meaning of the Act.

E. That the undertaking of the Project will serve the public purposes of the Act by preserving and creating permanent private sector jobs in the State of New York.

Section 3. Having reviewed the Report, and having considered fully all comments contained therein, and based upon the findings contained in Section 1 above, the Issuer hereby determines to proceed with the Project and the granting of the financial assistance described in the notice of the Public Hearing; provided, however, that no financial assistance shall be provided to the Project by the Issuer unless and until the Town Board of the Town of Montgomery, New York, shall, pursuant to Section 862(2)(c) of the Act, confirm the proposed action of the Issuer with respect to the Project.

Section 4. 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:

F. Edward Devitt	VOTING	<u>AYE</u>
Edwin F. Williams, Jr.	VOTING	<u>AYE</u>
Stephen Rainaldi	VOTING	<u>AYE</u>
Donna Jennings	VOTING	<u>ABSENT</u>
Richard Lomazzo	VOTING	<u>NAY</u>
Michael Hayes	VOTING	<u>AYE</u>

The foregoing Resolution was thereupon declared duly adopted.

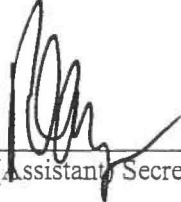
STATE OF NEW YORK            )  
  ) SS.:  
COUNTY OF ORANGE            )

I, the undersigned (Assistant) Secretary of Town of Montgomery Industrial Development Agency (the "Issuer"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Issuer, including the Resolution contained therein, held on May 11, 2015, 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 Issuer 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 Issuer 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 Issuer this 11th day of May, 2015.

  
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(Assistant) Secretary

(SEAL)