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<td>16.</td>
<td>General Certificate of the Agency relating to incumbency and signatures of officers, execution and delivery of Agency Documents to which it is a party, no litigation and continued existence, with the following items included as exhibits:</td>
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Exhibit “A” - Chapter 641 of the Laws of 1979 of the State of New York, as amended

Exhibit “B” - Certificate of Establishment of the Agency and Certificates of appointment of current members

Exhibit “C” - By-laws

Exhibit “D” - Public Hearing Resolution

Exhibit “E” - Notice of Public Hearing with evidence of publication and copies of letters to affected tax jurisdictions

Exhibit “F” - SEQRA Resolution

Exhibit “G” - Inducement Resolution

Exhibit “H” - Final Approving Resolution

17. Mortgage Recording Tax Affidavit

18. General Certificate of the Company relating to capacity and signatures of officers, execution and delivery of the Documents to which it is a party, no litigation and approval, with the following items included as exhibits:

   Exhibit “A” - Articles of Organization

   Exhibit “B” - Operating Agreement

   Exhibit “C” - Company Resolution

   Exhibit “D” - Local Access Agreement

19. Opinion of Barclay Damon, LLP, counsel to the Agency, addressed to the Company and the Agency.


21. Closing Memorandum
PROJECT AGREEMENT

THIS PROJECT AGREEMENT (the "Project Agreement"), made as of October 1, 2017, by and between the CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation of the State of New York, with offices at 201 East Washington Street, 7th Floor, Syracuse, New York 13202 (the "Agency") and ARMORY BOYS LLC, a limited liability company duly organized, validly existing and in good standing under the laws of the State of New York, with offices at 33 Church Street, Montclair, New Jersey 07042 (the "Company").

WITNESSETH:

WHEREAS, Title I of Article 18-A of the General Municipal Law of the State of New York (the "Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York; and

WHEREAS, the Enabling Act authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State of New York (the "State") and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and dispose of land and any building or other improvement, and all real and personal properties, including, but not limited to machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, or industrial purposes, in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency, for the purpose of carrying out any of its corporate purposes, to lease or sell any or all of its facilities, whether then owned or thereafter acquired; and

WHEREAS, the Agency was created, pursuant to and in accordance with the provisions of the Enabling Act, by Chapter 641 of the Laws of 1979 of the State, as amended (collectively, with the Enabling Act, the "Act") and is empowered under the Act to undertake the Project (as hereinafter defined) in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State and improve their standard of living; and

WHEREAS, the Company submitted an application (the "Application") to the Agency requesting the Agency’s assistance with respect to a certain project (the "Project") consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the "Land"); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the "Facility"); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "Equipment" and together with the Land and the Facility, the "Project Facility"); (B) the
granting of certain financial assistance in the form of exemptions from State and local sales and
use tax and mortgage recording tax (as limited by Section 874 of the General Municipal Law)
(collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as
an agent of the Agency in connection with the acquisition, reconstruction, equipping and
completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency
pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a
bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the
Company pursuant to a sublease agreement; and

WHEREAS, the Land and the Facility are connected to an adjacent building located at
120-124 Walton Street, Syracuse, New York (the land and building collectively referred to as the
“Adjacent Building”) which is also owned by the Company; and

WHEREAS, the Agency proposes to assist the Company’s acquisition, reconstruction
and equipping of the Project Facility and grant the Financial Assistance to the Project by, among
other things: (1) appointing the Company and/or its designee as its agent with respect to
completing the Project; (2) accepting a leasehold interest in the Land, the Facility and the
Adjacent Building from the Company and a fee interest in the Equipment pursuant to a bill of
sale from the Company; (2) subleasing the Project Facility and the Adjacent Building to the
Company pursuant to this Agency Lease; and (3) entering into one or more Mortgages; and

WHEREAS, in order to accommodate the Mortgagee’s collateral requirements, the
Agency has agreed to extend its interest to the Adjacent Building solely for purposes of the
Mortgage with the understanding that all of the State and local sales and use tax exemption
benefits will be realized from work done solely on the Project Facility and that there is no
increase in the amount of the exemption from mortgage recording tax previously approved; and

WHEREAS, by resolutions of its members adopted on August 15, 2017 (collectively, the
“Resolutions”), the Agency authorized certain financial assistance for the benefit of the Project
consisting of: (a) an exemption from New York State and local sales and use taxes for purchases
and rentals related to the Project with respect to qualifying personal property included in or
incorporated into the Project Facility or used in the acquisition, reconstruction or equipping of
the Project Facility in an amount not to exceed $60,000; and (b) an exemption from mortgage
recording tax; (collectively referred to as the “Financial Assistance”); and

WHEREAS, it has been estimated and confirmed by the Company within its Application
for Financial Assistance that: (i) the purchase of goods and services relating to the Project, and
subject to New York State and local sales and use taxes, are estimated to cost an amount up to
$750,000; and therefore, the value of the State and local sales and use tax exemption benefits
authorized and approved by the Agency cannot exceed $60,000; and (ii) the mortgage recording
tax exemption amount shall be approximately $11,250 (except as limited by Section 874 of the
General Municipal Law). There are no real property tax abatement benefits to be provided to the
Company; and

WHEREAS, the Company proposes to lease the Land and Facility to the Agency, and
the Agency desires to lease the Land and Facility from the Company pursuant to the terms of a

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certain Company Lease Agreement dated as of October 1, 2017 (the “Company Lease”), by and between the Company and the Agency; and

WHEREAS, the Agency proposes to acquire an interest in the Equipment pursuant to a bill of sale dated October 1, 2017 from the Company (the “Bill of Sale”); and

WHEREAS, contemporaneously with the execution of this Project Agreement, the Company shall execute and deliver an environmental compliance and indemnification agreement dated October 1, 2017 in favor of the Agency (the “Environmental Compliance and Indemnification Agreement”); and

WHEREAS, the Agency proposes to sublease the Project Facility and the Adjacent Building to the Company, and the Company desires to lease the Project Facility and the Adjacent Building from the Agency, upon the terms and conditions set forth in a certain Agency Lease Agreement dated as of October 1, 2017 (the “Agency Lease”); and

WHEREAS, by its Resolutions, the Agency authorized the Company to act as its agent for the purposes of undertaking the Project and the Agency delegated to the Company the authority to appoint sub-agents subject to the execution of this Project Agreement and compliance with the terms set forth herein and in the Resolutions; and

WHEREAS, in order to define the obligations of the Company regarding its ability to utilize the Agency’s sales and use tax exemption benefit as agent of the Agency to acquire, construct, renovate, equip and complete the Project Facility and to undertake the Project, the Agency and the Company will enter into this Project Agreement; and

WHEREAS, the Agency requires, as a condition and as an inducement for it to enter into the transactions contemplated by the Resolutions, and as more particularly described in this Project Agreement, that the Company provide assurances with respect to the terms and conditions herein set forth; and

WHEREAS, this Project Agreement sets forth the terms and conditions under which Financial Assistance shall be provided to the Company; and

WHEREAS, no Financial Assistance shall be provided to the Company prior to the effective date of this Project Agreement.

NOW THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:
ARTICLE I
PURPOSE OF PROJECT

Section 1.01 Recitals. The foregoing recitals are incorporated by referenced as if fully set forth herein.

Section 1.02 Purpose of Project. It is understood and agreed by the parties that the purpose of the Agency's provision of Financial Assistance with respect to the Project is to, and that the Agency is entering into the Company Lease, Agency Lease and this Project Agreement in order to, promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping, furnishing and completing of the Project Facility to advance job opportunities, health, general prosperity and economic welfare of the people of the City of Syracuse and to otherwise accomplish the public purpose of the Act.

ARTICLE II
REAL PROPERTY TAX EXEMPTION

Section 2.01. PILOT Agreement. The Company is not receiving an exemption from real property taxes from the Agency; and notwithstanding the Agency's interest in the Project Facility and the Adjacent Building, the Company shall pay real property taxes as if privately owned.

ARTICLE III
SALES AND USE TAX EXEMPTION

Section 3.01. Scope of Agency. The Company agrees to limit its activities as agent for the Agency under the authority of the Resolutions and this Project Agreement to acquisition, reconstruction, installation and completion solely of the Project Facility. The right of the Company to act as agent of the Agency shall expire on the earlier of: September 1, 2018, or sixty days after the issuance of a certificate of occupancy, unless extended by a resolution adopted by the members of the Agency, or unless terminated early in accordance with the terms of the Agency Lease. The value of the sales and use tax exemption benefits shall not exceed the amounts described in the Application and as set forth in Section 3.05(b) unless approved by a resolution adopted by the members of the Agency. All contracts entered into by the Company as agent for the Agency shall include the following language:

“This contract is being entered into by ______________________ (the "Agent"), as agent for and on behalf of the City of Syracuse Industrial Development Agency (the "Agency"), in connection with a certain project of the Agency for the benefit of the Agent consisting in part of the acquisition and installation of certain machinery, equipment and building materials, all for use in construction and/or incorporation and installation in certain premises located at 229-37 West Fayette Street, in the City of Syracuse, New York (the "Premises"). The machinery, equipment and building materials (collectively, the "Equipment") to be used in the construction and/or incorporated and installed in the Premises shall be exempt from the sales and use taxes levied by the State of New York if the use and/or
acquisition of the Equipment is effected in accordance with the terms and conditions set forth in the Project Agreement dated as of October 1, 2017 by and between the Agency and the Company (the “Project Agreement”); and the Agent represents that this contract is in compliance with the terms of the Project Agreement. This contract is non-recourse to the Agency, and the Agency shall not be directly, indirectly or contingently liable or obligated hereunder in any manner or to any extent whatsoever. By execution or acceptance of this contract, the vendor/contractor acknowledges and agrees to the terms and conditions set forth is this paragraph.”

Section 3.02. Appointment of Sub-Agents. Subject to the terms and conditions of this Project Agreement and pursuant to the Resolutions, the Agency hereby delegates to the Company the authority to appoint sub-agents of the Agency in connection with the Project, which may be agents, subagents, contractors, subcontractors, contractors and subcontractors of such agents and subagents and other parties as the Company chooses (each, a “Sub-Agent”). The appointment of each such Sub-Agent will be effective only upon: (1) the execution by the Sub-Agent and the Company of the Sub-Agent Appointment Agreement attached as Exhibit D to the Agency Lease (the “Sub-Agent Agreement”), the terms and provisions of which are incorporated herein; (2) the receipt by the Agency of a completed Form ST-60 in accordance with Section 3.03(c) below; and (3) receipt of any required insurance as set forth in the Sub-Agent Agreement.

Section 3.03. Representations and Covenants of the Company.

(a) The Company hereby incorporates and restates its representations, covenants and warranties made in the Agency Lease.

(b) The Company further covenants and agrees that the purchase of goods and services relating solely to the Project and subject to State and local sales and use taxes are estimated in the amount up to $750,000, and, therefore, the value of the sales and use tax exemption benefits authorized and approved by the Agency cannot exceed $60,000.

(c) The Company further covenants and agrees to complete “IDA Appointment of Project Operator or Agent For Sales Tax Purposes” (Form ST-60) for itself and each Sub-Agent and to provide said form to the Agency within fifteen (15) days of appointment such that the Agency can execute and deliver said form to the State Department of Taxation and Finance within thirty (30) days of appointment.

(d) The Company further covenants and agrees to file an annual statement with the State Department of Taxation and Finance an “Annual Report of Sales and Use Tax Exemptions” (Form ST-340) regarding the value of sales and use tax exemptions the Company and its Sub-Agents have claimed pursuant to the agency conferred on the Company with respect to the Project in accordance with Section 874(8) of the Act. The Company further covenants and agrees that it will, within thirty (30) days of each filing, provide a copy of their filed ST-340 to the Agency, but in no event later than March 29 of each year. The Company understands and agrees that the failure to file such annual statement will result in the removal of: (1) the
Company’s authority to act as agents for the Agency; and (2) the authority of any Sub-Agent of the Agency appointed by the Company pursuant to Section 3.02 hereof to act as agent for the Agency.

(e) The Company further acknowledges and agrees that all purchases made in furtherance of the Project by the Company and any Sub-Agent shall be made using “IDA Agent or Project Operator Exempt Purchase Certificate” (Form ST-123, a copy of which is attached to the Sub-Agent Agreement), and it shall be the responsibility of the Company and the Sub-Agent, as the case may be, (and not the Agency) to complete Form ST-123. The Company acknowledges and agrees that it shall identify the Project on each bill and invoice for such purchases and further indicate on such bills or invoices that the Company is making purchases of tangible personal property or services for use in the Project as agent of the Agency. For purposes of indicating who the purchaser is, the Company acknowledges and agrees that the bill of invoice should state, “I, [NAME OF AGENT], certify that I am a duly appointed agent of the City of Syracuse Industrial Development Agency and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my Project Agreement with the City of Syracuse Industrial Development Agency.” The Company further acknowledges and agrees that the following information shall be used by the Company to identify the Project on each bill and invoice: Armory Boys LLC, 229-37 West Fayette Street, City of Syracuse, New York, Project No: 31021711.

(f) The Company acknowledges and agrees that the Agency shall not be liable, either directly or indirectly or contingently, upon any contract, agreement, invoice, bill or purchase order in any manner and to any extent whatsoever (including payment or performance obligations), and the Company shall be the sole party liable thereunder.


(a) The Company releases the Agency and its members, officers, agents (other than the Company) and employees from, agrees that the Agency and its members, officers, agents (other than the Company) and employees shall not be liable for and agrees to indemnify, defend and hold the Agency and its members, officers, agents (other than the Company) and employees harmless from and against any and all claims, causes of action, judgments, liabilities, damages, losses, costs and expenses arising as a result of the Agency’s undertaking the Project, including, but not limited to: (1) liability for loss or damage to property or bodily injury to or death of any and all persons that may be occasioned, directly or indirectly, by any cause whatsoever pertaining to the Project Facility or arising by reason of or in connection with the occupation or the use thereof or the presence of any person or property on, in or about the Project Facility; (2) liability arising from or expense incurred by the Agency’s acquiring, constructing, equipping, installing, owning, leasing or selling the Project Facility and/or the Adjacent Building, including, without limiting the generality of the foregoing, any sales or use taxes which may be payable with respect to goods supplied or services rendered with respect to the Project Facility, all liabilities or claims arising as a result of the Agency’s obligations under this Project Agreement or the enforcement of or defense of validity of any provision of this Project Agreement; (3) all claims arising from the exercise by the Company of the authority conferred
on it pursuant to Sections 3.01 and 3.02 hereof; and (4) all causes of action and reasonable attorneys’ fees and other expenses incurred in connection with any suits or actions that may arise as a result of any of the foregoing; provided that any such claims, causes of action, judgments, liabilities, damages, losses, costs or expenses of the Agency are not incurred or do not result from the gross negligence or intentional wrongdoing of the Agency or any of its members, officers, agents (other than the Company) or employees. The foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Agency or any of its officers, members, agents (other than the Company) or employees and notwithstanding the breach of any statutory obligation or any rule of comparative or apportioned liability.

(b) In the event of any claim against the Agency or its members, officers, agents (other than the Company) or employees by any employee of the Company or any contractor of the Company or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Company or such contractor under workers’ compensation laws, disability benefits laws or other employee benefit laws.

(c) To effectuate the provisions of this Section 3.04, the Company agrees to provide for and insure, in the liability policies required by Section 3.05 of this Project Agreement, its liabilities assumed pursuant to this Section 3.04.

(d) Notwithstanding any other provisions of this Project Agreement, the obligations of the Company pursuant to this Section 3.04 shall remain in full force and effect after the termination of this Project Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses, charges and costs incurred by the Agency, or its officers, members, agents (other than the Company) or employees, relating thereto.

Section 3.05. Insurance Required.

(a) The Company agrees that it shall maintain all insurance required under the Agency Lease.

(b) The Company agrees that it shall cause its general contractor for the Project to maintain, effective as of the date of the Sub-Agent Agreement until the expiration or termination of the general contractor’s employment by the Company, or its designee, with respect to the Project Facility, all of the same insurance with respect to the Project Facility, as set forth in Article 6 of the Agency Lease as if the general contractor were the Company thereunder. The Company further agrees that it shall cause its general contractor for the Project to comply and abide, effective as of the date of the Sub-Agent Agreement and until the expiration or termination of the general contractor’s employment by the Company, or its designee, with respect to the Project Facility, with all of the terms and conditions set forth in Article 6 of the Agency Lease with respect to the type, nature and proof of insurance required thereunder.
ARTICLE IV
COMMITMENTS AND REPORTING

Section 4.01. Compliance Commitments. The Company agrees and covenants that it shall meet and maintain the commitments set forth in (a) below beginning in the first year after completion of the Project. The Company further agrees and covenants that it shall meet and maintain the commitments set forth in (b) below with respect to retained jobs set forth in the Application starting in the first year in which Financial Assistance is claimed and/or provided; and with respect to new jobs, the Company shall create, in years one (1) through five (5) following completion of the Project the new jobs set forth in the Company’s Application. The reporting of, and the commitment to, each of (a), (b) and (c) below continuing for a five (5) year period following completion of the Project (the “Term”):

(a) The total investment made with respect to the Project at the Project’s completion date shall equal to or exceed $3,500,000, being the total project cost as stated in the Company’s Application for Financial Assistance (the “Investment Commitment”).

(b) No full time equivalent (“FTE”) employees were retained by the Project Facility as of the date of the Application for Financial Assistance (the “Baseline FTE”). The Company agrees to maintain, as of the first year in which Financial Assistance is claimed and/or provided the Baseline FTE. The Company’s application estimated the creation of one (1) new FTEs (the “New FTEs”) at the Project Facility within the first year following completion of the Project Facility. The Company shall be required to meet and maintain all of the foregoing employment commitments during the Term hereof (the “Employment Commitment”).

(c) The Company shall annually provide to the Agency certain information to confirm that the Project is achieving the investment, job retention, job creation, and other objectives of the Project for the Term (the “Reporting Commitment”).

Section 4.02. Reporting Requirement. As part of the commitments set forth in Section 4.01, the Company shall provide annually, to the Agency, a certified statement and supporting documentation: (i) enumerating the full time equivalent jobs retained and the full time equivalent jobs created as a result of the Financial Assistance, by category, including full time equivalent independent contractors or employees of independent contractors that work at the Project location, and (ii) indicating that the salary and fringe benefit averages or ranges for categories of jobs retained and jobs created that was provided in the application for Financial Assistance is still accurate and if it is not still accurate, providing a revised list of salary and fringe benefit averages or ranges for categories of jobs retained and jobs created. Exhibit “A” contains a form of annual certification that the Company must complete and submit to the Agency on an annual basis. The Agency reserves the right to modify such form to require additional information that the Agency must have in order to comply with its reporting requirements under the Act.
ARTICLE V
SUSPENSION, DISCONTINUATION, RECAPTURE AND/OR TERMINATION OF
FINANCIAL ASSISTANCE

Section 5.01. Suspension, Discontinuation, Recapture and/or Termination of Financial Assistance. It is understood and agreed by the Parties that the Agency is entering into the Company Lease, the Agency Lease and this Project Agreement in order to provide Financial Assistance to the Company for the Project Facility and to accomplish the public purposes of the Act.

(a) In accordance with Section 875(3) of the New York General Municipal Law, the policies of the Agency, and the Resolutions, the Company covenants and agrees that it is subject to recapture of all State sales and use tax exemption benefits if:

1. the Company or its Subagents, if any, authorized to make purchases for the benefit of the Project are not entitled to the State sales and use tax exemption benefits; or

2. the State sales and use tax exemption benefits are in excess of the amounts authorized by the Agency to be taken by the Company or its Subagents, if any; or

3. the State sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project (and for purposes of clarity, the Company has only been authorized to use the State and local Sales and Use Tax exemption on and for the Project Facility and not on the Adjacent Building); or

4. the Project has failed to comply with a material term or condition to use the property or services in the manner required by any project document between the Company and the Agency.

Each of the foregoing four events are hereinafter referred to as a “State-Mandated Recapture Event”. The Agency shall evaluate, annually as of December 31, or at any time information is brought to the Agency’s attention, whether a State-Mandated Recapture Event has occurred.

(b) In addition to Section 5.01(a), in accordance with the policies of the Agency and the Resolutions, the Company covenants and agrees that the Agency shall have the right to suspend, discontinue, recapture or terminate all or any portion of any Financial Assistance to the extent any of the following occur (each a “Deficit”):

a) for projects that utilized local sales and use tax exemptions, the project was not entitled to such exemptions, such exemptions were in excess of the amounts authorized by the Agency, and/or such exemptions were for property or services not authorized by the Agency (each, a “Local Sales Tax Benefit Violation”) (and for purposes of clarity, the Company has only been
authorized to use the State and local Sales and Use Tax exemption on and for the Project Facility and not on the Adjacent Building);

b) the company, upon completion of the project, fails to reach and maintain at least 85 percent of its employment requirements for job creation and/or retention ("Job Deficit");

c) the total investment actually made with respect to the project at the project’s completion date is less than 85 percent of its investment requirement ("Investment Deficit");

d) the company fails to provide annually to the Agency certain information to confirm that the project is achieving the investment, job retention, job creation, and other objectives of the Project ("Reporting Failure"); or

e) there otherwise occurs any event of default under any project document (each, an "Event of Default") or a material violation of the terms and conditions of any project document (a "Material Violation").

The Agency shall evaluate, annually as of December 31, or at any time information is brought to the Agency’s attention, whether a Local Sales Tax Benefit Violation, Job Deficit, Investment Deficit, Reporting Failure Event of Default or Material Violation (each a “Noncompliance Event”) has occurred. Notwithstanding the foregoing, the Agency may determine whether an Event of Default has occurred pursuant to any Project Document in accordance with the terms of the Project Document.

At the time of any Noncompliance Event, the Agency shall determine by resolution whether to exercise its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance in accordance with its Recapture Policy; and shall consider the following criteria in determining whether to proceed to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance:

i. Whether the Company has proceeded in good faith.

ii. Whether the Project has not performed as required due to economic issues, changes in market conditions or adverse events beyond the control of the Company.

iii. Whether the enforcement by the Agency of its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance would create a more adverse situation for the Company, such as the Company going out of business or declaring bankruptcy, which would not occur if the Agency’s rights were not exercised.
iv. Whether the enforcement by the Agency of its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance would create an adverse situation for the residents of the City of Syracuse.

v. The assessment prepared in accordance with the Agency’s Annual Assessment Policy.

vi. Such other criteria as the Agency shall determine is a relevant factor in connection with any decision regarding the exercise of its right to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance.

The Agency shall document its evaluation of the above criteria in writing and based upon its evaluation, the Agency shall determine whether to suspend, discontinue, recapture or terminate all or any portion of the Financial Assistance (the “Determination”). The Determination shall provide terms, if any, by which the Company may remedy any Noncompliance Event upon which the Determination was based. The Company must submit written documentation to the Agency of compliance with all terms and conditions of the Determination in order for the Agency to consider whether to resume Financial Assistance to the Company (which will be at the Agency’s sole discretion).

(c) If a State-Mandated Recapture Event occurs or the Agency makes a Determination, the Company agrees and covenants that it will: (i) cooperate with the Agency in its efforts to recover or recapture any or all Financial Assistance obtained by the Company; and (ii) promptly pay over any or all such amounts to the Agency that the Agency demands in connection therewith. Upon receipt of such amounts, the Agency shall then redistribute such amounts to the appropriate affected tax jurisdictions, unless agreed to otherwise by any local taxing jurisdiction. The Company further understands and agrees that in the event that the Company fails to pay over such amounts to the Agency, the New York State Tax Commissioner may assess and determine the State sales and use tax due from the Company, together with any relevant penalties and interest due on such amounts.

ARTICLE VI
MISCELLANEOUS PROVISIONS

Section 6.01. Survival. All warranties, representations, and covenants made by the Company herein shall be deemed to have been relied upon by the Agency and shall survive the delivery of this Project Agreement to the Agency regardless of any investigation made by the Agency.

Section 6.02. Notices. All notices, certificates and other communications under this Project Agreement shall be in writing and shall be deemed given when delivered personally or when sent by certified mail, postage prepaid, return receipt requested, or by overnight delivery service, addressed as follows:
or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when received or delivery of same is refused by the recipient or personally delivered in the manner provided in this Section.

Section 6.03. Amendments. No amendment, change, modification, alteration or termination of this Project Agreement shall be made except in writing upon the written consent of the Company and the Agency.

Section 6.04. Severability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Project Agreement or the application thereof shall not affect the validity or enforceability of the remaining portions of this Project Agreement or any part thereof.

Section 6.05. Counterparts. This Project Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.

Section 6.06. Governing Law. This Project Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal or state courts located in Onondaga County, New York.

Section 6.07. Term. Except as specifically provided otherwise, the term of this Project Agreement shall be the longer of: (1) the term of the Agency Lease; or (2) five years following the Project’s substantial completion date as evidenced by a certificate of occupancy. The Project
will remain “active” for purposes of Section 874(12) of General Municipal Law and the Agency’s Annual Assessment Policy during the term of this Project Agreement.

Section 6.08. Section Headings. The headings of the several Sections in this Project Agreement have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Project Agreement.
IN WITNESS WHEREOF, the parties hereto have executed this Project Agreement as of the day and year first above written.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: William M. Ryan, Chairman

ARMORY BOYS LLC

By: Jeffery A. Appel, Managing Member

STATE OF NEW YORK )
COUNTY OF ) ss.: JEFFREY A. APPEL, being first duly sworn, deposes and says:

1. That I am the Managing Member of Armory Boys LLC and that I am duly authorized on behalf of the Company to bind the Company and to execute this Project Agreement.

2. That the Company confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the Project is in substantial compliance with all applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

Subscribed and affirmed to me under penalties of perjury this 5th day of October, 2017.

(Notary Public)

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC065591
Commission Expires on Feb. 12, 2018

139934/7.2
EXHIBIT A

FORM OF ANNUAL REPORTING QUESTIONNAIRE

SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
201 East Washington Street, 7th Floor, Syracuse, New York 13202

Date

COMPANY
COMPANY ADDRESS

Dear ____________:

Our auditors, ________________________________, CPAs are conducting an audit of our financial statements for the year ended December 31, _______. In connection with that audit, we request that you furnish certain information directly to our auditor with regard to the following security issued by/through the City of Syracuse Industrial Development Agency:

Sale - Leaseback Financing

Project: ____________

Date of Financing:

Principal Amount Financed:

Maturity Date:

Original Interest Rate:

Please provide the following information as of December 31, [year]:

Name of Lender

Debt Retired in [year] Yes/No

Debt Refinanced in [year] Yes/No

(If Yes, please update information in Paragraph 1 above)

Debt in Default as of [date] Yes/No

Current Interest Rate(s)
Rate range, if Variable
Principal balance outstanding as of [date]
Principal payments made during [year]
Payments in Lieu of Taxes (PILOT)
paid in [year]
Total cost of goods/services purchased: $___________________
New York State Sales Tax Exemptions Claimed [year]
New York Local Sales Tax Exemptions Claimed: [year]
New York State Mortgage Recording
Tax Exemption: [year]
Form of Syracuse Industrial Development Agency — Project Jobs Data [year]

From:

To: , CPAs

Re:

The following jobs information is furnished to you with regard to the above cited project:

Full Time Equivalent (FTE) Jobs Created and Retained – [year]

# of Current FTE Employees as of [closing date]
# of FTE Jobs Created during [year]
# of FTE Jobs Retained during [year]
# of FTE Construction Jobs Created during [year]

Comments:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

__________________________
Signature

__________________________
Print Name

__________________________
Title

__________________________
Date
ARMORY BOYS LLC

AND

CITY OF SYRACUSE
INDUSTRIAL DEVELOPMENT AGENCY

COMPANY LEASE AGREEMENT

DATED AS OF OCTOBER 1, 2017
COMPANY LEASE AGREEMENT

THIS COMPANY LEASE AGREEMENT (the “Company Lease”), made and entered into as of October 1, 2017, by and between ARMORY BOYS LLC (the “Company”), a limited liability company organized under the laws of the State of New York with an office at 33 Church Street, Montclair, New Jersey 07042 and CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY (the “Agency”), a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York, with an office at 201 East Washington Street, 7th Floor, Syracuse, New York 13202.

WITNESSETH:

WHEREAS, Title 1 of Article 18-A of the New York General Municipal Law (the “Enabling Act”) was duly enacted into law as Chapter 1030 of the New York Laws of 1969; and

WHEREAS, the Enabling Act authorizes and provides for the creation of industrial development agencies for the benefit of the several counties, cities, villages, and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip, and dispose of land and any buildings or other improvements, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, or industrial purposes, in order to advance the job opportunities, health, general prosperity, and economic welfare of the people of the State of New York and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease or sell any or all of its properties, to mortgage and pledge any or all of its properties, whether then owned or thereafter acquired, and to pledge the revenues and receipts from the lease or sale thereof; and

WHEREAS, the Agency was created pursuant to and in accordance with the provisions of the Enabling Act by Chapter 641 of the Laws of 1979 of the State of New York (collectively with the Enabling Act, the “Act”) and is empowered under the Act to undertake the Project (as hereinafter defined); and

WHEREAS, the Agency, by resolution adopted on August 15, 2017, agreed, at the request of the Company to undertake a project (the “Project”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the
granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Land and the Facility are connected to an adjacent building located at 120-124 Walton Street, Syracuse, New York (the land and building collectively referred to as the “Adjacent Building”) which is also owned by the Company; and

WHEREAS, the Company is the current fee owner of the Project Facility and the Adjacent Building; and

WHEREAS, the Agency proposes to assist the Company’s acquisition, construction, equipping and completion of the Project Facility, and grant the Financial Assistance to the Project by, among other things: (1) appointing the Company, or its designee, as its agent with respect to the Project Facility; (2) accepting a leasehold interest in the Land, the Facility and the Adjacent Building from the Company pursuant to this Company Lease and acquiring an interest in the Equipment pursuant to a bill of sale from the Company dated as of October 1, 2017 (the “Bill of Sale”); and (3) subleasing the Project Facility and the Adjacent Building to the Company pursuant to that certain Agency Lease Agreement between the Agency and the Company dated as of October 1, 2017 (the “Agency Lease”) and

WHEREAS, the Agency now proposes to lease the Land, the Facility and the Adjacent Building from the Company pursuant to the terms and conditions set forth herein; and

WHEREAS, all things necessary to constitute this Company Lease a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this Company Lease have, in all respects, been duly authorized.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows, to wit:
ARTICLE I
RECITALS AND DEFINITIONS

1.0 RECITALS.

The foregoing recitals are incorporated herein by reference as if fully set forth hereinbelow.

1.1 DEFINITIONS.

For all purposes of this Company Lease and any agreement supplemental thereto, all defined terms indicated by the capitalization of the first letter of such term shall have the meanings specified in the Table of Definitions which is attached to the Agency Lease as Exhibit “C” thereto except as otherwise expressly defined herein or the context hereof otherwise requires.

1.2 INTERPRETATION.

In this Company Lease, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms as used in this Company Lease refer to this Company Lease; the term “heretofore” shall mean before and the term “hereafter” shall mean after the date of this Company Lease;

(b) Words of masculine gender shall mean and include correlative words of feminine and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa; and

(c) Any certificates, letters, or opinions required to be given pursuant to this Company Lease shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law, or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Company Lease.

ARTICLE II
DEMISE; PREMISES; TERM

2.1 DEMISE.

The Company hereby leases to the Agency, and the Agency hereby leases from the Company, the Land, the Facility and the Adjacent Building for the stated term for the rents, covenants and conditions set forth herein subject only to the Permitted Encumbrances.

2.2 DESCRIPTION OF PREMISES LEASED.

The leased premises is the Land, the Facility and the Adjacent Building described in the recitals of this Company Lease and as more fully described on Exhibit “A” attached hereto.
2.3 TERM.

The Project is leased for a term which shall commence as of October 1, 2017, and shall end on the expiration or earlier termination of the Agency Lease.

2.4 MANDATORY CONVEYANCE.

At the expiration of the term hereof or any extension thereof by mutual agreement, or as otherwise provided in the Agency Lease, this Company Lease shall automatically expire without any further action by the parties hereto. The Company hereby irrevocably designates the Agency as its attorney-in-fact, coupled with an interest, for the purpose of executing, delivering and recording terminations of leases and bill of sale together with any other documents therewith and to take such other and further actions reasonably necessary to confirm the termination of the Agency's interest in the Project and the Adjacent Building, all at the Company's sole cost and expense.

2.5 CONSIDERATION.

The Agency is paying to the Company concurrently with the execution hereof consideration of $1.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Company.

2.6 REPRESENTATIONS AND COVENANTS OF THE COMPANY.

The Company makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Company is a limited liability company duly organized, validly existing and in good standing under the laws of New York, has the power to enter into this Company Lease and the other Company Documents and to carry out its obligations hereunder and thereunder, and has duly authorized the execution, delivery, and performance of this Company Lease and the other Company Documents.

(b) This Company Lease and the other Company Documents constitute, or upon their execution and delivery in accordance with the terms thereof will constitute, valid and legally binding obligations of the Company, enforceable in accordance with their respective terms.

(c) The Company has a valid and enforceable fee interest in the Land, the Facility and the Adjacent Building and shall remain and retain such interests for the term of this Company Lease unless otherwise consented to in writing by the Agency.

(d) Neither the execution and delivery of this Company Lease and the other Company Documents, the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the provisions thereof will:
(1) Result in a breach of, or conflict with any term or provision in, the Company’s Articles of Organization and Operating Agreement;

(2) Require consent under (which has not been heretofore received) or result in a breach of or default under any credit agreement, indenture, purchase agreement, mortgage, deed of trust indenture, commitment, guaranty or other agreement or instrument to which the Company is a party or by which the Company or any of its property may be bound or affected; or

(3) Conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction, or decree of any Governmental Authority or court (domestic or foreign) having jurisdiction over the Company or any of the property of the Company.

(g) So long as the Agency holds an interest in the Project Facility, the Project Facility is and will continue to be a “project” (as such quoted term is defined in the Act), and the Company will not take any action (or omit to take any action required by the Company Documents or which the Agency, together with Agency’s counsel, advise the Company in writing should be taken), or allow any action to be taken, which action (or omission) would in any way cause the Project Facility not to constitute a “project” (as such quoted term is defined in the Act).

(h) The Company shall cause all notices as required by law to be given and shall comply or cause compliance with all laws, ordinances, municipal rules, and regulations and requirements of all Governmental Authorities applying to or affecting the construction, equipping and operation of the Project Facility (the applicability of such laws, ordinances, rules, and regulations to be determined both as if the Agency were the owner of the Project Facility and as if the Company, were the owner of the Project Facility), and the Company will defend and save the Agency and its officers, members, agents (other than the Company), and employees harmless from all fines and penalties due to failure to comply therewith.

(i) The Company shall perform, or cause to be performed, for and on behalf of the Agency, each and every obligation of the Agency (which is within the control of the Company) under and pursuant to the Agency Lease, this Company Lease and the other Company Documents and shall defend, indemnify, and hold harmless the Agency and its members, officers, agents (other than the Company), servants and employees from and against every expense, liability, or claim arising out of the failure of the Company to fulfill its obligations under the provisions of this Section 2.6.

(j) The Company acknowledges, restates and affirms the obligations, representations, warranties and covenants set forth in Sections 2.2 and 11.12 of the Agency Lease as if fully set forth herein.
ARTICLE III
DISPUTE RESOLUTION

3.1 GOVERNING LAW.

This Company Lease shall be governed in all respects by the laws of the State of New York.

3.2 WAIVER OF TRIAL BY JURY.

THE COMPANY AND THE AGENCY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY DISPUTE ARISING UNDER THIS COMPANY LEASE, AND THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS COMPANY LEASE.

ARTICLE IV
MISCELLANEOUS CLAUSES

4.1 NOTICES.

All notices, certificates, and other communications hereunder shall be in writing, shall be sufficiently given, and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, and actually received by the intended recipient or by overnight courier or such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates, and other communications hereunder shall be delivered are as follows:

(a) To the Agency:

City of Syracuse Industrial Development Agency
201 East Washington Street, 7th Floor
Syracuse, New York 13202
Attn: Chairman

With copies to:

Corporation Counsel
City of Syracuse
233 East Washington Street
Syracuse, New York 13202

(b) To the Company:

Armory Boys LLC
33 Church Street
Montclair, New Jersey 07042
4.2 NO RECOUSE UNDER THIS COMPANY LEASE.

No provision, covenant or agreement contained herein, in any other agreement entered into in connection herewith, or any obligations herein imposed, upon the Agency, or any breach thereof, shall constitute or give rise to or impose upon the Agency, a debt or other pecuniary liability or a charge upon its general credit, and all covenants, stipulations, promises, agreements and obligations of the Agency contained in this Company Lease shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency, and not of any member, director, officer, employee or agent of the Agency in his individual capacity.

4.3 ENTIRE AGREEMENT.

This Company Lease contains the entire agreement between the parties and all prior negotiations and agreements are merged in this Company Lease. This Company Lease may not be changed, modified or discharged, in whole or in part, except by a written instrument executed by the party against whom enforcement of the change, modification or discharge is sought.

4.4 AGENCY REPRESENTATIONS.

The Company expressly acknowledges that neither the Agency nor the Agency's directors, members, employees or agents has made or is making, and the Company, in executing and delivering this Company Lease, is not relying upon warranties, representations, promises or statements, except to the extent that the same are expressly set forth in this Company Lease, and no rights, easements or licenses are or shall be acquired by the Company by implication or otherwise unless expressly set forth in this Company Lease.

4.5 BINDING EFFECT.

This Company Lease shall be binding upon and inure to the benefit of the parties, their respective successors and assigns.

4.6 PARAGRAPH HEADINGS.

Paragraph headings are for convenience only and shall not affect the construction or interpretation of this Company Lease.
4.7 CONSENT TO AGENCY LEASE; SUBORDINATION.

The Company hereby consents to the sublease by the Agency of the Project Facility to the Company pursuant to the Agency Lease. The Company acknowledges and agrees that this Company Lease and the Agency Lease shall be subordinate in all respects to the Mortgages.

4.8 HOLD HARMLESS PROVISIONS.

(a) The Company hereby releases the Agency and its members, officers, agents, and employees from, agree that the Agency and its members, officers, agents, and employees shall not be liable for, and agree to indemnify, defend, and hold the Agency and its members, officers, agents, and employees harmless from and against any and all claims arising as a result of the Agency’s undertaking of the Project or of the Agency’s interest in the Adjacent Building, including, but not limited to:

1. Liability for loss or damage to Property or bodily injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Project Facility or the Adjacent Building, or arising by reason of or in connection with the occupation or the use thereof, or the presence on, in, or about the Project Facility or the Adjacent Building;

2. Liability arising from or expense incurred by the Agency’s acquisition of a leasehold interest in the Project Facility and the Adjacent Building and the subleasing of the Project Facility and the Adjacent Building, including, without limiting the generality of the foregoing, all liabilities or claims arising as a result of the Agency’s obligations under the Agency Lease, the Company Lease or the Mortgage;

3. All claims arising from the exercise by the Company of the authority conferred upon it and performance of the obligations assumed under Article II hereof;

4. All causes of action and attorneys’ fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities, or expenses of the Agency are not incurred or do not result from the intentional wrongdoing of the Agency or any of its members, officers, agents, or employees.

The foregoing indemnities shall apply notwithstanding the fault or negligence (other than gross negligence or willful misconduct) on the part of the Agency or any of its officers, members, agents, servants, or employees and irrespective of any breach of statutory obligation or any rule of comparative or apportional liability.

(b) In the event of any claim against the Agency or its members, officers, agents, or employees by any employee of the Company, or any contractor of the Company, or anyone directly or indirectly employed by any of them, or any one for whose acts any of them may be liable, the obligations of the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the
Company such contractor under workers’ compensation laws, disability benefit laws, or other employee benefit laws.

(c) Notwithstanding any other provisions of this Company Lease, the obligations of the Company pursuant to this Section 4.8 shall remain in full force and effect after the termination of the Agency Lease and this Company Lease until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action, or prosecution relating to the matters herein described may be brought, and the payment in full or the satisfaction of such claim, cause of action, or prosecution, and the payment of all expenses and charges incurred by the Agency, or its officers, members, agents (other than the Company), or employees, relating thereto.

(d) For purposes of this Section 4.8, the Company shall not be deemed to constitute an employee, agent or servant of the Agency or a person under the Agency’s control or supervision.

4.9 NO RECURSCE; SPECIAL OBLIGATION.

The obligations and agreements of the Agency contained herein and in the other Agency Documents and in any other instrument or document executed in connection herewith or therewith, and any instrument or document supplemental hereto or thereto, shall be deemed the obligations and agreements of the Agency and not of any member, officer, agent, or employee of the Agency in his individual capacity; and the members, officers, agents, and employees of the Agency shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby. The obligations and agreements of the Agency contained herein or therein shall not constitute or give rise to an obligation of the State New York or of the City of Syracuse, and neither the State of New York nor the City of Syracuse shall be liable hereon or thereon. Further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency, payable solely from the revenues of the Agency derived, and to be derived from, the lease, sale, or other disposition of the Project Facility, other than revenues derived from or constituting Unassigned Rights. No order or decree of specific performance with respect to any of the obligations of the Agency hereunder or thereunder shall be sought or enforced against the Agency unless:

(a) The party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and thirty (30) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or if compliance therewith would reasonably be expected to take longer than thirty (30) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period; and

(b) If the Agency refuses to comply with such request and the Agency’s refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses; and
(c) If the Agency refuses to comply with such request and the Agency's refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents, or employees shall be subject to potential liability, the party seeking such order or decree shall (1) agree to indemnify and hold harmless the Agency and its members, officers, agents, and employees against any liability incurred as a result of its compliance with such demand; and (2) if requested by the Agency, furnish to the Agency satisfactory security to protect the Agency and its members, officers, agents, and employees against all liability expected to be incurred as a result of compliance with such request.

Any failure to provide notice, indemnity, or security to the Agency pursuant to this Section 4.9 shall not alter the full force and effect of any Event of Default under the Agency Lease.

(d) For purposes of this Section 4.9, the Company shall not be deemed to constitute an employee, agent or servant of the Agency or a person under the Agency's control or supervision.

4.10 MERGER OF AGENCY.

(a) Nothing contained in this Company Lease shall prevent the consolidation of the Agency with, or merger of the Agency into, or assignment by the Agency of its rights and interests hereunder to any other body corporate and politic and public instrumentality of the State of New York, or political subdivision thereof, which has the legal authority to perform the obligations of the Agency hereunder, provided that upon any such consolidation, merger, or assignment, the due and punctual performance and observance of all the agreements and conditions of this Company Lease to be kept and performed by the Agency shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Agency's rights and interests hereunder shall be assigned.

(b) As of the date of any such consolidation, merger, or assignment, the Agency shall give notice thereof in reasonable detail to the Company. The Agency shall promptly furnish to the Company such additional information with respect to any such consolidation, merger, or assignment as the Company reasonably may request.

4.11 EXECUTION OF COUNTERPARTS.

This Company Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

4.12 EVENT OF DEFAULT.

A default in the performance or the observance of any covenants, conditions, or agreements on the part of the Company in this Company Lease, the Agency Lease or the Project Agreement.
4.13 REMEDIES.

Whenever any Event of Default shall have occurred and be continuing, the Agency may, to the extent permitted by law, take any one or more of the following remedial steps:

1) Terminate the Company Lease; or

2) Take any other action at law or in equity, which may appear necessary or desirable to collect any amounts then due, or thereafter to become due, hereunder.

4.14 AMENDMENTS, CHANGES AND MODIFICATIONS.

This Company Lease may not be amended, changed, modified, altered, or terminated except by an instrument in writing signed by the parties hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the Company and the Agency have duly executed this Company Lease, as of the day and year first above written.

ARMORY BOYS LLC

By: Jeffrey A. Appel, Managing Member

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: William M. Ryan, Chairman
On the 5th day of October, 2017, before me, the undersigned, personally appeared Jeffrey A. Appel, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

[Signature]
Notary Public
LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5955591
Commission Expires on Feb. 12, 2018

On the 5th day of October, 2017, before me, the undersigned, personally appeared William M. Ryan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

[Signature]
Notary Public
LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5955591
Commission Expires on Feb. 12, 2018
EXHIBIT A

DESCRIPTION OF REAL PROPERTY
EXHIBIT A

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, being part of Lot Nos. 1, 2, 30, 31, 40 and 41 of Block No. 105-D, Syracuse, New York, according to a Map made by B.F. Green and filed in the Onondaga County Clerk’s Office on October 11, 1850 and bounded and described as follows:

Beginning at a point in the southerly line of West Fayette Street, said point being N. 89° 44’ 00” W., 208.855 feet distant, measured along said street line from the westerly line of South Clinton Street, said point being where the centerline of the west wall of the so-called Tallman and Palmer Store, now or formerly known as No. 225 West Fayette Street, intersects the south line of West Fayette Street; thence southwardly along the center of said wall and the same continued about 115.0 feet to a point in range with the north face of the north wall of the six story brick building erected by E.F. Holden on Walton Street; thence westwardly along said range line about 27/100 of a foot to the northeasterly corner of said six story building; thence southwardly along the east face of the brick wall of said building about 90.0 feet to a point in the north line of Walton Street, said point being N. 89° 45’ 00” W., 208.856 feet distant, measured along the said northerly line of Walton Street, from the westerly line of South Clinton Street; thence N. 89° 45’ 00” W., 64.304 feet along said northerly line of Walton Street to a point; thence N. 00° 13’ 20” W., 110.08 feet to a point; thence N. 89° 44’ 00” W., .54 of a foot to a point; thence N. 00° 16’ 00” E., 95.0 feet to a point in the southerly line of West Fayette Street; thence S. 89° 44’ 00” E., 65.045 feet along said street line to the place of beginning.

ALSO, ALL THAT TRACT OR PARCEL OF LAND, situate lying and being under the waters of the old channel of Onondaga Creek (now filled in), situate in the City of Syracuse, County of Onondaga and State of New York, said tract or parcel being all of the old channel of Onondaga Creek lying within the premises describe above.
Onondaga County Clerk Recording Cover Sheet

Received From: CHICAGO TITLE

Return To: BARCLAY DAMON PICK UP BOX

Method Returned: MAIL

First PARTY 1
ARMORY BOYS LLC

First PARTY 2
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Index Type: Land Records
Instr Number: 2017-00036575
Book: Page:

Type of Instrument: Memorandum Of Lease
Type of Transaction: Deed Misc
Recording Fee: $70.50
Recording Pages: 5

The Property affected by this instrument is situated in Syracuse, in the County of Onondaga, New York

Real Estate Transfer Tax

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<th>2976</th>
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Total Fees: $70.50

State of New York
County of Onondaga

I hereby certify that the within and foregoing was recorded in the Clerk's office for Onondaga County, New York

On (Recorded Date): 10/12/2017
At (Recorded Time): 10:05:24 AM

Lisa Dell, County Clerk

This sheet constitutes the Clerk's endorsement required by Section 319 of Real Property Law of the State of New York

Entered By MMERRILL Printed On: 10/12/2017 At: 10:24:56AM
MEMORANDUM OF
COMPANY LEASE AGREEMENT

NAME AND ADDRESS OF LESSOR: Armory Boys LLC
33 Church Street
Montclair, New Jersey 07042

NAME AND ADDRESS OF LESSEE: City of Syracuse Industrial Development Agency
201 East Washington Street, 7th Floor
Syracuse, New York 13202

DESCRIPTION OF LEASED PREMISES:

All that tract or parcel of land situate in the City of Syracuse, County of Onondaga and State of New York, being more particularly described in Exhibit “A” annexed hereto, together with the improvements thereon.

DATE OF EXECUTION OF COMPANY LEASE AGREEMENT:

As of October 1, 2017.

TERM OF COMPANY LEASE AGREEMENT:

The term of this Company Lease shall commence on the date hereof and continue in full force and effect until the earlier of: (1) September 1, 2018; or (2) sixty days after the issuance of a certificate of occupancy by the City of Syracuse, New York, unless earlier terminated as provided in that certain Agency Lease dated of even date herewith between the same parties hereto.
IN WITNESS WHEREOF, the parties hereto have respectively executed this memorandum as of the 1st day of October, 2017.

ARMORY BOYS LLC

By: Jeffery A. Appel, Managing Member

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: William M. Ryan, Chairman
STATE OF NEW YORK  
COUNTY OF ONONDAGA  

On the 59th day of October, 2017, before me, the undersigned, personally appeared Jeffrey A. Appel, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

LORI L. McRobbie  
Notary Public, State of New York  
Qualified in Onondaga Co. No. 01MC5955591  
Commission Expires on Feb. 12, 2018

STATE OF NEW YORK  
COUNTY OF ONONDAGA  

On this 5th day of October, 2017, before me, the undersigned, personally appeared William M. Ryan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

LORI L. McRobbie  
Notary Public, State of New York  
Qualified in Onondaga Co. No. 01MC5955591  
Commission Expires on Feb. 12, 2018
EXHIBIT A

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, being part of Lot Nos. 1, 2, 30, 31, 40 and 41 of Block No. 105-D, Syracuse, New York, according to a Map made by B.F. Green and filed in the Onondaga County Clerk’s Office on October 11, 1850 and bounded and described as follows:

Beginning at a point in the southerly line of West Fayette Street, said point being N. 89° 44' 00" W., 208.855 feet distant, measured along said street line from the westerly line of South Clinton Street, said point being where the centerline of the west wall of the so-called Tallman and Palmer Store, now or formerly known as No. 225 West Fayette Street, intersects the south line of West Fayette Street; thence southwardly along the center of said wall and the same continued about 115.0 feet to a point in range with the north face of the north wall of the six story brick building erected by E.F. Holden on Walton Street; thence westwardly along said range line about 27/100 of a foot to the northeasterly corner of said six story building; thence southwardly along the east face of the brick wall of said building about 90.0 feet to a point in the north line of Walton Street, said point being N. 89° 45' 00" W., 208.856 feet distant, measured along the said northerly line of Walton Street, from the westerly line of South Clinton Street; thence N. 89° 45' 00" W., 64.304 feet along said northerly line of Walton Street to a point; thence N. 00° 13' 20" W., 110.08 feet to a point; thence N. 89° 44' 00" W., .54 of a foot to a point; thence N. 00° 16' 00" E., 95.0 feet to a point in the southerly line of West Fayette Street; thence S. 89° 44' 00" E., 65.045 feet along said street line to the place of beginning.

ALSO, ALL THAT TRACT OR PARCEL OF LAND, situate lying and being under the waters of the old channel of Onondaga Creek (now filled in), situate in the City of Syracuse, County of Onondaga and State of New York, said tract or parcel being all of the old channel of Onondaga Creek lying within the premises describe above.
# Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax

**Schedule A — Information relating to conveyance**

<table>
<thead>
<tr>
<th>Grantor/Transferor</th>
<th>Name (if individual, last, first, middle initial)</th>
<th>Social security number</th>
<th>Social security number</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Individual</td>
<td>Armory Boys LLC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ Corporation</td>
<td>Mailing address</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ Partnership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ Estate/Trust</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ Single member LLC</td>
<td>Montclair State 07042</td>
<td>Federal EIN 82-0865967</td>
<td></td>
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<tr>
<td>□ Other</td>
<td>Single member’s name if grantor is a single member LLC (see instructions)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Grantee/Transferee</th>
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<th>Social security number</th>
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<tr>
<td>□ Individual</td>
<td>City of Syracuse Industrial Development Agency</td>
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<td></td>
</tr>
<tr>
<td>□ Corporation</td>
<td>Mailing address</td>
<td></td>
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</tr>
<tr>
<td>□ Partnership</td>
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<td></td>
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<tr>
<td>□ Estate/Trust</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ Single member LLC</td>
<td>Syracuse State 13202</td>
<td>Federal EIN 52-1380308</td>
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<tr>
<td>□ Other</td>
<td>Single member’s name if grantee is a single member LLC (see instructions)</td>
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**Location and description of property conveyed**

<table>
<thead>
<tr>
<th>Tax map designation — Section, block &amp; lot (include dots and dashes)</th>
<th>SWIS code (six digits)</th>
<th>Street address</th>
<th>City, town, or village</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>101-04-03.0</td>
<td>311500</td>
<td>229-37 West Fayette Street and 120-24 Walton Street</td>
<td>Syracuse</td>
<td>Onondaga</td>
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</table>

<table>
<thead>
<tr>
<th>Type of property conveyed (check applicable box)</th>
<th>Date of conveyance</th>
<th>Percentage of real property conveyed which is residential real property</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ One- to three-family house</td>
<td>10 01 2017</td>
<td>0 %</td>
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<tr>
<td>□ Commercial/Industrial</td>
<td></td>
<td>(see instructions)</td>
</tr>
<tr>
<td>□ Residential cooperative</td>
<td></td>
<td>(see instructions)</td>
</tr>
<tr>
<td>□ Apartment building</td>
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<td>(see instructions)</td>
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<tr>
<td>□ Residential condominium</td>
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<td>(see instructions)</td>
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<tr>
<td>□ Vacant land</td>
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<td>(see instructions)</td>
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<tr>
<td>□ Other</td>
<td></td>
<td>(see instructions)</td>
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</tbody>
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**Condition of conveyance (check all that apply)**

| a. □ Conveyance of fee interest                  | f. □ Conveyance which consists of a mere change of identity or form of ownership or organization (attach Form TP-584.1, Schedule F) |
| b. □ Acquisition of a controlling interest (state percentage acquired %) | g. □ Conveyance for which credit for tax previously paid will be claimed (attach Form TP-584.1, Schedule G) |
| c. □ Transfer of a controlling interest (state percentage transferred %) | h. □ Conveyance of cooperative apartment(s) |
| d. □ Conveyance to cooperative housing corporation | i. □ Syndication |
| e. □ Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest (attach Form TP-584.1, Schedule E) | j. □ Conveyance of air rights or development rights |
|                                              | k. □ Contract assignment |
|                                              | l. □ Option assignment or surrender |
|                                              | m. □ Leasehold assignment or surrender |
|                                              | n. □ Leasehold grant |
|                                              | o. □ Conveyance of an easement |
|                                              | p. □ Conveyance for which exemption from transfer tax claimed (complete Schedule B, Part III) |
|                                              | q. □ Conveyance of property partly within and partly outside the state |
|                                              | r. □ Conveyance pursuant to divorce or separation |
|                                              | s. □ Other (describe) |

**For recording officer’s use**

<table>
<thead>
<tr>
<th>Amount received</th>
<th>Date received</th>
<th>Transaction number</th>
</tr>
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<tr>
<td>Schedule B., Part I $</td>
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<td></td>
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<tr>
<td>Schedule B., Part II $</td>
<td></td>
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</tr>
</tbody>
</table>
**Schedule B — Real estate transfer tax return (Tax Law, Article 31)**

### Part I — Computation of tax due

1. Enter amount of consideration for the conveyance *(if you are claiming a total exemption from tax, check the exemption claimed box, enter consideration and proceed to Part III)*

   - **Exemption claimed**: X
   - 1. 0 00

2. Continuing lien deduction *(see instructions if property is taken subject to mortgage or lien)*

   - 2. 0 00

3. Taxable consideration *(subtract line 2 from line 1)*

   - 3. 0 00

4. Tax: $2 for each $500, or fractional part thereof, of consideration on line 3

   - 4. 0 00

5. Amount of credit claimed for tax previously paid *(see instructions and attach Form TP-584.1, Schedule G)*

   - 5. 0 00

6. Total tax due* *(subtract line 5 from line 4)*

   - 6. 0 00

### Part II — Computation of additional tax due on the conveyance of residential real property for $1 million or more

1. Enter amount of consideration for conveyance *(from Part I, line 1)*

   - 1.

2. Taxable consideration *(multiply line 1 by the percentage of the premises which is residential real property, as shown in Schedule A)*

   - 2.

3. Total additional transfer tax due* *(multiply line 2 by 1% (0.01))*

   - 3.

### Part III — Explanation of exemption claimed on Part I, line 1 *(check any boxes that apply)*

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

a. Conveyance is to the United Nations, the United States of America, the state of New York, or any of their instrumentalities, agencies, or political subdivisions *(or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada)*

   - a X

b. Conveyance is to secure a debt or other obligation

   - b

c. Conveyance is without additional consideration to confirm, correct, modify, or supplement a prior conveyance

   - c

d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts

   - d

e. Conveyance is given in connection with a tax sale

   - e

f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. *(This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings,)* Attach Form TP-584.1, Schedule F

   - f

g. Conveyance consists of deed of partition

   - g

h. Conveyance is given pursuant to the federal Bankruptcy Act

   - h

i. Conveyance consists of the execution of a contract to sell real property, without the use or occupancy of such property, or the granting of an option to purchase real property, without the use or occupancy of such property

   - i

j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than $200,000 and such property was used solely by the grantor as the grantor's personal residence and consists of a one-, two-, or three-family house, an individual residential condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative apartment

   - j

k. Conveyance is not a conveyance within the meaning of Tax Law, Article 31, section 1401(e) *(attach documents supporting such claim)*

   - k

*The total tax *(from Part I, line 6 and Part II, line 3 above)* is due within 15 days from the date conveyance. Please make check(s) payable to the county clerk where the recording is to take place. If the recording is to take place in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, make check(s) payable to the **NYC Department of Finance**. If a recording is not required, send this return and your check(s) made payable to the **NYS Department of Taxation and Finance**, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.
Schedule C — Credit Line Mortgage Certificate (Tax Law, Article 11)

Complete the following only if the interest being transferred is a fee simple interest.

I (we) certify that: (check the appropriate box)

1. □ The real property being sold or transferred is not subject to an outstanding credit line mortgage.

2. □ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:
   □ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately before the transfer.
   □ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where 50% or more of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons (as in the case of a transfer to a trustee for the benefit of a minor or the transfer to a trust for the benefit of the transferor).
   □ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee, or other officer of a court.
   □ The maximum principal amount secured by the credit line mortgage is $3,000,000 or more, and the real property being sold or transferred is not principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

   Please note: for purposes of determining whether the maximum principal amount secured is $3,000,000 or more as described above, the amounts secured by two or more credit line mortgages may be aggregated under certain circumstances. See TSB-M-96(6)-R for more information regarding these aggregation requirements.
   □ Other (attach detailed explanation).

3. □ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:
   □ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
   □ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.

4. □ The real property being transferred is subject to an outstanding credit line mortgage recorded in __________________________., No exemption from tax is claimed and the tax of __________________________ is being paid herewith. (Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City but not in Richmond County, make check payable to the NYC Department of Finance.)

Signature (both the grantor(s) and grantee(s) must sign)

The undersigned certify that the above information contained in schedules A, B, and C, including any return, certification, schedule, or attachment, is to the best of his/her knowledge, true and complete, and authorize the person(s) submitting such form on their behalf to receive a copy for purposes of recording the deed or other instrument effecting the conveyance.

Armoire Boys LLC
Managing Member
Jeffrey A. Appel

City of Syracuse Industrial Development Agency
Grantee signature
William M. Ryan
Chairman

Reminder: Did you complete all of the required information in Schedules A, B, and C? Are you required to complete Schedule D? If you checked e, f, or g in Schedule A, did you complete Form TP-584.1? Have you attached your check(s) made payable to the county clerk where recording will take place or, if the recording is in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, to the NYC Department of Finance? If no recording is required, send your check(s), made payable to the Department of Taxation and Finance, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.
Schedule D - Certification of exemption from the payment of estimated personal income tax (Tax Law, Article 22, section 663)

Complete the following only if a fee simple interest or a cooperative unit is being transferred by an individual or estate or trust.

If the property is being conveyed by a referee pursuant to a foreclosure proceeding, proceed to Part II, and check the second box under Exemptions for nonresident transferor(s)/seller(s) and sign at bottom.

Part I - New York State residents

If you are a New York State resident transferor(s)/seller(s) listed in Schedule A of Form TP-584 (or an attachment to Form TP-584), you must sign the certification below. If one or more transferors/sellers of the real property or cooperative unit is a resident of New York State, each resident transferor/seller must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all resident transferors/sellers.

Certification of resident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) as signed below was a resident of New York State, and therefore is not required to pay estimated personal income tax under Tax Law, section 663(a) upon the sale or transfer of this real property or cooperative unit.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Print full name</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature</td>
<td>Print full name</td>
<td>Date</td>
</tr>
<tr>
<td>Signature</td>
<td>Print full name</td>
<td>Date</td>
</tr>
<tr>
<td>Signature</td>
<td>Print full name</td>
<td>Date</td>
</tr>
</tbody>
</table>

Note: A resident of New York State may still be required to pay estimated tax under Tax Law, section 685(c), but not as a condition of recording a deed.

Part II - Nonresidents of New York State

If you are a nonresident of New York State listed as a transferor/seller in Schedule A of Form TP-584 (or an attachment to Form TP-584) but are not required to pay estimated personal income tax because one of the exemptions below applies under Tax Law, section 663(c), check the box of the appropriate exemption below. If any one of the exemptions below applies to the transferor(s)/seller(s), that transferor(s)/seller(s) is not required to pay estimated personal income tax to New York State under Tax Law, section 663. Each nonresident transferor/seller who qualifies under one of the exemptions below must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all nonresident transferors/sellers.

If none of these exemption statements apply, you must complete Form IT-2663, Nonresident Real Property Estimated Income Tax Payment Form, or Form IT-2664, Nonresident Cooperative Unit Estimated Income Tax Payment Form. For more information, see Payment of estimated personal income tax, on page 1 of Form TP-584-I.

Exemption for nonresident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) (grantor) of this real property or cooperative unit was a nonresident of New York State, but is not required to pay estimated personal income tax under Tax Law, section 663 due to one of the following exemptions:

- The real property or cooperative unit being sold or transferred qualifies in total as the transferor's/seller's principal residence (within the meaning of Internal Revenue Code, section 121) from ______ to ______ (see instructions).

- The transferor/seller is a mortgagor conveying the mortgaged property to a mortgagee in foreclosure, or in lieu of foreclosure with no additional consideration.

- The transferor or transferee is an agency or authority of the United States of America, an agency or authority of the state of New York, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Print full name</th>
<th>Date</th>
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<tbody>
<tr>
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</tr>
<tr>
<td>Signature</td>
<td>Print full name</td>
<td>Date</td>
</tr>
</tbody>
</table>
BILL OF SALE TO AGENCY

ARMORY BOYS LLC, a limited liability company organized under the laws of the State of New York with an office to conduct business at 33 Church Street, Montclair, New Jersey 07042 (the “Company”), for the consideration of One Dollar ($1.00), cash in hand paid, and other good and valuable consideration received by the Company from the City of Syracuse Industrial Development Agency, a public benefit corporation organized and existing pursuant to the laws of the State of New York (the "Agency"), having its office at 201 East Washington Street, 7th Floor, Syracuse, New York 13202, the receipt of which is hereby acknowledged by the Company, hereby sells, transfers, and delivers unto the Agency, its successors and assigns, all those materials, machinery, equipment, fixtures and furnishings now owned or hereafter acquired by the Company in connection with the Project Facility, as described in the Agency Lease entered between the Agency and the Company dated as of October 1, 2017 (the “Agency Lease”), and as listed on “Exhibit A” attached hereto.

TO HAVE AND HOLD the same unto the Agency, its successors and assigns, forever.

The Company hereby represents and warrants that it is the true and lawful owner of the personal property being conveyed hereby, that all of the foregoing are free and clear of all liens, security interests, and encumbrances, except for Permitted Encumbrances, as defined in the Agency Lease, and that the Company has the right to sell the same as aforesaid; and the Company covenants that it will warrant and defend title to the same for the benefit of the Agency and its successors and assigns against the claims and demands of all persons.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized representative on the date indicated beneath the signature of such representative and dated as of the 1st day of October, 2017.

ARMORY BOYS LLC

By: Jeffery A. Appel, Managing Member
EXHIBIT “A”

DESCRIPTION OF THE EQUIPMENT

All articles of personal property, all machinery, apparatus, equipment, appliances, floor coverings, furniture, furnishings, supplies, materials, fittings and fixtures of every kind and nature whatsoever and all appurtenances acquired by ARMORY BOYS LLC (the “Company”) and now or hereafter attached to, contained in or used or acquired in connection with the Project Facility (as defined in the Agency Lease) or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, furniture, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, racks, flagpoles, signs, waste containers, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus aid materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.
5
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

AND

ARMORY BOYS LLC

AGENCY LEASE AGREEMENT

DATED AS OF OCTOBER 1, 2017
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AGENCY LEASE AGREEMENT

THIS AGENCY LEASE AGREEMENT, dated as of October 1, 2017 (the “Agency Lease”), by and between the CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY, a body corporate and politic and a public instrumentality of the State of New York, having its office at 201 East Washington Street, 7th Floor, Syracuse, New York 13202 (the “Agency”), and ARMORY BOYS LLC, a New York limited liability company having its office at 33 Church Street, Montclair, New Jersey 07042 (the “Company”).

WITNESSETH:

WHEREAS, the Agency is authorized and empowered by Title I of Article 18-A of the General Municipal Law of the State of New York (the "State"), as amended, together with Chapter 641 of the Laws of 1979 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, among other things, to: (i) make contracts and leases, and to execute such documents as necessary or convenient, with a public or private person, firm, partnership, or corporation; (ii) to acquire, construct, reconstruct, lease, improve, maintain, equip or furnish one or more projects (as defined in the Act); and (iii) to sell, lease and otherwise dispose of any such property; and

WHEREAS, the Agency, by resolution adopted on August 15, 2017, agreed, at the request of the Company to undertake a project (the “Project”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and
WHEREAS, the Land and the Facility are connected to an adjacent building located at 120-124 Walton Street, Syracuse, New York (the land and building collectively referred to as the "Adjacent Building") which is also owned by the Company; and

WHEREAS, the Agency proposes to assist the Company’s acquisition, reconstruction and equipping of the Project Facility and grant the Financial Assistance to the Project by, among other things: (1) appointing the Company and/or its designee as its agent with respect to completing the Project; (2) accepting a leasehold interest in the Land, the Facility and the Adjacent Building from the Company and a fee interest in the Equipment pursuant to a bill of sale from the Company; (2) subleasing the Project Facility and the Adjacent Building to the Company pursuant to this Agency Lease; and (3) entering into one or more Mortgages; and

WHEREAS, the Mortgagee is requiring the Company grant a mortgage on both the Project Facility as well as the Adjacent Building as collateral for the Note; and

WHEREAS, in order to accommodate the Mortgagee’s collateral requirements, the Agency has agreed to extend its interest to the Adjacent Building solely for purposes of the Mortgage with the understanding that all of the State and local sales and use tax exemption benefits will be realized from work done solely on the Project Facility and that there is no increase in the amount of the exemption from mortgage recording tax previously approved; and

WHEREAS, the Company is the current fee owner of the Land, the Facility and the Adjacent Building and has leased the Land, the Facility and the Adjacent Building to the Agency pursuant to the Company Lease Agreement dated as of October 1, 2017 (the "Company Lease"); and

WHEREAS, the Company has conveyed title to the Equipment to the Agency pursuant to the Bill of Sale dated as of October 1, 2017 (the "Bill of Sale"); and

WHEREAS, the Agency now proposes to sublease the Project Facility and the Adjacent Building to the Company pursuant to the terms and conditions herein set forth; and

WHEREAS, all things necessary to constitute this Agency Lease a valid and binding agreement by and between the parties hereto in accordance with the terms hereof have been done and performed, and the creation, execution, and delivery of this Agency Lease have, in all respects, been duly authorized.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows, to wit:

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ARTICLE I
RECITALS AND DEFINITIONS

1.0 RECITALS.

The foregoing recitals are incorporated herein by reference as if fully set forth hereinbelow.

1.1 DEFINITIONS.

For all purposes of this Agency Lease and any agreement supplemental thereto, all defined terms indicated by the capitalization of the first letter of such term shall have the meanings specified in the Table of Definitions attached hereto as Exhibit “C” except as otherwise expressly defined herein or the context hereof otherwise requires.

1.2 INTERPRETATION.

In this Agency Lease, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “herein,” “hereunder,” and any similar terms as used in this Agency Lease refer to this Agency Lease; the term “heretofore” shall mean before and the term “hereafter” shall mean after the date of this Agency Lease;

(b) Words of masculine gender shall mean and include correlative words of feminine and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa; and

(c) Any certificates, letters, or opinions required to be given pursuant to this Agency Lease shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law, or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Agency Lease.

ARTICLE II
REPRESENTATIONS AND COVENANTS

2.1 REPRESENTATIONS OF THE AGENCY.

The Agency makes the following representations to the Company as the basis for the undertakings on its part herein contained:

(a) The Agency is duly established under the provisions of the Act and has the power to enter into this Agency Lease and to carry out its obligations hereunder. Based upon the representations of the Company as to the utilization of the Project Facility, the Project Facility will constitute a “project,” as such quoted term is defined in the Act. By proper official action, the Agency has been duly authorized to execute, deliver, and perform this Agency Lease and the other Agency Documents.
(b) Neither the execution and delivery of this Agency Lease, the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the provisions of this Agency Lease and the other Agency Documents by the Agency will conflict with or result in a breach by the Agency of any of the terms, conditions, or provisions of the Act, the By-Laws of the Agency, or any order, judgment, restriction, agreement, or instrument to which the Agency is a party or by which it is bound or will constitute a default by the Agency under any of the foregoing.

(c) This Agency Lease and the other Agency Documents constitute, or upon their execution and delivery in accordance with the terms thereof will constitute, valid and legally binding obligations of the Agency, enforceable in accordance with their respective terms.

2.2 REPRESENTATIONS AND COVENANTS OF THE COMPANY.

The Company acknowledges, represents, warrants and covenants to the Agency as follows:

(a) The Company is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of New York, has the power to enter into this Agency Lease and the other Company Documents and to carry out its obligations hereunder and thereunder, and has duly authorized the execution, delivery, and performance of this Agency Lease and the other Company Documents.

(b) This Agency Lease and the other Company Documents constitute, or upon their execution and delivery in accordance with the terms thereof will constitute, valid and legally binding obligations of the Company, enforceable in accordance with their respective terms.

(c) The Company is the present fee owner of the Project Facility and the Adjacent Building and shall remain the fee owner of the Project Facility and the Adjacent Building for the term of this Agency Lease unless otherwise consented to in writing by the Agency.

(d) The Project is not primarily used for retail as set forth in the Act.

(e) Neither the execution and delivery of this Agency Lease and the other Company Documents, the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the provisions thereof will:

(1) Result in a breach of, or conflict with any term or provision in, the Company’s Articles of Organization and Operating Agreement;

(2) Require consent under (which has not been heretofore received) or result in a breach of or default under any credit agreement, indenture, purchase agreement, mortgage, deed of trust, commitment, guaranty or other agreement or instrument to which the Company is a party or by which the Company or any of its property may be bound or affected; or
(3) Conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction, or decree of any Governmental Authority or court (domestic or foreign) having jurisdiction over the Company or any of the property of the Company.

(f) The providing of Financial Assistance to the Project by the Agency:

(1) Has been an important consideration in the Company's decision to acquire, reconstruct, renovate and equip the Project Facility in the City of Syracuse;

(2) Will not result in the removal of an industrial or manufacturing plant or commercial activity of any Project Facility occupant from one area of the State to another area of the State or in the abandonment of one or more plants or facilities of any user, occupant, or proposed user or occupant of the Project Facility located within the State, except as permitted by the Act; and

(3) Will help eliminate blight and advance job opportunities, prosperity, and standard of living and help prevent economic deterioration.

(g) So long as the Agency holds a leasehold interest in the Project Facility and/or the Adjacent Building, the Project Facility is and will continue to be a “project” (as such quoted term is defined in the Act), and the Company will not take any action (or omit to take any action required by the Company Documents or which the Agency, together with Agency’s counsel, advise the Company in writing should be taken), or allow any action to be taken, which action (or omission) would in any way cause the Project Facility not to constitute a “project” (as such quoted term is defined in the Act).

(h) The Company shall cause all notices as required by law to be given and shall comply or cause compliance with all laws, ordinances, municipal rules, and regulations and requirements of all Governmental Authorities applying to or affecting the construction, equipping and operation of the Project Facility (the applicability of such laws, ordinances, rules, and regulations to be determined both as if the Agency were the owner of the Project Facility and as if the Company, were the owner of the Project Facility), and the Company will defend and save the Agency and its officers, members, agents (other than the Company), and employees harmless from all fines and penalties due to failure to comply therewith.

(i) The Project will not have a significant effect on the environment” (within the meaning of such term as used in SEQRA) and the Company hereby covenants to comply with all mitigating measures, requirements and conditions, if any, enumerated in the SEQR Resolution under SEQRA applicable to the acquisition, construction and installation of the Project Facility and in any other approvals issued by any other Governmental Authority with respect to the Project. No material changes with respect to any aspect of the Project Facility have arisen from the date of the issuance of such negative declaration which would cause the determination contained therein to be untrue.

(j) The Company understands and agrees that it is the preference of the Agency that the Company provide opportunities for the purchase of goods and services from: (i)
business enterprises located in the City; (ii) certified minority and or women-owned business enterprises; and (iii) business enterprises that employ residents of the City. The Company further understands and acknowledges that consideration will be given by the Agency to the Company’s efforts to comply, and compliance, with this objective at any time an extension of benefits is sought or involvement by the Agency with the Project is requested by the Company.

(k) The Agency’s undertaking of the Project and the provision of Financial Assistance for the Project will not have a significant impact on the environment within the meaning of SEQRA.

(l) The acquisition, reconstruction and equipping of the Project Facility will promote employment opportunities and help prevent economic deterioration in the City by the creation and/or preservation of both full and part-time jobs.

(m) The Company has, or will have as of the first date of construction and equipping, all then necessary permits, licenses, and governmental approvals and consents (collectively, “Approvals”) for the construction and equipping of the Project Facility and has or will have such Approvals timely for each phase of, and throughout the, reconstruction and equipping of the Project Facility.

(n) The Company will not sublease the whole or any portion of the Project Facility or the Adjacent Building for an unlawful purpose.

(o) No part of the Project Facility will be located outside of the City.

(p) The Company shall perform, or cause to be performed, for and on behalf of the Agency, each and every obligation of the Agency (which is within the control of the Company) under and pursuant to this Agency Lease, the Company Lease and the other Company Documents and shall defend, indemnify, and hold harmless the Agency and its members, officers, agents (other than the Company), servants and employees from and against every expense, liability, or claim arising out of the failure of the Company to fulfill its obligations under the provisions of this Section 2.2.

(q) The Company agrees that except as is otherwise provided by collective bargaining contracts or agreements applicable to the Project, new employment opportunities created as a result of the Project shall be listed with the New York State Department of Labor Community Services Division, and with the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. No. 97-300) in which the Project is located. The Company further agrees that except as is otherwise provided by collective bargaining contracts or agreements applicable to the Project, it will first consider persons eligible to participate in the Federal Job Training Partnership (P.L. No. 97-300) programs who shall be referred by administrative entities of service delivery areas created pursuant to such act or by the Community Services Division of the Department of Labor for such new employment opportunities.
(p) The Company shall provide to the Agency any and all documentation or information requested by the Agency so that the Agency can comply with all of its reporting requirements under the Act.

(q) As a condition precedent to receiving or benefiting from any State sales and use tax exemption benefits, the Company acknowledges and agrees to all terms and conditions of Section 875(3) of the Act. Section 875(3) of the Act is herein incorporated by reference. As part of such conditions precedent:

1. The Company shall not take any State or local Sales and Use Tax exemptions to which it is not entitled, which are in excess of the amount authorized by the Agency, namely $60,000, in reliance on the Company’s Application or which are for property or services not authorized. For purposes of clarity, the Company has only been authorized to use the State and local Sales and Use Tax exemption on and for the Project Facility and not on the Adjacent Building.

2. The Company shall comply with all material terms and conditions to use property or services in the manner required by the Agency Documents.

3. The Company shall cooperate with the Agency in the Agency’s efforts to recover, recapture, receive or otherwise obtain from the Company any Recapture Amount (as defined in Section 8.12(g) hereof), and shall, upon the Agency’s request, immediately pay to the Agency any Recapture Amount, together with any interest or penalties thereon imposed by the Agency or by operation of law or by judicial order or otherwise, as provided in Section 8.12(g) hereof. The Company acknowledges and agrees that the failure of the Company to promptly pay such Recapture Amount to the Agency will be grounds for the State Commissioner of Taxation and Finance to collect sales and use taxes from the Company under Article 28 of the State Tax Law, together with interest and penalties.

(r) The amount of State and local sales and use tax benefits comprising the Financial Assistance approved by the Agency shall not exceed $60,000. The Company shall not request, obtain nor claim State and local sales and use tax exemptions in excess of this amount.

(s) The Company hereby acknowledges that the exemption from mortgage recording tax authorized by the Agency as part of the Financial Assistance is limited by Section 874 of the Act.

ARTICLE III
CONVEYANCE OF LEASEHOLD INTEREST IN PROJECT FACILITY

3.1 AGREEMENT TO CONVEY LEASEHOLD INTEREST TO COMPANY.

The Company has conveyed to the Agency, pursuant to the Company Lease, a leasehold interest in the Land, the Facility and the Adjacent Building, as more fully described in Exhibit “A” attached hereto, any improvements now or hereafter constructed and installed thereon, subject to Permitted Encumbrances and all of its right, title and interest in the
Equipment via a Bill of Sale, as more fully described in Exhibit “B” attached hereto. Under this Agency Lease, the Agency will convey, or will cause to be conveyed, to the Company, a subleasehold interest in the Project Facility and the Adjacent Building subject to Permitted Encumbrances and exclusive of the Agency’s Unassigned Rights.

3.2 USE OF PROJECT FACILITY.

Subsequent to the Closing Date, the Company shall be entitled to use the Project Facility and the Adjacent Building in any manner not otherwise prohibited by this Agency Lease, the Company Lease and other Company Documents, provided that such use causes the Project Facility to qualify or continue to qualify as a “project” under the Act.

ARTICLE IV
RECONSTRUCTION AND EQUIPPING OF THE PROJECT

4.1 RECONSTRUCTION, RENOVATION, CONSTRUCTION AND EQUIPPING OF THE PROJECT FACILITY.

(a) The Company shall promptly reconstruct, equip and complete the Project Facility, all in accordance with the Plans and Specifications. Unless a written waiver is first obtained from the Agency, in accordance with the Agency’s Local Access Policy, the Company and its Additional Agents (as defined herein), shall utilize local labor, contractors and suppliers for the reconstruction and equipping of the Project Facility. For purposes of this Agency Lease, and in particular this Section 4.1, the term “local” shall mean Onondaga, Oswego, Oneida, Madison, Cayuga and Cortland Counties. Failure to comply with the local labor requirements of this Section 4.1 (collectively, “Local Labor Requirements”) may result in the revocation or recapture of all benefits provided/approved to the Project by the Agency. The Company further agrees to complete and supply the Agency, quarterly, starting the first quarter following the date hereof, the “Contract Status Report” the form of which is attached hereto at Exhibit “D”. Failure to comply with any portion of Article 4 may result in the loss of all benefits provided to or for the benefit of the Project in the Agency’s sole discretion.

(b) The Agency hereby confirms the appointment of the Company as its true and lawful agent to perform the following in compliance with the terms, purposes, and intent of this Agency Lease, the Act and the other Company Documents, and the Company hereby accepts such appointment:

(1) To reconstruct, equip and complete the Project Facility and to acquire the Equipment in accordance with the terms hereof;

(2) To make, execute, acknowledge, and deliver any contracts, orders, receipts, writings, and instructions with any other Persons and, in general, to do all things which may be requisite or proper, all for the reconstruction, equipping and completion of the Project Facility with the same powers and with the same validity as the Agency could do if acting in its own behalf, provided that the Agency shall have no liability for the payment of any sums due thereunder;
(3) To pay all fees, costs and expenses incurred in the reconstruction, equipping and completion of the Project Facility from funds made available therefore from the funds of the Company; and

(4) To ask, demand, sue for, levy, recover, and receive all such sums of money, debts, dues, and other demands whatsoever which may be due, owing, and payable to the Agency under the terms of any contract, order, receipt, or writing in connection with the reconstruction, equipping and completion of the Project Facility and to enforce the provisions of any contract, agreement, obligation, bond, or other performance security.

(c) The Agency shall enter into, and accept the assignment of, such contracts as the Company may request in order to effectuate the purposes of this Section 4.1, provided, however, that the Agency shall have no liability for the payment of any sums due thereunder.

(d) The Company has given, or will give or cause to be given, all notices and have complied, or will comply or cause compliance with, all laws, ordinances, rules, regulations, and requirements of all Governmental Authorities applying to or affecting the conduct of work on the Project Facility (the applicability of such laws, ordinances, rules, and regulations to be determined both as if the Agency were the owner of the Project Facility and as if the Company were the owner of the Project Facility), and the Company will defend, indemnify, and save the Agency and its officers, members, agents, servants, and employees harmless from all fines and penalties due to failure to comply therewith. All permits and licenses necessary for the prosecution of work on the Project Facility shall be procured promptly by the Company.

(e) The Company understands and agrees that it is the preference of the Agency that the Company provide opportunities for the purchase of goods and services relative to the Project from: (i) business enterprises located in the City; (ii) certified minority and/or women-owned business enterprises; and (iii) business enterprises that employ residents of the City. Consideration will be given by the Agency to the Company’s efforts to comply, and compliance with, this objective at any time an extension of benefits is requested, or further involvement by the Agency with the Project, is requested by the Company.

4.2 COMPLETION OF PROJECT FACILITY.

(a) The Company will proceed with due diligence to acquire, reconstruct, equip and complete the Project Facility. Completion of the acquisition, reconstruction and equipping of the Project Facility shall be evidenced by a certificate signed by an Authorized Representative of the Company and approved by the Agency, stating:

(1) The date of such completion;

(2) That all labor, services, materials, and supplies used therefor and all costs and expenses in connection therewith have been paid;
(3) That the Company has good and valid title to all Property constituting the Project Facility subject to the interest of the Agency therein and to this Agency Lease, the Company Lease and the Bill of Sale; and

(4) That the Project Facility is ready for occupancy, use and operation for its intended purposes.

(b) Notwithstanding the foregoing, such certificate may state that (1) it is given without prejudice to any rights of the Company against third parties which exist at the date of such certificate or which may subsequently come into being; (2) it is given only for the purposes of this Section 4.2; and (3) no Person other than the Agency may benefit therefrom.

(c) Such certificate shall be accompanied by (1) copy of a certificate of occupancy, if required, and any and all permissions, licenses, or consents required of Governmental Authorities for the occupancy, operation, and use of the Project Facility for its intended purposes; and (2) Lien releases from the Company’s contractor and any subcontractors under a contract with a price in excess of $100,000.

4.3 COSTS OF COMPLETION PAID BY COMPANY.

(a) The Company agrees to complete the Project and to pay in full all costs of the reconstruction, equipping and completion of the Project Facility.

(b) No payment by the Company pursuant to this Section 4.3 shall entitle the Company to any diminution or abatement of any amounts payable by the Company under this Agency Lease.

4.4 REMEDIES TO BE PURSUED AGAINST CONTRACTORS, SUBCONTRACTORS, MATERIALMEN AND THEIR SURETIES.

In the event of a default by any materialman or Additional Agent (as defined herein) under any contract made by them in connection with reconstruction, equipping and completion of the Project Facility or in the event of a breach of warranty or other liability with respect to any materials, workmanship, or performance guaranty, the Company shall proceed, either separately or in conjunction with others, to exhaust the remedies of the Company against the materialman or Additional Agent so in default and against each surety for the performance of such contract. The Company may prosecute or defend any action or proceeding or take any other action involving any such materialman or Additional Agent or surety which the Company deems reasonably necessary. The Company shall advise the Agency of any actions or proceedings taken hereunder. No such suit shall relieve the Company of any of its obligations under this Agency Lease and the other Company Documents.
4.5 COOPERATION IN EXECUTION OF ADDITIONAL MORTGAGES AND MODIFICATIONS OF MORTGAGES.

The Agency agrees, upon written request of an Authorized Representative of the Company and subject to the provisions of the Act, to use its commercially reasonable efforts to execute and deliver one or more Mortgages and such additional instruments and documents may be requested by the Company and approved by counsel to the Agency and as may be required in connection with the Company’s financing or refinancing for the costs of reconstruction and equipping of the Project Facility, provided that:

(a) No Event of Default under this Agency Lease, the Company Lease, the Project Agreement or the Mortgage shall have occurred and be continuing; and

(b) The execution and delivery of such documents by the Agency (i) is permitted by law in effect at the time; and (ii) will serve the public purposes of the Act; and

(c) The Company will be responsible for and shall pay, from the proceeds thereof or otherwise, the Agency’s fee and the costs and expenses of the Agency incidental to such additional financing, refinancing or modification thereof, including without limitation the reasonable attorneys’ fees of the Agency; and

(d) The documents to be signed by the Agency shall contain the provisions set forth in Sections 8.2 and 11.11 hereof, and shall not impose any duties or obligations upon the Agency except as may be acceptable to the Agency.

ARTICLE V
AGREEMENT TO LEASE PROJECT FACILITY AND ADJACENT BUILDING; RENTAL PAYMENTS

5.1 AGREEMENT TO LEASE PROJECT FACILITY AND ADJACENT BUILDING.

In consideration of the Company’s covenant herein to make rental payments, and the other covenants of the Company contained herein, including the covenant to make additional rent and other payments required hereby, the Agency hereby agrees to lease to the Company, and the Company hereby agrees to lease from the Agency, the Project Facility and the Adjacent Building for and during the term provided herein and upon and subject to the terms and conditions herein set forth and subject to Permitted Encumbrances.

The Agency's acceptance of the leasehold interest in and to the Land, Facility and Adjacent Building pursuant to the Company Lease, and its acquisition of an interest in the Equipment pursuant to the Bill of Sale, and the holding of said interests were effected and performed solely at the request of the Company pursuant to the requirements of the Act. The Agency hereby transfers and conveys all of its beneficial and equitable interests, if any, in the Project Facility and the Adjacent Building to the Company, except for its Unassigned Rights. As a result, the parties hereby acknowledge and agree that subject to the terms and conditions of this
Agency Lease, the Company has all of the equitable and beneficial ownership and other interest in the Project Facility and the Adjacent Building (except for the Unassigned Rights), and will have all the equitable and beneficial ownership and other interest in the Project Facility and the Adjacent Building (except for the Unassigned Rights), such that the Company, and not the Agency, shall have an:

(i) unconditional obligation to bear the economic risk of depreciation and diminution in value of the Project Facility and the Adjacent Building due to obsolescence or exhaustion, and shall bear the risk of loss if the Project Facility is destroyed or damaged;

(ii) unconditional obligation to keep the Project Facility and the Adjacent Building in good condition and repair;

(iii) unconditional and exclusive right to the possession of the Project Facility and the Adjacent Building, and shall have sole control of and responsibility for the Project Facility;

(iv) unconditional obligation to maintain insurance coverage on, and such reserves with respect to, the Project Facility and the Adjacent Building as may be required by the Company, the Agency and the Mortgagee with respect to the Project and the Adjacent Building;

(v) unconditional obligation to pay all taxes levied on, or payments in lieu thereof, and assessments made with respect to, the Project Facility and the Adjacent Building;

(vi) subject to the Unassigned Rights, unconditional and exclusive right to receive rental and any other income and other benefits of the Project Facility and the Adjacent Building and from the operation of the Project;

(vii) unconditional obligation to pay for all of the capital investment in the Project Facility and the Adjacent Building;

(viii) unconditional obligation to bear all expenses and burdens of the Project Facility and the Adjacent Building and to pay for all maintenance and operating costs in connection with the Project Facility and the Adjacent Building; and

(ix) unconditional and exclusive right to include all income earned from the operation of the Project Facility and the Adjacent Building and claim all deductions and credits generated with respect to the Project Facility and the Adjacent Building on its annual federal, state and local tax returns.

5.2 TERM OF LEASE; EARLY TERMINATION; SURVIVAL.

(a) The term of this Agency Lease shall commence on the date hereof and continue in full force and effect until the earlier of: (1) September 1, 2018; or (2) sixty days
after the issuance of a certificate of occupancy by the City of Syracuse, New York, unless earlier
terminated as provided herein. In the event this Agency Lease terminates in accordance with the
terms hereof earlier than the expiration of the Company’s appointment as agent of the Agency,
such appointment shall immediately terminate upon the termination of this Agency Lease.

(b) The Company hereby irrevocably designates the Agency as its attorney-in-
fact, coupled with an interest, for the purpose of executing, delivering and recording terminations
of the Agency Lease, the Company Lease, preparing a bill of sale together with any other
documents therewith and to take such other and further actions reasonably necessary to confirm
the termination of the Agency’s interest in the Project.

(c) The Company shall have the option, at any time during the term of this
Agency Lease, to terminate this Agency Lease. In the event that the Company shall exercise its
option to terminate this Agency Lease pursuant to this Section 5.2(c), the Company shall file
with the Agency a certificate stating the Company’s intention to do so pursuant to this
Section 5.2(c) and to comply with the requirements set forth in Section 5.2(d) hereof.

(d) As a condition to the effectiveness of the Company’s exercise of its right
to early termination, the following payments shall be made:

(1) **To the Agency:** an amount certified by the Agency as sufficient to
pay all unpaid fees and expenses of the Agency incurred under this Agency Lease and the
Company Lease (including, but not limited to those in connection with the early termination of
this Agency Lease); and

(2) **To the Appropriate Person:** an amount sufficient to pay all other
fees, expenses or charges, if any, then due and payable under this Agency Lease and the other
Agency Documents.

(e) The certificate required to be filed pursuant to Section 5.2(c), setting forth
the provision thereof permitting early termination of this Agency Lease shall also specify the
date upon which the payments pursuant to subdivision (d) of this Section 5.2 shall be made,
which date shall not be less than thirty (30) nor more than sixty (60) days from the date such
certificate is filed with the Agency.

(f) Contemporaneously with the termination of this Agency Lease in
accordance with Sections 5.1 or 5.2 hereof, the Agency shall transfer, and the Company shall
accept, all of the Agency’s right, title and interest in the Project Facility and the Adjacent
Building, including the Equipment, for a purchase price of One Dollar ($1.00) plus the payment
of all other sums due hereunder and all legal fees and costs associated therewith. Contemporaneously with the termination of this Agency Lease and the Company Lease shall
terminate.

(g) The Agency shall, upon payment by the Company of the amounts pursuant
hereto and to Sections 5.2(d) above and Section 5.3, deliver to the Company all documents
furnished to the Agency by the Company, or prepared by the Agency at the sole expense of the

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Company, and reasonably necessary to evidence termination of the Company Lease and the Agency Lease, including, but not limited to, lease terminations and a bill of sale from the Agency with respect to its interest in the Equipment, without representation or warranty, subject to the following: (1) any Liens to which such Project Facility and the Adjacent Building was subject when conveyed to the Agency, (2) any Liens created at the request of the Company or to the creation of which the Company consented or in the creation of which the Company acquiesced, (3) any Permitted Encumbrances, and (4) any Liens resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Agency Lease.

(h) The obligation of the Agency under this Section 5.2 to convey the Project Facility and the Adjacent Building to the Company will be subject to: (i) there being no Event of Default existing hereunder or under any payment in lieu of tax agreement now or hereafter entered into with respect to all or any portion of the Project Facility and/or the Adjacent Building or under any other Company Documents, or any other event which would, but for the passage of time or the giving of notice, or both, be such an Event of Default; and (ii) the Company’s payment of all expenses, fees and taxes, if any, applicable to or arising from such transfer.

5.3 RENTAL PAYMENTS AND OTHER AMOUNTS PAYABLE.

(a) The Company shall pay basic rental payments for the Project Facility consisting of: (i) to the Agency in an amount sufficient to pay any and all other amounts due hereunder; and (ii) to the Mortgagee, an amount equal to the debt service and amounts becoming due and payable under the Mortgage and the indebtedness secured thereby on the due date thereof.

(b) The Company shall pay to the Agency, as additional rent, within ten (10) days after the receipt of a demand therefor from the Agency, any annual administrative fees of the Agency, the sum of the reasonable fees, costs and expenses of the Agency and the officers, members, agents, and employees thereof incurred by the reason of the Agency’s lease or sublease of the Project Facility and the Adjacent Building or in connection with the carrying out of the Agency’s duties and obligations under this Agency Lease, the Company Lease or any of the other Agency Documents and any other fee or expense of the Agency with respect to the Project Facility and the Adjacent Building, or any of the other Agency Documents, the payment of which is not otherwise provided for under this Agency Lease, including, without limitation, reasonable fees and disbursements of Agency counsel, including fees and expenses incurred in connection with the Agency’s enforcement of any rights hereunder or incurred after the occurrence and during the continuance of an Event of Default, in connection with any waiver, consent, modification or amendment to this Agency Lease or any other Agency Document that may be requested by the Company, or, in connection with any action by the Agency at the request of or on behalf of the Company hereunder or under any other Agency Document. Any additional rent not received within ten (10) business days after demand shall accrue interest after the expiration of such ten days at a rate of ten percent (10%) per annum or the highest rate permitted by law, whichever is less.
The administrative fee payable by the Company to the Agency in conjunction with this Project and the Agency’s granting of Financial Assistance and all outstanding counsel fees and costs shall be paid at closing.

The Company agrees to make the above-mentioned payments, without any further notice, in lawful money of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts. In the event that the Company shall fail to make or cause to be made any of the payments required under this Agency Lease, the item or installment not so paid shall continue as an obligation of the Company until such item or installment is paid in full.

**5.4 NATURE OF OBLIGATIONS OF COMPANY HEREUNDER.**

(a) The obligations of the Company to make the payments required by this Agency Lease and to perform and observe any and all of the other covenants and agreements on its part contained herein are general obligations of the Company and are absolute and unconditional irrespective of any defense or any rights of set-off, recoupment, or counterclaim it may otherwise have against the Agency. The Company agrees that it will not suspend, discontinue, or abate any payment required by, or fail to observe any of its other covenants or agreements contained in this Agency Lease for any cause whatsoever, including, without limiting the generality of the foregoing, failure to complete the reconstruction and equipping of the Project Facility, any defect in the title, design, operation, merchantability, fitness, or condition of the Project Facility, or any part thereof, or in the suitability of the Project Facility, or any part thereof, for the Company’s purposes or needs, or failure of consideration for, destruction of or damage to, or Condemnation of title to, or the use of all or any part of the Project Facility, any change in the tax or other laws of the United States of America or of the State of New York, or any political subdivision thereof, or any failure of the Agency to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with this Agency Lease or the Company Lease.

(b) Nothing contained in this Section 5.4 shall be construed to release the Agency from the performance of any of the agreements on its part contained in this Agency Lease or the Company Lease, and in the event the Agency should fail to perform any such agreement, the Company may institute such action against the Agency as the Company may deem necessary to compel performance (subject to the provisions of Section 11.11).

**ARTICLE VI**
**MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE**

**6.1 MAINTENANCE AND MODIFICATIONS OF PROJECT FACILITY.**

The Company shall:

(a) Keep the Project Facility and the Adjacent Building in good condition and repair and preserve the same against waste, loss and damage, ordinary wear and tear excepted;
(b) Make all necessary repairs and replacements to the Project Facility and the Adjacent Building or any part thereof (whether ordinary or extraordinary, structural, or non-structural, foreseen or unforeseen) which is damaged, destroyed, or condemned; and

(c) Operate the Project Facility and the Adjacent Building in a sound and economic manner in general accordance with the Project pro-forma statements Company previously provided to the Agency.

6.2 TAXES, ASSESSMENTS AND UTILITY CHARGES.

(a) The Company shall pay as the same respectively become due:

(1) Any and all taxes and governmental charges of any kind, whatsoever which may at any time be lawfully assessed or levied against or with respect to the Project Facility and the Adjacent Building;

(2) All utility and other charges, including “service charges,” incurred or imposed for the operation, maintenance, use, occupancy, upkeep, and improvement of the Project Facility and the Adjacent Building, the non-payment of which would create, or entitle the obligee to impose, a Lien on the Project Facility and the Adjacent Building;

(3) All assessments and charges of any kind whatsoever lawfully made by any Governmental Authority for public improvements; and

(4) All payments in lieu of taxes, if any, required to be made to the Agency under the terms of any agreement with respect thereto.

(b) Subject to the terms of any payment in lieu of taxes agreement, the Company may in good faith actively contest any such taxes, assessments, and other charges, provided that (1) the Company shall have first notified the Agency of such contest; (2) no Event of Default under this Agency Lease or any of the other Company Documents shall have occurred and be continuing; and (3) the Company shall have set aside adequate reserves for any such taxes, assessments and other charges. If the Company demonstrates to the reasonable satisfaction of the Agency and certifies to the Agency by delivery of a written certificate, that the non-payment of any such items will not endanger any part of the Project Facility or subject the Project Facility, or any part thereof, to loss or forfeiture, the Company may permit the taxes, assessments, and other charges so contested to remain unpaid during the period of such contest and any appeal therefrom. Otherwise, such taxes, assessments, or charges shall be paid promptly by the Company or secured by the Company’s posting a bond in form and substance satisfactory to the Agency.

(c) Notwithstanding anything herein to the contrary, and notwithstanding the Agency’s interest in the Project Facility and the Adjacent Building, the Company shall pay taxes as if privately owned.
6.3 INSURANCE REQUIRED.

During the term of this Agency Lease, the Company shall maintain or cause to be maintained insurance with respect to the Project Facility and the Adjacent Building against such risks and for such amounts as are customarily insured against by businesses of like size and type and as required of the Agency, paying (as the same becomes due and payable) all premiums with respect thereto, including:

(a) Insurance against loss or damage by fire, lightning, and other casualties customarily insured against (with a uniform standard extended coverage endorsement), such insurance to be in an amount not less than the full replacement value of the completed Project Facility, exclusive of footings and foundations, as determined by a recognized appraiser or insurer selected by the Company.

(b) Workers' compensation insurance, disability benefits' insurance, and each other form of insurance which the Company is required by law to provide covering loss resulting from injury, sickness, disability, or death of employees of the Company who are located at or assigned to the Project Facility;

(c) A policy of commercial general liability insurance with a limit of liability of not less than $1,000,000 per occurrence on an "occurrence" basis and $2,000,000 in the aggregate for bodily injury, including death, and property damage, including but not limited to, contractual liability under this Agency Lease and personal injury, with blanket excess liability coverage in an amount not less than $2,000,000, covering the Project Facility, the Adjacent Building and Equipment and the Company's and the Agency's use or occupancy thereof against all claims on account of bodily injury or death and property damage occurring upon, in or about the Project Facility and the Adjacent Building or in connection with the ownership, maintenance, use and/or occupancy of the Project Facility and the Adjacent Building and all appurtenant areas.

6.4 ADDITIONAL PROVISIONS RESPECTING INSURANCE.

All insurance required by Section 6.3 shall be with insurance companies of recognized financial standing selected by the Company and licensed to write such insurance in the State of New York. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other Persons engaged in businesses similar in size, character, and other respects to those in which the Company are engaged. All policies evidencing such insurance except the Workers' Compensation policy shall name the Company as insured and the Agency as an additional insured, as its interests may appear, and shall provide that such coverage with respect to the Agency be primary and non-contributory with any insurance secured by the Agency and require at least thirty (30) days' prior written notice to the Agency of cancellation, reduction in policy limits, or material change in coverage thereof.

Prior to the Closing Date, the Company shall deliver to the Agency, satisfactory to the Agency in form and substance: (i) certificates evidencing all insurance required hereby; (ii) the additional insured endorsement(s) applicable to the Agency; (iii) the final insurance binder addressed to the Company covering the Project Facility and the Adjacent Building; and (iv) evidence that the insurance so required is on a primary and non-contributory basis. In
addition, the Company shall provide, if so requested by the Agency, a final and complete copy of each insurance policy within thirty (30) days of the Closing Date.

The Company shall deliver or cause to be delivered to the Agency on or before the first business day of each January thereafter each of the items set forth in the immediately preceding paragraph, dated not earlier than the immediately preceding month, reciting that there is in full force and effect, with a term covering at least the next succeeding calendar year, insurance in the amounts and of the types required by Sections 6.3 and 6.4. The Company shall furnish to the Agency evidence that the policy has been renewed or replaced or is no longer required by this Agency Lease each year throughout the term of this Agency Lease.

All premiums with respect to the insurance required by Section 6.3 shall be paid by the Company, provided, however, that, if the premiums are not timely paid, the Agency may pay such premiums and the Company shall pay immediately upon demand all sums so expended by the Agency, together with interest at a rate of ten percent (10%) per annum or the highest rate permitted by law, whichever is less.

6.5 APPLICATION OF NET PROCEEDS OF INSURANCE.

The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.3 shall be applied as follows:

(a) The Net Proceeds of the insurance required by subsection 6.3(a) shall be paid and applied as provided in Section 7.1 hereof; and

(b) The Net Proceeds of the insurance required by subsections 6.3(b) and 6.3(c) shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

ARTICLE VII
DAMAGE, DESTRUCTION, AND CONDEMNATION

7.1 DAMAGE OR DESTRUCTION.

(a) If the Mortgage shall be in effect or the Mortgagee shall have any interest in the Project Facility arising under or related to the Mortgage, whether by foreclosure or otherwise and the Project Facility shall be damaged or destroyed, in whole or in part, then insurance proceeds shall be paid in accordance with the relevant provisions of the Mortgage regarding the distribution of such insurance proceeds, provided that there shall be no abatement or reduction in amounts payable to the Agency hereunder. If the Mortgage shall not be in effect and the Mortgagee shall have no interest in the Project Facility and the Project Facility shall be damaged or destroyed, in whole or in part:

(1) There shall be no abatement or reduction in the amounts payable by the Company under this Agency Lease or otherwise (whether or not the Project Facility is replaced, repaired, rebuilt, or restored); and
(2) The Company shall promptly give notice thereof to the Agency; and

(3) Except as otherwise provided in subsections 7.1(b) and 7.1(c) hereof, upon receipt of the insurance proceeds, the Company shall promptly replace, repair, rebuild, or restore the Project Facility to substantially the same condition as existed prior to such damage or destruction, with such changes, alterations, and modifications as may be desired by the Company and consented to in writing by the Agency, provided that such changes, alterations, or modifications do not change the nature of the Project Facility, such that it does not constitute a “project” (as such quoted term is defined in the Act); and in the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, or restoration, the Company shall nonetheless complete such work and shall pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds.

(b) If the Mortgage shall not be in effect and the Mortgagee shall have no interest in the Project Facility, then notwithstanding anything to the contrary contained in subsection 7.1(a), the Company shall not be obligated to replace, repair, rebuild, or restore the Project Facility, and the Net Proceeds of any insurance settlement shall not be applied as provided in subsection 7.1(a) if the Company shall notify the Agency that, in the Company’s sole judgment, the Company does not deem it practical or desirable to replace, repair, rebuild, or restore the Project Facility. In such event, the lesser of (1) the total amount of the Net Proceeds collected under any and all policies of insurance covering the damage to or destruction of the Project Facility, or (2) any other sums payable to the Agency pursuant to this Agency Lease and the other Agency and Company Documents, shall be applied to the repayment of all amounts due to the Agency under this Agency Lease, the Company Lease and other Agency Documents. If the Net Proceeds collected under any and all policies of insurance are less than the amount necessary to repay any and all amounts payable to the Agency, the Company shall pay the difference between such amounts and the Net Proceeds of all such insurance settlements so that any and all amounts payable under this Agency Lease, the Company Lease and the other Agency Documents to the Agency shall be paid in full. If all amounts due under this Agency Lease, the Company Lease, the Mortgage and the other Agency Documents are paid in full, all such Net Proceeds, or the balance thereof, shall be paid to the Company for its purposes.

(c) The Company and the Mortgagee may adjust all claims under any policies of insurance required by subsections 6.3(a) and 6.3(c) hereof with the prior written consent of the Agency, which consent shall not be unreasonably withheld.

7.2 CONDEMNATION.

(a) If the Mortgage shall be in effect or the Mortgagee shall have any interest in the Project Facility arising under or related to the Mortgage, whether by foreclosure or otherwise and title to, or the use of, all, substantially all or less than substantially all of the Project Facility shall be taken by Condemnation, then Condemnation proceeds shall be paid in accordance with the relevant provisions of the Mortgage regarding the distribution of such Condemnation proceeds, provided that there shall be no abatement or reduction in amounts
payable to the Agency hereunder. If the Mortgage shall not be in effect and the Mortgagee shall have no interest in the Project Facility and if title to, or the use of, less than substantially all of the Project Facility shall be taken by Condemnation:

(1) There shall be no abatement or reduction in the amounts payable by the Company under this Agency Lease or otherwise (whether or not the Project Facility is restored); and

(2) The Company shall promptly give notice thereof to the Agency; and

(3) Except as otherwise provided in subsections 7.2(b) and 7.2(c) hereof, upon receipt of the Condemnation proceeds, the Company shall promptly restore the Project Facility (excluding any part of the Project Facility taken by Condemnation) to substantially the condition and value as an operating entity as existed prior to such Condemnation; and the Company shall nonetheless complete such restoration and shall pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds.

(b) If the Mortgage shall not be in effect and the Mortgagee shall have no interest in the Project Facility and if title to, or the use of, less than substantially all of the Project Facility shall be taken by Condemnation, then notwithstanding anything to the contrary contained in subsection 7.2(a), the Company shall not be obligated to restore the Project Facility, and the Net Proceeds of any Condemnation award shall not be applied as provided in subsection 7.2(a) if the Company shall notify the Agency that, in the Company’s sole judgment, the Company does not deem it practical or desirable to restore the Project Facility. In such event, the lesser of (1) the Net Proceeds of any Condemnation award, or (2) the amount necessary to pay the Agency pursuant to this Agency Lease, the Company Lease and the other Agency Documents, shall be applied to payment of all amounts due to the Agency under this Agency Lease, the Company Lease and other Agency Documents. If the Net Proceeds of any Condemnation award are less than the amount necessary to pay any and all amounts payable to the Agency, the Company shall pay the difference between such amounts and the Net Proceeds of such Condemnation award so that any and all amounts payable under this Agency Lease, the Company Lease and other Agency Documents to the Agency shall be paid in full. If all amounts due under this Agency Lease, the Company Lease, the Mortgage and the other Agency Documents have been paid in full, all such Net Proceeds or the balance thereof shall be paid to the Company for its purposes.

(c) The Company and the Mortgagee with the prior written consent of the Agency (which consent shall not be unreasonably withheld), shall have sole control of any Condemnation proceeding with respect to the Project Facility, or any part thereof, and may negotiate the settlement of any such proceeding.
7.3 ADDITIONS TO PROJECT FACILITY.

All replacements, repairs, rebuilding, or restoration made pursuant to Sections 7.1 or 7.2 hereof, whether or not requiring the expenditure of the Company’s own moneys, shall automatically become part of the Project Facility as if the same were specifically described herein.

ARTICLE VIII
SPECIAL COVENANTS

8.1 NO WARRANTY OF CONDITION OR SUITABILITY BY THE AGENCY; ACCEPTANCE “AS IS.”

THE AGENCY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY, OR FITNESS OF THE PROJECT FACILITY OR THE ADJACENT BUILDING, OR ANY PART THEREOF, OR AS TO THE SUITABILITY OF THE PROJECT FACILITY OR THE ADJACENT BUILDING OR ANY PART THEREOF FOR THE COMPANY’S PURPOSES OR NEEDS. NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY IS MADE. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE, WHETHER PATENT OR LATENT, THE AGENCY SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO.

8.2 HOLD HARMLESS PROVISIONS.

(a) The Company hereby releases the Agency and its members, officers, agents and employees from, agrees that the Agency and its members, officers, agents and employees shall not be liable for, and agrees to indemnify, defend, and hold the Agency and its members, officers, agents and employees harmless from and against any and all claims arising as a result of the Agency’s undertaking the Project or its interest in the Adjacent Building, including, but not limited to:

(1) Liability for loss or damage to Project Facility or the Adjacent Building or bodily injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Project Facility or the Adjacent Building, or arising by reason of or in connection with the occupation or the use thereof, or the presence on, in, or about the Project Facility or the Adjacent Building;

(2) Liability arising from or expense incurred by the Agency’s acquisition of a leasehold interest in the Project Facility and the Adjacent Building and the subleasing of the Project Facility and the Adjacent Building, including, without limiting the generality of the foregoing, all liabilities or claims arising as a result of the Agency’s obligations under this Agency Lease, the Company Lease, the Mortgage or any other documents executed by the Agency at the direction of the Company in conjunction with the Project Facility or the Adjacent Building.
(3) All claims arising from the exercise by the Company, and or its Additional Agents (as defined herein) of the authority conferred upon it and performance of the obligations assumed under Section 4.1 hereof;

(4) Any and all claims arising from the non-disclosure of information, if any, requested by the Company in accordance with Section 11.14 hereof;

(5) All causes of action and attorneys’ fees and other expenses incurred in connection with any suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities, or expenses of the Agency are not incurred or do not result from the intentional wrongdoing of the Agency or any of its members, officers, agents or employees.

To the fullest extent permitted by law, the foregoing indemnities shall apply notwithstanding the fault or negligence (other than gross negligence or willful misconduct) on the part of the Agency or any of its officers, members, agents, servants or employees and irrespective of any breach of statutory obligation or any rule of comparative or apportional liability.

(b) In the event of any claim against the Agency or its members, officers, agents, or employees by any employee of the Company, or any materialman or Additional Agent of the Company, or anyone directly or indirectly employed by any of them, or any one for whose acts any of them may be liable, the obligations of the Company hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Company or such contractor under workers’ compensation laws, disability benefit laws, or other employee benefit laws.

(c) To effectuate the provisions of this Section 8.2, the Company agrees to provide for and insure, in the liability policies required by Section 6.3, its liabilities assumed pursuant to this Section 8.2.

(d) Notwithstanding any other provisions of this Agency Lease, the obligations of the Company pursuant to this Section 8.2 shall remain in full force and effect after the termination of this Agency Lease and the Company Lease until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action, or prosecution relating to the matters herein described may be brought, and the payment in full or the satisfaction of such claim, cause of action, or prosecution, and the payment of all expenses and charges incurred by the Agency, or its officers, members, agents or employees relating thereto.

(e) For purposes of this Section 8.2 and Section 11.11 hereof, the Company shall not be deemed to constitute an employee, agent or servant of the Agency or a person under the Agency’s control or supervision.
8.3 RIGHT OF ACCESS TO PROJECT FACILITY.

During the term of this Agency Lease, the Company agrees that the Agency and its duly authorized agents shall have the right to enter upon and to examine and inspect the Project Facility upon reasonable notice to the Company and with the least disturbance of Project Facility tenants as reasonably possible.

8.4 MAINTENANCE OF EXISTENCE.

During the term of this Agency Lease, the Company will maintain its existence and will not dissolve or otherwise dispose of all or substantially all of its assets.

8.5 AGREEMENT TO PROVIDE INFORMATION.

During the term of this Agency Lease, and no less frequently than annually, the Company agrees, whenever reasonably requested by the Agency or the Agency’s auditor, to provide and certify, or cause to be certified, such information concerning the Project and/or the Company, its finances, and for itself and each of its Additional Agents, information regarding job creation\(^1\), Local Labor Requirements, exemptions from State and local sales and use tax, real property and mortgage recording taxes and other topics as the Agency from time to time reasonably considers necessary or appropriate including, but not limited to those reports, in substantially the form as set forth in Exhibit “E” attached hereto, and such other information necessary as to enable the Agency to monitor and/or make any reports required by law or governmental regulation, including but not limited to §875 of the Act. Notwithstanding anything in this Section 8.5 to the contrary, the Company shall provide the Contract Status Report in accordance with Section 4.1 hereof.

8.6 BOOKS OF RECORD AND ACCOUNT; FINANCIAL STATEMENTS.

During the term of this Agency Lease, the Company agrees to maintain proper accounts, records, and books, in which full and correct entries shall be made in accordance with generally accepted accounting principles, of all business and affairs of the Company.

8.7 COMPLIANCE WITH ORDERS, ORDINANCES, ETC.

(a) The Company agrees that it will, during any period in which the amounts due under this Agency Lease remain unpaid, promptly comply with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions, and requirements of all Governmental Authorities, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter affect the Company’s obligations hereunder or be applicable to the Project Facility, or any part thereof, or to any use,

\(^1\) To the extent the Project includes commercial space and/or tenants for which the Company calculated job creation as part of its projections in its Application, the Company is obligated, through its lease or other rental agreement with those commercial tenants, to require that such tenants report to the Company, in accordance with the terms of Section 8.5 hereof, the number of full and part time jobs created and maintained by each such tenant for inclusion in the Company’s reporting to or at the request of the Agency.
manner of use, or condition of the Project Facility, or any part thereof, the applicability of the same to be determined both as if the Agency were the owner of the Project Facility and as if the Company were the owner of the Project Facility.

(b) Notwithstanding the provisions of subsection 8.7(a), the Company may, in good faith, actively contest the validity or the applicability of any requirement of the nature referred to in said subsection 8.7(a), provided that the Company shall have first notified the Agency of such contest, no Event of Default shall be continuing under this Agency Lease, or any of the other Company Documents; and such contest and failure to comply with such requirement shall not subject the Project Facility to loss or forfeiture. In such event, the Company may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom unless the Agency or its members, officers, agents, or employees may be liable for prosecution for failure to comply therewith, in which event the Company shall promptly take such action with respect thereto as shall be satisfactory to the Agency.

8.8 DISCHARGE OF LIENS AND ENCUMBRANCES.

During the term of this Agency Lease, the Company hereby covenants that, except for Permitted Encumbrances, the Company agrees not to create, or suffer to be created, any Lien on the Project Facility, or any part thereof without the prior written consent of the Agency. The Company shall promptly notify the Agency of any Permitted Encumbrances created, or suffered to be created, on the Project Facility.

8.9 PERFORMANCE BY AGENCY OF COMPANY’S OBLIGATIONS.

Should the Company fail to make any payment or to do any act as herein provided, the Agency may, but need not, upon ten (10) days’ prior written notice to or demand on the Company and without releasing the Company from any obligation herein, make or do the same, including, without limitation, appearing in and defending any action purporting to affect the rights or powers of the Company, or the Agency and paying all expenses, including, without limitation, reasonable attorneys’ fees; and the Company shall pay immediately upon demand all sums so expended by the Agency under the authority hereof, together with the interest thereon at a rate of ten percent (10%) per annum or the highest rate permitted by law, whichever is greater.

8.10 DEPRECIATION DEDUCTIONS AND TAX CREDITS.

The parties agree that as between them, the Company shall be entitled to all depreciation deductions and accelerated cost recovery system deductions with respect to any portion of the Project Facility pursuant to Sections 167 and 168 of the Code and to any investment credit pursuant to Section 38 of the Code with respect to any portion of the Project Facility which constitutes “Section 38 Property” and to all other State and/or federal income tax deductions and credits which may be available with respect to the Project Facility.
8.11 EMPLOYMENT OPPORTUNITIES.

The Company shall insure that all employees and applicants for employment with regard to the Project are afforded equal employment opportunities without discrimination.

8.12 SALES AND USE TAX EXEMPTION.

(a) Pursuant to Section 874 of the Act, the parties understand that the Agency is exempt from certain State and local sales use taxes imposed by the State and local governments in the State, and that the Project may be exempted from those taxes due to the involvement of the Agency in the Project. The Agency makes no representations or warranties that any property is exempt from the payment of State or local sales or use taxes. Any exemption from the payment of State or local sales or use taxes resulting from the involvement of the Agency with the Project shall be subject to Section 875 of the Act and shall be limited to purchases of services and tangible personal property conveyed to the Agency or utilized by the Agency or by the Company as agent of the Agency solely as a part of the Project prior to the Completion Date, or incorporated solely within the Project Facility prior to the Completion Date. No operating expenses of the Project Facility, and no other purchases of services or property shall be subject to an exemption from the payment of State sales or use tax. It is the intention of the parties hereto that the Company will receive a State and local sales and use tax exemption with respect to the Project (and not the Adjacent Building), said sales tax exemption to be evidenced by a letter to be issued by the Agency on the date of the execution of this Agency Lease. The Company acknowledges that as an agent of the Agency, it must complete and provide to each vendor Form ST-123 for purchases. The failure to furnish a completed Form ST-123 (IDA Agent or Project Operator Exempt Purchase Certificate) with each purchase will result in loss of the exemption for that purchase.

(b) The Company may use and appoint a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, "Additional Agents") in furtherance of the completion of the Project. However, for each Additional Agent, the Company must first: (i) cause the each such appointed Additional Agent to execute and deliver a sub-agent agreement, in the form attached hereto at Exhibit "F", and provide a fully executed copy to the Agency; and (ii) submit a completed Form ST-60 to the Agency for execution and filing with the New York State Department of Taxation and Finance.

(c) The Company acknowledges and agrees that an Additional Agent must be appointed as an agent of the Agency in order to avail itself of the Agency’s sales and use tax exemption for purchases or rentals of equipment, tools and supplies with respect to the Project Facility.

(d) Pursuant to Section 874(8) of the Act, the Company agrees to annually file and cause each Additional Agent or other operator of the Project Facility to file annually, with the New York State Department of Taxation and Finance, and provide the Agency with a copy of same, on a form and in such manner as is prescribed by the New York State Commissioner of Taxation and Finance (the "Annual Sales Tax Report"), a statement of the value of all sales and use tax exemptions claimed by the Company and all other Additional
Agents under the authority granted to the Company pursuant to Section 4.1(b) of this Agency Lease. Pursuant to Section 874(8) of the Act, the penalty for failure to file the Annual Sales Tax Report shall be removal of authority to act as agent of the Agency. Therefore, if the Company shall fail to comply with the requirements of this subsection (d), irrespective of any notice and cure period afforded, the Company and each Additional Agent shall immediately cease to be the agent of the Agency in connection with the Project. The Company is responsible for obtaining from the New York State Department of Taxation and Finance the current version of such Annual Sales Tax Report.

(e) The Company agrees to furnish to the Agency a copy of each such Annual Sales Tax Report submitted to the New York State Department of Taxation and Finance by the Company pursuant to Section 874(8) of the Act for itself and any Additional Agent.

(f) Pursuant to Section 874(9) of the Act, the Agency agrees to file within thirty (30) days of the Closing Date with the New York State Department of Taxation and Finance, on a form and in such manner as is prescribed by the New York State Commissioner of Taxation and Finance (the "Thirty-Day Sales Tax Report"), a statement identifying the Company, or 30 days from the appointment of any Additional Agent appointed in accordance with the terms herein, as agent of the Agency, setting forth the taxpayer identification number of the Company, giving a brief description of the goods and/or services intended to be exempted from sales taxes as a result of such appointment as agent, indicating the estimated value of the goods and/or services to which such appointment as agent relates, indicating the date when such designation as agent became effective and indicating the date upon which such designation as agent shall cease.

(g) Pursuant to Section 875(3) of the Act, and in conjunction with Agency policy, the Agency shall, and in some circumstances may, recover, recapture, receive or otherwise obtain from the Company the portion of the Financial Assistance (the "Recapture Amount") consisting of State and local sales and use tax exemption in accordance with the Agency’s Recapture Policy, a copy of which is attached hereto at Exhibit “G”, and the Project Agreement.

8.13. IDENTIFICATION OF THE EQUIPMENT.

All Equipment which is or may become part of the Project Facility pursuant to the provisions of this Lease Agreement shall be properly identified by the Company by such appropriate records, including computerized records, as may be approved by the Agency.

ARTICLE IX

ASSIGNMENTS; TRANSFERS; MERGER OF AGENCY

9.1 ASSIGNMENT OF AGENCY LEASE.

This Agency Lease may not be assigned by the Company, in whole or in part, nor all or any part of the Project Facility subleased, nor any part of the Project Facility sold, leased,
transferred, conveyed or otherwise disposed of without the prior written consent of the Agency, which consent shall be in the Agency’s sole and absolute discretion; provided however, that the Company may enter into leases for individual rental units that are part of the Project Facility without the consent of the Agency. Any assignment or sublease of this Agency Lease shall not effect a release of the Company from its obligations hereunder.

9.2 TRANSFERS OF INTERESTS.

Company shall not assign or otherwise transfer or allow an assignment or transfer, of a controlling interest in the Company, whether by operation of law or otherwise (including, without limitation, by way of a merger, consolidation or a change of control whereby the current existing equity holders of the Company, as of the date of the application to the Agency, would own, in the aggregate, less than a majority of the total combined voting power of all classes of equity interest of the Company or any surviving entity), without the prior written consent of Agency, which consent shall be in the Agency’s sole and absolute discretion.

9.3 MERGER OF AGENCY.

(a) Nothing contained in this Agency Lease shall prevent the consolidation of the Agency with, or merger of the Agency into, or assignment by the Agency of its rights and interests hereunder to any other body corporate and politic and public instrumentality of the State of New York, or political subdivision thereof, which has the legal authority to perform the obligations of the Agency hereunder, provided that upon any such consolidation, merger, or assignment, the due and punctual performance and observance of all the agreements and conditions of this Agency Lease to be kept and performed by the Agency shall be expressly assumed in writing by the public instrumentality or political subdivision resulting from such consolidation or surviving such merger or to which the Agency’s rights and interests hereunder shall be assigned.

(b) Promptly following the effective date of any such consolidation, merger, or assignment, the Agency shall give notice thereof in reasonable detail to the Company. The Agency shall promptly furnish to the Company such additional information with respect to any such consolidation, merger, or assignment as the Company reasonably may request.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

10.1 EVENTS OF DEFAULT DEFINED.

The following shall be “Events of Default” under this Agency Lease, and the terms “Event of Default” or “Default” shall mean, whenever they are used in this Agency Lease, any one or more of the following events:

(a) A default by the Company in the due and punctual payment of the amounts specified to be paid pursuant to subsection 5.3 or 8.12(g); or
(b) Failure by the Company to maintain the insurance required by Section 6.3; or

(c) A default in the performance or the observance of any other of the covenants, conditions, or agreements on the part of the Company in this Agency Lease and the continuance thereof for a period of thirty (30) days after written notice is given by the Agency or, if such covenant, condition, or agreement is capable of cure but cannot reasonably be cured within such thirty-day period, the failure of the Company to commence to cure within such thirty-day period and to prosecute the same with due diligence and cure the same within an additional thirty (30) days; or

(d) A transfer in contravention of Article 9 hereof;

(e) The occurrence of an “Event of Default” under the Mortgage, the Company Lease, the Project Agreement or any of the other Company Documents which is not timely cured as provided therein; or

(f) The Company shall generally not pay its debts as such debts become due or is unable to pay its debts as they become due.

(g) The Company shall conceal, remove, or permit to be concealed or removed any part of its Property with intent to hinder, delay, or defraud its creditors, or any one of them, or shall make or suffer a transfer of any of its Property which is fraudulent under any bankruptcy, fraudulent conveyance, or similar law, or shall make any transfer of its Property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or shall suffer or permit, while insolvent, any creditor to obtain a Lien upon any of its Property through legal proceedings or distraint which is not vacated within thirty (30) days from the date thereof; or

(h) By order of a court of competent jurisdiction, a trustee, receiver, or liquidator of the Project Facility, or any part thereof, or of the Company shall be appointed and such order shall not be discharged or dismissed within sixty (60) days after such appointment; or

(i) The filing by the Company of a voluntary petition under Title 11 of the United States Code or any other federal or state bankruptcy statute; the failure by the Company within sixty (60) days to lift any execution, garnishment, or attachment of such consequence as will impair the Company’s ability to carry out its obligations hereunder; the commencement of a case under Title 11 of the United States Code against the Company as the debtor, or commencement under any other federal or state bankruptcy statute of a case, action, or proceeding against the Company, and continuation of such case, action, or proceeding without dismissal for a period of sixty (60) days; the entry of an order for relief by a court of competent jurisdiction under Title 11 of the United States Code or any other federal or state bankruptcy statute with respect to the debts of the Company; or in connection with any insolvency or bankruptcy case, action, or proceeding, appointment by final order, judgment, or decree of a court of competent jurisdiction of a receiver or trustee of the whole or a substantial portion of the
Property of the Company unless such order, judgment, or decree is vacated, dismissed, or dissolved within sixty (60) days of its issuance.

(j) The imposition of a Lien on the Project Facility other than a Permitted Encumbrance.

10.2 REMEDIES ON DEFAULT.

(a) Whenever any Event of Default shall have occurred and be continuing, the Agency may, to the extent permitted by law, take any one or more of the following remedial steps:

1) Terminate this Agency Lease;

2) Terminate the Company Lease;

3) Take any other action at law or in equity which may appear necessary or desirable to collect any amounts then due, or thereafter to become due, hereunder or under the Company Lease, the Project Agreement and/or to enforce the Company’s obligations and duties under the Company Documents and the Agency’s rights under the Agency Documents, including but not limited to, specific performance;

4) Terminate the Company’s appointment as agent of the Agency; or

5) Seek to recover the recapture amount set forth in Article 8 hereof as well as any and all other components of Financial Assistance provided to the Company in accordance with the Agency’s Recapture Policy.

(b) No action taken pursuant to this Section 10.2 shall relieve the Company from its obligations to make all payments required by Sections 5.3(b) and 8.2 hereof.

10.3 REMEDIES CUMULATIVE.

No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Agency Lease, the Company Lease and the other Company Documents or now or hereafter existing at law or in equity to collect any amounts then due, or thereafter to become due, hereunder and thereunder and to enforce the Agency’s right to terminate this Agency Lease and the Company Lease. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Agency to exercise any remedy reserved to it in this Article 10, it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Agency Lease.
10.4 AGREEMENT TO PAY ATTORNEYS’ FEES AND EXPENSES.

In the event the Company should Default under any of the provisions of this Agency Lease, or a dispute arises hereunder, and the Agency should employ attorneys or incur other expenses to preserve or enforce its rights hereunder or for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Company herein contained, the Company shall, on demand therefor, pay to the Agency the reasonable fees and costs of such attorneys and such other expenses so incurred.

10.5 NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER.

In the event any agreement contained herein should be breached by either party and thereafter such breach be waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XI
MISCELLANEOUS

11.1 NOTICES.

All notices, certificates, and other communications hereunder shall be in writing, shall be sufficiently given, and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, and actually received by the intended recipient or by overnight courier or such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates, and other communications hereunder shall be delivered are as follows:

(a) If to the Agency, to:

City of Syracuse Industrial Development Agency
201 East Washington Street, 7th Floor
Syracuse, New York 13202
Attn: Chairman

With a copy to:

Corporation Counsel
City of Syracuse
233 East Washington Street
Syracuse, New York 13202
(b) If to the Company, to:

Armory Boys LLC
33 Church Street
Montclair, New Jersey 07042
Attn: Jeffrey A. Appel, Managing Member

With a copy to:

Caraccioli & Associates, PLLC
175 East 7th Street
Oswego, New York 13216
Attn: Kevin C. Caraccioli, Esq.

The Agency and the Company, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, and other communications shall be sent.

11.2 BINDING EFFECT.

This Agency Lease shall inure to the benefit of and shall be binding upon the Agency and the Company and, as permitted by this Agency Lease, upon their respective heirs, successors and assigns.

11.3 SEVERABILITY.

If any one or more of the covenants or agreements provided herein on the part of the Agency or the Company to be performed shall for any reason be held, or shall in fact be, inoperative, unenforceable, or contrary to law in any particular circumstance; such circumstance shall not render the provision in question inoperative or unenforceable in any other circumstance. Further, if any one or more of the sentences, clauses, paragraphs, or sections herein is contrary to law, then such covenant(s) or agreement(s) shall be deemed severable of remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Agency Lease.

11.4 AMENDMENTS, CHANGES AND MODIFICATIONS.

This Agency Lease may not be amended, changed, modified, altered, or terminated except by an instrument in writing signed by the parties hereto.

11.5 EXECUTION OF COUNTERPARTS.

This Agency Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
11.6 APPLICABLE LAW.

This Agency Lease shall be governed exclusively by the applicable laws of the State of New York.

11.7 WAIVER OF TRIAL BY JURY.

THE COMPANY AND THE AGENCY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY DISPUTE ARISING UNDER THIS AGENCY LEASE, AND THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGENCY LEASE.

11.8 SUBORDINATION.

This Agency Lease shall be subject and subordinate to the Company Lease and the Mortgage and all Permitted Encumbrances in all respects.

11.9 SURVIVAL OF OBLIGATIONS.

(a) The obligations of the Company to repay, defend and/or provide the indemnity required by Section 8.2 and 8.12 hereof shall survive the termination of this Agency Lease and all such payments and obligations after such termination shall be made upon demand of the party to whom such payment and/or obligation is due.

(b) The obligations of the Company to repay, defend and/or provide the indemnity required by Sections 8.2 and 8.12 shall survive the termination of this Agency Lease until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action, or prosecution may be brought, and the payment in full or the satisfaction of such claim, cause of action, or prosecution, and the payment of all expenses and charges incurred by the Agency or its officers, members, agents (other than the Company) or employees relating thereto.

(c) The obligations of the Company required by Article 4 and Sections 2.2 and 11.14 hereof shall similarly survive the termination of this Agency Lease.

11.10 TABLE OF CONTENTS AND SECTION HEADINGS NOT CONTROLLING.

The Table of Contents and the Section headings in this Agency Lease have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Agency Lease.

11.11 NO RECOUSE; SPECIAL OBLIGATION.

The obligations and agreements of the Agency contained herein and in the other Agency Documents and in any other instrument or document executed in connection herewith or therewith, and any instrument or document supplemental hereto or thereto, shall be deemed the obligations and agreements of the Agency and not of any member, officer, agent or employee of
the Agency in his individual capacity; and the members, officers, agents and employees of the Agency shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby. The obligations and agreements of the Agency contained herein or therein shall not constitute or give rise to an obligation of the State New York or of the City of Syracuse, and neither the State of New York nor the City of Syracuse shall be liable hereon or thereon. Further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency, payable solely from the revenues of the Agency derived, and to be derived from, the lease, sale, or other disposition of the Project Facility, other than revenues derived from or constituting Unassigned Rights. No order or decree of specific performance with respect to any of the obligations of the Agency hereunder or thereunder shall be sought or enforced against the Agency unless:

(a) The party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and thirty (30) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or if compliance therewith would reasonably be expected to take longer than thirty (30) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period; and

(b) If the Agency refuses to comply with such request and the Agency’s refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses; and

(c) If the Agency refuses to comply with such request and the Agency’s refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents or employees shall be subject to potential liability, the party seeking such order or decree shall (1) agree to indemnify and hold harmless the Agency and its members, officers, agents and employees against any liability incurred as a result of its compliance with such demand; and (2) if requested by the Agency, furnish to the Agency satisfactory security to protect the Agency and its members, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request.

(d) For purposes of this Section 11.11, neither the Company nor any Additional Agent shall be deemed to constitute an employee, agent or servant of the Agency or a person under the Agency’s control or supervision.

Any failure to provide notice, indemnity, or security to the Agency pursuant to this Section 11.11 shall not alter the full force and effect of any Event of Default under this Agency Lease.

11.12 OBLIGATION TO SELL AND PURCHASE THE EQUIPMENT.

(a) Contemporaneously with the termination of this Agency Lease in accordance with Section 5.2 hereof, the Agency shall sell and the Company shall purchase all the Agency’s right,
title and interest in and to all of the Equipment for a purchase price equal to the sum of One Dollar ($1.00), plus payment of all sums due and payable to the Agency or any other Person pursuant to this Agency Lease and the other Company Documents. The Company hereby irrevocably designates the Agency as its attorney-in-fact, coupled with an interest, for the purpose of executing and delivering the bill of sale together with any other documents therewith, including lease terminations in accordance with Section 5.2 hereof, and to take such other and further actions reasonably necessary to confirm the termination of the Agency’s interest in the Equipment.

(b) The sale and conveyance of the Agency’s right, title and interest in and to the Equipment shall be effected by the execution and delivery by the Agency to the Company of a bill of sale to Company. The Company hereby agrees to pay all expenses and taxes, if any, applicable to or arising from such transfer of title.

(c) The Company agrees to prepare the bill of sale to Company and all schedules thereto, together with all necessary documentation, and to forward same to the Agency at least thirty (30) days prior to the date that title to the Equipment is to be conveyed to the Company.

11.13 ENTIRE AGREEMENT.

This Agency Lease and the Company Lease contain the entire agreement between the parties and all prior negotiations and agreements are merged therein.

11.14 DISCLOSURE.

Section 875(7) of the New York General Municipal Law ("GML") requires that the Agency post on its website all resolutions and agreements relating to the Company’s appointment as an agent of the Agency or otherwise related to the Project; and Article 6 of the New York Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the Company feels that there are elements of the Project or information about the Company in the Agency’s possession which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the Company’s competitive position, the Company must identify such elements in writing, supply same to the Agency on or before the Closing Date, and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law. Failure to do so will result in the posting by the Agency of all information in accordance with Section 875 of the GML.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the Agency and the Company have caused this Agency Lease to be executed in their respective names by their duly authorized representatives as of the day and year first written above.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: ________________________________
    William M. Ryan, Chairman

ARMORY BOYS LLC

By: ________________________________
    Jeffrey A. Appel, Managing Member
On the 5th day of October in the year 2017 before me, the undersigned, personally appeared William M. Ryan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

On the 5th day of October in the year 2017 before me, the undersigned, personally appeared Jeffrey A. Appel, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public
EXHIBIT A

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, being part of Lot Nos. 1, 2, 30, 31, 40 and 41 of Block No. 105-D, Syracuse, New York, according to a Map made by B.F. Green and filed in the Onondaga County Clerk’s Office on October 11, 1850 and bounded and described as follows:

Beginning at a point in the southerly line of West Fayette Street, said point being N. 89° 44’ 00” W., 208.855 feet distant, measured along said street line from the westerly line of South Clinton Street, said point being where the centerline of the west wall of the so-called Tallman and Palmer Store, now or formerly known as No. 225 West Fayette Street, intersects the south line of West Fayette Street; thence southwardly along the center of said wall and the same continued about 115.0 feet to a point in range with the north face of the north wall of the six story brick building erected by E.F. Holden on Walton Street; thence westwardly along said range line about 27/100 of a foot to the northeasterly corner of said six story building; thence southwardly along the east face of the brick wall of said building about 90.0 feet to a point in the north line of Walton Street, said point being N. 89° 45’ 00” W., 208.856 feet distant, measured along the said northerly line of Walton Street, from the westerly line of South Clinton Street; thence N. 89° 45’ 00” W., 64.304 feet along said northerly line of Walton Street to a point; thence N. 00° 13’ 20” W., 110.08 feet to a point; thence N. 89° 44’ 00” W., .54 of a foot to a point; thence N. 00° 16’ 00” E., 95.0 feet to a point in the southerly line of West Fayette Street; thence S. 89° 44’ 00” E., 65.045 feet along said street line to the place of beginning.

ALSO, ALL THAT TRACT OR PARCEL OF LAND, situate lying and being under the waters of the old channel of Onondaga Creek (now filled in), situate in the City of Syracuse, County of Onondaga and State of New York, said tract or parcel being all of the old channel of Onondaga Creek lying within the premises describe above.
EXHIBIT “B”

DESCRIPTION OF EQUIPMENT

All articles of personal property, all machinery, apparatus, equipment, appliances, floor coverings, furniture, furnishings, supplies, materials, fittings and fixtures of every kind and nature whatsoever and all appurtenances acquired by ARMORY BOYS LLC (the “Company”) and now or hereafter attached to, contained in or used or acquired in connection with the Project Facility (as defined in the Agency Lease or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, furniture, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, freezers, rugs, movable partitions, cleaning equipment, maintenance equipment, restaurant supplies and equipment, shelving, racks, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and accessories, sprinkler systems and other fire prevention and extinguishing apparatus aid materials, motors, machinery; and together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor, and any and all cash proceeds or non-cash proceeds realized from the sale, transfer or conversion of any of the above.
EXHIBIT “C”

TABLE OF DEFINITIONS

The following terms shall have the meanings set forth below, unless the context or use clearly indicate another or different meaning and the singular form of such defined words and terms shall include the plural and vice versa:

**Act:** means the New York State Industrial Development Agency Act (N.Y. Gen. Municipal Law §§ 850 et seq.) as amended, together with Section 926 of the N.Y. General Municipal Law, as amended from time to time.

**Additional Agents:** means a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents appointed by the Company in furtherance of the completion of the Project in accordance with the terms of the Agency Lease.

**Agency:** means the City of Syracuse Industrial Development Agency and its successors and assigns.

**Agency Documents:** means the Project Agreement, the Agency Lease, the Company Lease, the Mortgage and any other documents executed by the Agency in connection with the Project or the Financial Assistance granted in connection therewith.

**Agency Lease:** means the Agency Lease Agreement dated as of October 1, 2017, by and between the Agency and the Company, as the same may be amended or supplemented from time to time.

**Application:** means the application submitted by the Company to the Agency dated July 5, 2017, requesting the Agency undertake the Project, as same may be amended or supplemented from time to time.

**Authorized Representative:** means for Agency, the Chairman or Vice Chairman of the Agency; for the Company, its Managing Member or any officer designated in a certificate signed by an Authorized Representative of such Company and, for either the Agency or the Company, any additional persons designated to act on behalf of the Agency or the Company by written certificate furnished by the designating party containing the specimen signature of each designated person.

**Bill of Sale:** means that certain Bill of Sale from the Company to the Agency dated as of October 1, 2017 in connection with the Equipment.

**City:** means the City of Syracuse.
**Closing Date:** means October 5, 2017.

**Closing Memorandum:** means the closing memorandum of the Agency relating to the Project.

**Code:** means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Treasury Department promulgated thereunder.

**Company:** means Armory Boys LLC, a limited liability company, organized and existing under the laws of the State of New York having an address at 33 Church Street, Montclair, New Jersey 07042, and its permitted successors and assigns.

**Company Documents:** means the Company Lease, the Agency Lease, the Project Agreement, the Mortgage, the Environmental Compliance and Indemnification Agreement, the Bill of Sale, the Company Certification and any other documents executed by the Company in connection with the Project or the Financial Assistance granted in connection therewith.

**Company Lease:** means the Company Lease Agreement dated as of October 1, 2017 from the Company to the Agency, pursuant to which the Company leased the Project Facility to the Agency, as the same may be amended or supplemented from time to time.

**Condemnation:** means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any governmental entity or other Person acting under governmental authority.

**County:** means the County of Onondaga in the State of New York.

**Environmental Compliance and Indemnification Agreement:** means the Environmental Compliance and Indemnification Agreement dated as of October 1, 2017 by the Company to the Agency.

**Equipment:** means all materials, machinery, furnishings, fixtures and equipment installed or used at the Project Facility, as of the Closing Date and thereafter acquired for or installed in, or upon, the Project Facility, as more fully described in Exhibit “B” to the Agency Lease.

**Facility:** means the buildings and other improvements located or to be constructed on the Land.

**Financial Assistance:** has the meaning given to such term in Section 854(14) of the Act.

**Governmental Authority:** means any federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign.
**Land:** means the improved real property located at 229-37 West Fayette Street, in the City of Syracuse, County of Onondaga, State of New York, more particularly described on Exhibit “A” attached to the Agency Lease.

**Lien:** means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including, but not limited to, a security interest arising from a mortgage, encumbrance, pledge, conditional sale, or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” includes reservations, exceptions, encroachments, projections, easements, rights of way, covenants, conditions, restrictions, leases, and other similar title exceptions and encumbrances, including, but not limited to mechanics, materialmen, warehousemen, and carriers liens and other similar encumbrances effecting real property. For purposes hereof, a Person shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the property has been retained by or vested in some other person for security purposes.

**Mortgage:** means one or more mortgages from the Agency and the Company to the Mortgagee and recorded in the Onondaga County Clerk’s office subsequent to the filing and recording of the Memorandum of Agency Lease, securing construction and/or permanent financing for the Project Facility, executed in accordance with Section 4.5 of the Agency Lease, and securing the Note.

**Mortgagee:** means a lender, its successors and assigns, providing financing pursuant to the Note and Mortgage, relative to the costs of construction and/or equipping of the Project Facility.

**Net Proceeds:** means so much of the gross proceeds with respect to which that term is used as remain after payment of all expenses, costs and taxes (including attorneys’ fees) incurred in obtaining such gross proceeds.

**Note:** means one or more notes given by the Company to the Mortgagee in connection with the Mortgage for construction or permanent financing relative to the Project Facility.

**Permitted Encumbrances:** means (A) utility, access and other easements and rights of way, and restrictions, encroachments and exceptions, that benefit or do not materially impair the utility or the value of the Property affected thereby for the purposes for which it is intended, (B) artisans’, mechanics’, materialmen’s, warehousemen’s, carriers’, landlords’, bankers’, workmen’s compensation, unemployment compensation and social security, and other similar Liens to the extent permitted by the Agency Lease, including the lien of the Mortgage, (C) Liens for taxes (1) to the extent permitted by the Agency Lease or (2) at the time not delinquent, (D) any Lien on the Project Facility obtained through any Agency Document or Company Document or the Mortgage, (E) Liens of judgments or awards in respect of which an appeal or proceeding for review shall be pending (or is pending within ten days after entry) and a stay of execution shall have been obtained (or is obtained within ten days after entry), or in connection with any claim or proceeding, (F) Liens on any Property hereafter acquired by the Company or any subsidiary which liens are created contemporaneously with such acquisition to secure or provide...
for the payment or financing of any part of the purchase price thereof, (G) Liens consisting solely of restrictions under any applicable laws or any negative covenants in any applicable agreements (but only to the extent that such restrictions and covenants do not prohibit the execution, delivery and performance by the Company of the Agency Lease and the Mortgage, and (H) existing mortgages or encumbrances on the Project Facility as of the Closing Date or thereafter incurred with the consent of the Mortgagee and the Agency.

**Person:** means an individual, partnership, corporation, limited liability company, trust, or unincorporated organization, and any government or agency or political subdivision or branch thereof.

**Plans and Specifications:** means the representations, plans and specifications, if any, and presented by the Company to the Agency in its application and any presentation relating to the reconstruction and equipping of the Project Facility; and any plans and specifications approved by the Mortgagee.

**Project:** shall have the meaning ascribed thereto in the third **WHEREAS** clause of this Agency Lease.

**Project Agreement:** means the Project Agreement dated as of October 1, 2017 between the Company and the Agency setting forth rights and obligations of the parties with respect to the Financial Assistance.

**Project Facility:** means the Land, the Facility and the Equipment.

**Property:** means any interest in any kind of property or asset, whether real, personal, or mixed, or tangible or intangible.

**Resolution or Resolutions:** means the Agency’s resolutions adopted on August 15, 2017 authorizing the undertaking of the Project and the execution and delivery of certain documents by the Agency in connection therewith.

**Sales and Use Tax or State Sales and Use Taxes:** means, when used with respect to State sales and use taxes, sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

**SEQRA:** means the State Environmental Quality Review Act constituting Article 8 of the State Environmental Conservation Law and the regulations promulgated thereunder, as amended.

**State:** means the State of New York.
**Unassigned Rights:** means:

(i) the right of the Agency in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications, if any, required to be delivered to the Agency under the Agency Lease;

(ii) the right of the Agency to grant or withhold any consents or approvals required of the Agency under the Agency Lease;

(iii) the right of the Agency to enforce or otherwise exercise in its own behalf all agreements of the Company with respect to ensuring that the Project Facility shall always constitute a qualified “project” as defined in and as contemplated by the Act;

(iv) the right of the Agency to require and enforce any right of defense and any indemnity from any Person;

(v) the right of the Agency in its own behalf (or on behalf of the appropriate taxing authorities) to enforce, receive amounts payable under or otherwise exercise its rights under Sections 2.2(f), 2.2(h), 2.2(m), 2.2(q), 4.1, 4.5, 5.3, 5.4, 6.2, 6.3, 6.4, 8.2, 8.3, 8.5, 8.7, 8.9, 8.12, 10.2, 10.4, 11.9, 11.11 and 11.12 of the Agency Lease and Sections 2.6(g), 4.8 and 4.9 of the Company Lease; and

(vi) the right of the Agency in its own behalf to declare an Event of Default and enforce its remedies under Article X of the Agency Lease or with respect to any of the Agency’s Unassigned Rights.
EXHIBIT “D”
FORM OF CONTRACT STATUS REPORT

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Appendix II - Contract Status Report

To be submitted with a request for an extension of the Tax Exempt Certificate

It is a goal of SIDA to promote the use of local labor, contractors and suppliers for projects that receive agency support in the form of tax exemptions and/or bond financing. As part of its request to extend the valid date of the Agency’s tax-exempt certificate for the _____ project, ______ (the Company) certifies that the following information regarding the construction and purchase activities undertaken for the project as of _____________ (date) is true and correct.

<table>
<thead>
<tr>
<th>Item</th>
<th>Bid Awarded to: (Name and Address)</th>
<th>Date and Value of Contract</th>
<th>Number of Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>1. Site work/Demolition</td>
<td></td>
<td></td>
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<tr>
<td>2. Foundation and footings</td>
<td></td>
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<td>3. Building</td>
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<td>4. Masonry</td>
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<td>5. Metals</td>
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<td>6. Wood/casework</td>
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<td>7. Thermal and moisture proof</td>
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<td>8. Doors, windows, glazing</td>
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<tr>
<td>9. Finishes</td>
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<tr>
<td>10. Electrical</td>
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<tr>
<td>11. HVAC</td>
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<tr>
<td>12. Plumbing</td>
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<tr>
<td>13. Specialties</td>
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<tr>
<td>14. Machinery and Equipment</td>
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<tr>
<td>15. Furniture and Fixtures</td>
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<tr>
<td>16. Utilities</td>
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<tr>
<td>17. Paving</td>
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<tr>
<td>18. Landscaping</td>
<td></td>
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<td></td>
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<tr>
<td>19. Other (identify)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The number of local jobs means those jobs held by people who live in the five counties in Central New York. This number is subject to verification.

Signature: ___________________________ Name (printed): ___________________________
Title: ______________________________ Date: ______________________________

A - II
Dear ____________:

Our auditors, ________________, CPAs are conducting an audit of our financial statements for the year ended December 31, ________. In connection with that audit, we request that you furnish certain information directly to our auditor with regard to the following security issued by/through the City of Syracuse Industrial Development Agency:

Sale - Leaseback Financing
Project: ____________
Date of Financing: ____________
Principal Amount Financed: ____________
Maturity Date: ____________
Original Interest Rate: ____________

Please provide the following information as of December 31, [year]:

Name of Lender

Debt Retired in [year] Yes/No
Debt Refinanced in [year] Yes/No
(If Yes, please update information in Paragraph 1 above)
Debt in Default as of [date] Yes/No
Current Interest Rate(s)
Rate range, if Variable
Principal balance outstanding as of [date]
Principal payments made during [year]
Payments in Lieu of Taxes (PILOT) paid in [year]
Total cost of goods/services purchased: $__________________
New York State Sales Tax Exemptions Claimed [year]
New York Local Sales Tax Exemptions Claimed: [year]
New York State Mortgage Recording Tax Exemption: [year]
Form of City of Syracuse Industrial Development Agency — Project Jobs Data [year]

From:

To: , CPAs

Re:

The following jobs information is furnished to you with regard to the above cited project:

**Full Time Equivalent (FTE) Jobs Created and Retained — [year]**

# of Current FTE Employees as of [closing date]
# of FTE Jobs Created during [year]
# of FTE Jobs Retained during [year]
# of FTE Construction Jobs Created during [year]

Comments:

________________________________________

________________________________________

________________________________________

________________________________________

Signature

Print Name

Title

Date
EXHIBIT “F”

FORM OF SUB-AGENT AGREEMENT

THIS SUB-AGENT APPOINTMENT AGREEMENT (the “Agreement”), dated as of ________________, 20__, is by and between ARMORY BOYS LLC (the “Company”), with a mailing address of 33 Church Street, Montclair, New Jersey 07042 (the “Company”), and [NAME OF SUB-AGENT], a ___________ of the State of New York, having an office for the transaction of business at ______________________ (the “Sub-Agent”).

WITNESSETH:

WHEREAS, the City of Syracuse Industrial Development Agency (the “Agency”) was created by Chapter 641 of the Laws of 1979 of the State of New York pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York (collectively, the “Act”) as a body corporate and politic and as a public benefit corporation of the State of New York (the “State”); and

WHEREAS, by resolution of its members adopted on August 15, 2017 (the “Resolution”), the Agency agreed to undertake a project for the benefit of the Company (the “Project”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, under the Resolution and in the Agency Lease Agreement by and between the Company and the Agency dated as of October 1, 2017 (the “Agency Lease”) the Agency appointed the Company as its agent for purposes of completing the Project and delegated to the Company the authority to appoint as agents of the Agency a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (the “Additional Agents” or “Sub-Agents”), for the purpose of completing the Project and benefiting
from the State and local sales and use tax exemption that forms a portion of the Financial Assistance all in accordance with the terms of the Resolution and the Agency Lease; and

WHEREAS, the Company and the Agency entered into a Project Agreement dated as of October 1, 2017 (the “Project Agreement”).

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. The Company hereby appoints the Sub-Agent as an Additional Agent of the Agency for the purpose of assisting the Company and the Agency in the completion of the Project and benefitting from the State and local sales and use tax exemption relative to expenditures made in furtherance thereof. The Sub-Agent is only an agent of the Agency for the aforementioned purposes. The Sub-Agent hereby agrees to limit its activities as agent for the Agency under the authority of this Agreement to acts reasonably related to the completion of the Project Facility.

2. The Sub-Agent covenants, agrees and acknowledges:
   a. to make all records and information regarding State and local sales and use tax exemption benefits claimed by it in connection with the Project available to the Company and the Agency upon request. The Sub-Agent agrees to comply with all procedures and policies established by the State Department of Taxation and Finance, or any similar entity, regarding the documenting or reporting of any State and local sales and use tax exemption benefits, including providing to the Company all information of the Sub-Agent necessary for the Company to complete the State Department of Taxation and Finance’s “Annual Report of Sales and Use Tax Exemptions” (Form ST-340).
   b. to be bound by and comply with the terms and conditions of the Agency’s policies, the Resolution and Section 875(3) of the Act (as if such section were fully set forth herein). Without limiting the scope of the foregoing, the Sub-Agent acknowledges and agrees to be bound by the Agency’s Suspension, Discontinuation and Recapture of Benefits Policy (the “Recapture Policy”), a copy of which is attached hereto as Schedule “A”.
   c. that the failure of the Sub-Agent to promptly pay such Recapture Amount to the Agency will be grounds for the Agency, the State Commissioner of Taxation and Finance or such other entity, to collect sales and use taxes from the Sub-Agent under Article 28 of the Tax Law, or other applicable law, policy or contract, together with interest and penalties. In addition to the foregoing, the Sub-Agent acknowledges and agrees that for purposes of exemption from State sales and use taxation, “sales and use taxation” shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the Tax Law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.
   d. that all purchases made by the Sub-Agent in connection with the Project shall be made using Form ST-123 (IDA Agent or Project Operator Exempt Purchase Certificate), a copy of which is attached hereto as Schedule “B”). It shall be the responsibility of the Sub-Agent...
Agent (and not the Company or the Agency) to complete Form ST-123. The failure to furnish a completed Form ST-123 with each purchase will result in loss of the exemption for that purchase.

e. that it shall identify the Project on each bill and invoice for such purchases and further indicate on such bills or invoices that the Sub-Agent is making purchases of tangible personal property or services for use in the Project as agent of the Agency. For purposes of indicating who the purchaser is, the Sub-Agent acknowledges and agrees that the bill of invoice should state, “I, [NAME OF SUB-AGENT], certify that I am a duly appointed agent of the City of Syracuse Industrial Development Agency and that I am purchasing the tangible personal property or services for use in the following Agency project and that such purchases qualify as exempt from sales and use taxes under my Sub-Agent Appointment Agreement.” The Sub-Agent further acknowledges and agrees that the following information shall be used by the Sub-Agent to identify the Project on each bill and invoice: Armory Boys LLC Project, 229-37 West Fayette Street, City of Syracuse, IDA Project No.: 31021711.

f. that for purposes of any exemption from the State sales and use taxation as part of any Financial Assistance requested, “sales and use taxation” shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight A of the State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

g. that the Sub-Agent 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 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), for such claims or liabilities that arise as a result of the Sub-Agent acting as agent for the Agency pursuant to this Agreement or otherwise.

The Sub-Agent 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 only to Sub-Agent’s work on or for the Project Facility, including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

The foregoing defenses and indemnities 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.
h. that as agent for the Agency or otherwise, the Sub-Agent will comply at
the Sub-Agent’s sole cost and expense with all the requirements of all federal, state and local
laws, rules and regulations of whatever kind and howsoever denominated applicable to the Sub-
Agent with respect to the Project Facility.

i. that Section 875(7) of the Act requires the Agency to post on its website
all resolutions and agreements relating to the Sub-Agent’s appointment as an agent of the
Agency or otherwise related to the Project, including this Agreement, and that Public Officers
Law Article 6 declares that all records in the possession of the Agency (with certain limited
exceptions) are open to public inspection and copying. If the Sub-Agent feels that there is
information about the Sub-Agent in the Agency’s possession which are in the nature of trade
secrets or information, the nature of which is such that if disclosed to the public or otherwise
widely disseminated would cause substantial injury to the Sub-Agent’s competitive position, the
Sub-Agent must identify such elements in writing, supply same to the Agency prior to or
contemporaneously with the execution hereof and request that such elements be kept confidential
in accordance with Public Officers Law Article 6. Failure to do so will result in the posting by
the Agency of all information in accordance with Section 875 of the Act.

j. The Sub-Agent agrees Local contractors and suppliers will be used for the
construction and equipping of the Project unless a waiver is first received from the Agency in
writing. Such waiver shall be in the Agency’s sole discretion. The Sub-Agent agrees that such
Local contractors shall be provided the opportunity to bid on contracts related to the Project.
Local shall mean, for the purposes of this Agreement, Onondaga, Oswego, Madison, Cayuga,
Cortland and Oneida Counties. Failure to comply with the local labor requirements of this
Section (j) (collectively, the “Local Labor Requirements”) may result in the revocation or
recapture of benefits provided/approved to the Project by the Agency.

k. that the Sub-Agent must timely provide the Company with the necessary
information to permit the Company, pursuant to General Municipal Law §874(8), to timely file
an Annual Statement with the New York State Department of Taxation and Finance on “Annual
Report of Sales and Use Tax Exemptions” (Form ST-340) regarding the value of sales and use
tax exemptions the Additional Agent claimed pursuant to the agency conferred on it by the
Company with respect to this Project on an annual basis.

l. that the failure to comply with the foregoing will result in the loss of the
exemption.

m. that if the Sub-Agent is the general contractor for the Project, then at all
times following the execution of this Agreement, and during the term thereof, the Sub-Agent
shall maintain or cause to be maintained the following insurance policies with an insurance
company licensed in the State that has an A.M. Best rating of not less than A-:

(a) Insurance against loss or damage by fire, lightning, and other casualties
customarily insured against (with a uniform standard extended coverage endorsement), such
insurance to be in an amount not less than the full replacement value of the completed Project
Facility, exclusive of footings and foundations, as determined by a recognized appraiser or
insurer selected by the general contractor.
(b) Workers’ compensation insurance, disability benefits’ insurance, and each other form of insurance which the general contractor is required by law to provide covering loss resulting from injury, sickness, disability, or death of employees of the general contractor who are located at or assigned to the Project Facility;

(c) A policy of commercial general liability insurance with a limit of liability of not less than $1,000,000 per occurrence on an “occurrence” basis and $2,000,000 in the aggregate for bodily injury, including death, and property damage, including but not limited to, contractual liability under this Agency Lease and personal injury, with blanket excess liability coverage in an amount not less than $2,000,000, covering the Project Facility and Equipment and the Company’s and the Agency’s use or occupancy thereof against all claims on account of bodily injury or death and property damage occurring upon, in or about the Project Facility or in connection with the ownership, maintenance, use and/or occupancy of the Project Facility and all appurtenant areas.

In addition, all insurance required by this section shall be with insurance companies of recognized financial standing selected by the general contractor and licensed to write such insurance in the State of New York. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other Persons engaged in businesses similar in size, character, and other respects to those in which the general contractor is engaged. All policies evidencing such insurance except the Workers’ Compensation policy shall name the general contractor as insured and the Agency as an additional insured, as its interests may appear, and shall provide that such coverage with respect to the Agency be primary and non-contributory with any insurance secured by the Agency and require at least thirty (30) days’ prior written notice to the Agency of cancellation, reduction in policy limits, or material change in coverage thereof.

Prior to the effective date of this Agreement, the general contractor shall deliver to the Agency, satisfactory to the Agency in form and substance: (i) Certificates evidencing all insurance required hereby; (ii) the additional insured endorsement(s) applicable to the Agency; (iii) the final insurance binder addressed to the general contractor covering the Project Facility; and (iv) evidence that the insurance so required is on a primary and non-contributory basis. In addition, the general contractor shall provide, if so requested by the Agency, a final and complete copy of each insurance policy within thirty (30) days of the execution of this Agreement.

The general contractor shall deliver or cause to be delivered to the Agency on or before the first business day of each January thereafter each of the items set forth in the immediately preceding paragraphs, dated not earlier than the immediately preceding month, reciting that there is in full force and effect, with a term covering at least the next succeeding calendar year, insurance in the amounts and of the types required hereby for so long as the general contractor is performing, supervising or causing work to be done on or at the Project Facility. The general contractor shall furnish to the Agency evidence that the policy has been renewed or replaced or is no longer required by this Agreement in each such year.

n. that every controversy, dispute or claim arising out of or relating to this Agreement shall be governed by the laws of the State of New York, without regard to its
conflicts-of-laws provisions that if applied might require the application of the laws of another jurisdiction; and that the Sub-Agent irrevocably and expressly submits to the exclusive personal jurisdiction of the Supreme Court of the State of New York and the United States District Court for the Northern District of New York, to the exclusion of all other courts, for the purposes of litigating every controversy, dispute or claim arising out of or relating to this Agreement.

3. Failure of the Sub-Agent to comply with any of the provisions of this Agreement shall result in the immediate nullification of the appointment of the Sub-Agent and the immediate termination of this Agreement and may result in the loss of the Company’s State and local sales and use tax exemption with respect to the Project at the sole discretion of the Agency. In addition, such failure may result in the recapture of the State and local sales and use taxes avoided.

4. The Company acknowledges that the assumption of certain obligations by the Sub-Agent in accordance with this Agreement does not relieve the Company of its obligations under any provisions of the Agency Lease or of any other agreement entered into by the Company in connection with the Project.

5. The Company and the Sub-Agent agree that the Agency is a third-party beneficiary of this Agreement.

6. This Agreement shall be in effect until the earlier of: (i) the completion of the work on the Project by the Sub-Agent; or (ii) the Sub-Agent’s loss of status as an agent of the Agency as set forth herein. Notwithstanding the foregoing, the provisions of Sections 2(b), 2(c), 2(f), 2(g), 2(j), and 2(l) shall survive the termination of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the Company and the Sub-Agent have caused this Agreement to be executed in their respective names by their respective duty authorized officers, all as of the day and year first above written.

ARMORY BOYS LLC

By: ________________________________
   Name: ________________________________
   Title: ________________________________

(NAME OF SUB-AGENT)

By: ________________________________
   Name: ________________________________
   Title: ________________________________
SCHEDULE “A”
To Sub-Agent Agreement

RECAPTURE POLICY
RECAPTURE POLICY

I. STATEMENT OF PURPOSE

The City of Syracuse Industrial Development Agency (the "Agency") has adopted this Recapture Policy (the "Recapture Policy") in accordance with Sections 874(10) and 874(11) of the New York State General Municipal Law. This Recapture Policy shall be consistent with and in compliance with the provisions of Chapter 1030 of Laws of 1969 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 641 of the Laws of 1979 of the State of New York, as amended from time to time (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act"), and any other applicable law.

II. MANDATORY RECAPTURE OF THE NEW YORK STATE PORTION OF SALES AND USE TAX

The Agency shall recapture from project applicants New York State sales and use tax benefits, in accordance with the provisions of the General Municipal Law, from projects that utilized State sales and use tax exemptions:

a) To which the project was not entitled;

b) In excess of the amounts authorized by the Agency;

c) For property or services not authorized by the Agency; and/or

d) For a project that has failed to comply with a material term or condition to use the property or services in the manner required by any of the project documents between the company and the Agency.

The approving resolution(s) and project documents granting financial assistance in the form of State sales and use tax exemption benefits shall include the terms and conditions of the foregoing recapture provision. Within thirty (30) days of the recapture, the recapture amount shall be remitted to the New York State Department of Taxation and Finance. Such remittances shall include interest, at the legal rate, imposed by the Agency. The failure to pay over such amounts to the Agency shall be grounds for the New York State Tax Commissioner to assess and
determine State sales and use taxes due from the company under article twenty-eight of the New
York State Tax Law, together with any relevant penalties and interest due on such amounts.

In order to determine if one of the foregoing events have occurred (a “State Mandated
Recapture Event”) and to effectuate this recapture of New York State sales and use tax benefits
the Agency shall:

a) Keep records of the New York State and local sales tax exemptions provided
to each project, with such records available to the New York State Tax
Commissioner upon request.

b) Report within thirty days of providing any financial assistance in the form of a
sales and use tax exemption, the project, the estimated amount of the
exemption and other information as may be required by the New York State
Tax Commissioner (Form ST-60).

c) The Agency shall file an annual report with the New York State Tax
Commissioner detailing its terms and conditions and its activities in
recapturing any unauthorized New York State sales and use tax exemptions.

III. SUSPENSION, DISCONTINUATION, RECAPTURE AND TERMINATION OF
OTHER FORMS OF FINANCIAL ASSISTANCE

With respect to all other financial assistance provided to a project (other than the State
portion of sales and use tax exemptions) the Agency shall have the right to suspend, discontinue,
recapture or terminate financial assistance to any company for a project to the extent that:

a) for projects that utilized local sales and use tax exemptions, the project was
not entitled to such exemptions, such exemptions were in excess of the
amounts authorized by the Agency, and/or such exemptions were for property
or services not authorized by the Agency (each, a “Local Sales Tax Benefit
Violation”);

b) the company, upon completion of the project, fails to reach and maintain at
least 85 percent of its employment requirements for job creation and/or
retention (“Job Deficit”);

c) the total investment actually made with respect to the project at the project’s
completion date is less than 85 percent of its investment requirement
(“Investment Deficit”);

d) the company fails to provide annually to the Agency certain information to
confirm that the project is achieving the investment, job retention, job
creation, and other objectives of the Project (“Reporting Failure”); or
e) there otherwise occurs any event of default under any project document (each, an “Event of Default”) or a material violation of the terms and conditions of any project document (a “Material Violation”).

IV. ANNUAL ASSESSMENT

The Agency shall evaluate, annually as of December 31, or at any time information is brought to the Agency’s attention, whether a State Mandated Recapture Event, a Local Sales Tax Benefit Violation, Job Deficit, Investment Deficit, Reporting Failure Event of Default or Material Violation (each a “Noncompliance Event”) has occurred. Notwithstanding the foregoing, the Agency may determine whether an Event of Default has occurred pursuant to any project document in accordance with the terms of the project document.

At the time of any Noncompliance Event (other than a State Mandated Recapture Event), the Agency shall determine by resolution whether to exercise its right to suspend, discontinue, recapture or terminate all or any portion of the financial assistance provided to a project, and shall consider the following in making its determination:

a) Whether the company has proceeded in good faith.

b) Whether the project has not performed as required due to economic issues, changes in market conditions or adverse events beyond the control of the company.

c) Whether the enforcement by the Agency of its right to suspend, discontinue, recapture or terminate all or any portion of financial assistance would create a more adverse situation for the company, such as the company going out of business or declaring bankruptcy, which would not occur if the Agency’s rights were not exercised.

d) Whether the enforcement by the Agency of its right to suspend, discontinue, recapture or terminate all or any portion of financial assistance would create an adverse situation for the residents of the City of Syracuse.

e) The assessment prepared in accordance with the Agency’s Annual Assessment Policy.

f) Such other criteria as the Agency shall determine is a relevant factor in connection with any decision regarding the exercise of its right to suspend, discontinue, recapture or terminate all or any portion of financial assistance.

The Agency shall document its evaluation of the above criteria in writing and based upon its evaluation, the Agency shall determine whether to suspend, discontinue, recapture or terminate all or any portion of the financial assistance (the “Determination”). The Determination shall provide terms, if any, by which a company may remedy any Noncompliance Event (other than a State Mandated Recapture Event) upon which the Determination was based. The
company must submit written documentation to the Agency of compliance with all terms and conditions of the Determination in order for the Agency to consider whether to resume financial assistance to the company (which will be at the Agency’s sole discretion).

The project agreement entered into between the Agency and the company (the “Project Agreement”) shall include the terms and conditions of the foregoing provisions. The Agency shall also include in the Project Agreement a requirement that the company comply with the Agency’s right to suspend, discontinue, recapture or terminate the financial assistance and that the company shall repay all or a portion of the financial assistance granted by the Agency to the company pursuant to any Determination.

Any such amount constituting local tax exemptions shall be redistributed to the appropriate affected tax jurisdictions, unless agreed to otherwise by any local taxing jurisdiction.

IV. RECAPTURE PERIOD

Except as otherwise provided by the General Municipal Law, the recapture period will be the longer of: (1) the term of the Lease Agreement; or (2) five years following the project’s completion date. A project will remain “active” for purposes of Section 874(12) of General Municipal Law and the Agency’s Annual Assessment Policy during the term of the Project Agreement.

Adopted: June 21, 2016
SCHEDULE "B"
to Sub-Agent Agreement

FORM ST-123
New York State Sales and Use Tax

IDA Agent or Project Operator
Exempt Purchase Certificate
Effective for projects beginning on or after June 1, 2014

This certificate is not valid unless all entries have been completed.

Note: To be completed by the purchaser and given to the seller. Do not use this form to purchase motor fuel or diesel motor fuel exempt from tax. See Part FT-123, IDA Agent or Project Operator Exempt Purchase Certificate for Fuel.

<table>
<thead>
<tr>
<th>Name of IDA</th>
<th>Name of agent or project operator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resale/SSN</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City, Town, or Village</th>
<th>State</th>
<th>Zip code</th>
</tr>
</thead>
</table>

Agent or project operator sales tax & number (see reverse):

[ ] Single-purchase certificate
[ ] Blanket-purchase certificate (valid only for the project listed below)

To the seller:

You must identify the project as each bill and invoice for such purchases and indicate on the bill or invoice that the IDA agent or project operator of the IDA was the purchaser.

Project information

I certify that I am a duly appointed agent or project operator of the named IDA and that I am purchasing the tangible personal property or services for use in the following IDA project and that such purchases qualify as exempt from sales and use taxes under my agreement with the IDA.

<table>
<thead>
<tr>
<th>Name of IDA</th>
<th>IDA project number (see CDB number)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resale/SSN</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City, Town, or Village</th>
<th>State</th>
<th>Zip code</th>
</tr>
</thead>
</table>

Enter the date that agent or project operator were appointed agent or project operator: ___________________________ / / Enter the date that agent or project operator status ends (if any): ___________________________ / /

Exempt purchases

(Mark an X in boxes that apply)

[ ] A. Tangible personal property or services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) used to complete the project but not to operate the completed project

[ ] B. Certain utility services (gas, propane in containers of 100 pounds or more, electricity, refrigeration, or steam) used to complete the project, but not to operate the completed project

[ ] C. Motor vehicle or tangible personal property installed in a qualifying motor vehicle

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that state and local sales or use taxes do not apply to a transaction or transactions for which I have issued this document and that failing to issue this document with the intent to avoid any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to, the vendor as agent for the Tax Department for the purposes of Tax Law section 1638 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

Signature of duly authorized representative of entity making statement: ___________________________ Date: ___________________________

"Type or print the name, title, and the name of the entity making the statement."
Instructions

To the purchaser

You may use Form ST-123 if you:
- have been associated as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from sales and use tax as described in the IDA contract.

You may use Form ST-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed.

Agent or project operator sales tax ID number: If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter "none."

Industrial development agencies and authorities (IDAs) are public benefit corporations under General Municipal Law Articles 18-A and the Public Authorities Law, for the purpose of promoting, developing, encouraging, and assisting in the acquisition, construction, reconstruction, improvement, maintenance, educating, and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreational facilities in New York State.

IDAs are exempt from the payment of sales and use tax on their purchases, in accordance with Tax Law section 111(b)(1). However, IDAs do not normally make direct purchases for projects. Consequently, IDAs instead assist a business enterprise or developer, contractor, or subcontractor as its agent or project operator. Such purchases may be made by the agent or project operator, acting within the authority granted by the IDA, and therefore exempt from tax.

Example 1: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment necessary for completion of the project, as agent for the IDA. Contractor X rents a bedroom and a builder to perform site preparation, purchases concrete and lumber to construct a building, and purchases machinery to be installed in the building. All these purchases by contractor X as agent of the IDA are exempt from tax.

Example 2: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment to be incorporated into the project, as agent for the IDA. Contractor X makes the same purchases as in Example 1. Since the concrete, lumber, and machinery will actually be incorporated into the project, contractor X may purchase these items exempt from tax. However, none of the purchases by contractor X as agent of the IDA are exempt from tax. The IDA agreement does not authorize contractor X to make such rentals as agent of the IDA.

A contractor or subcontractor not appointed as an agent or project operator of an IDA may make purchases in accordance with the IDA agreement. Such purchases must be made within the authority granted by the IDA and used to complete the project (not to operate the completed project). A contractor or subcontractor not appointed as an agent or project operator of an IDA is not exempt from tax in accordance with Tax Law sections 111(b)(15) and 111(b)(16). For more information, see Form ST-125-1.

Exempt purchases

To qualify, the purchases must be made within the authority granted by the IDA and used to complete the project (not to operate the completed project).

A. Mark box A if you are purchasing tangible personal property and services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) exempt from tax.

B. Mark box B if you are purchasing certain consumer utility services used in completing the project exempt from tax. This includes gas, electricity, heating, and steam, and gas, electricity, refrigeration, and steam services.

C. Mark box C if you are purchasing a motor vehicle or tangible personal property related to a qualifying motor vehicle exempt from tax.

Misuse of this certificate

Misuse of this exemption certificate may subject you to serious civil and criminal sanctions in addition to the payment of any tax and interest due. These include:
- A penalty equal to 100% of the tax due;
- A $50 penalty for each fraudulent exemption certificate issued;
- Criminal felony prosecution, punishable by a substantial fine and a possible jail sentence; and
- Revocation of your Certificate of Authority if you are required to be registered as a vendor. See TSB-13-217(11), Amendments that Encourage Compliance with the Tax Law and Enhance the Tax Department's Enforcement Ability, for more information.

To the seller

When making purchases an agent or project operator of an IDA, the purchaser must provide you with this exemption certificate, along with any other entries completed to establish the right to the exemption. If you do not receive the appropriate certificate, you may assess the tax that the certificate is valid. The certificate will be considered valid if it is:
- accepted in good faith;
- in your possession within 90 days of the transaction; and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or services, you will share with the purchaser the burden of proving the sale was exempt.

You must also maintain a method of associating an invoice (or other source document) for each exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates, or the date the return was filed, if later.

Privacy notification

New York State law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our Web site, or, if you do not have Internet access, call and request Publication 64, Privacy Notification. See "Need help?" for the Web address and telephone number.

Need help?

Visit our Web site at www.tax.ny.gov
- get information and manage your taxes online
- check for new online services and features

Sales Tax Information Center: (518) 455-2599
To order forms and publications: (518) 457-5431

Text Telephone (TTY) Hotline
(for persons with hearing and speech disabilities using a TTY): (518) 455-5032

3
RECAPTURE POLICY

I. STATEMENT OF PURPOSE

The City of Syracuse Industrial Development Agency (the “Agency”) has adopted this Recapture Policy (the “Recapture Policy”) in accordance with Sections 874(10) and 874(11) of the New York State General Municipal Law. This Recapture Policy shall be consistent with and in compliance with the provisions of Chapter 1030 of Laws of 1969 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 641 of the Laws of 1979 of the State of New York, as amended from time to time (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”), and any other applicable law.

II. MANDATORY RECAPTURE OF THE NEW YORK STATE PORTION OF SALES AND USE TAX

The Agency shall recapture from project applicants New York State sales and use tax benefits, in accordance with the provisions of the General Municipal Law, from projects that utilized State sales and use tax exemptions:

   e) To which the project was not entitled;

   f) In excess of the amounts authorized by the Agency;

   g) For property or services not authorized by the Agency; and/or

   h) For a project that has failed to comply with a material term or condition to use the property or services in the manner required by any of the project documents between the company and the Agency.

The approving resolution(s) and project documents granting financial assistance in the form of State sales and use tax exemption benefits shall include the terms and conditions of the foregoing recapture provision. Within thirty (30) days of the recapture, the recapture amount shall be remitted to the New York State Department of Taxation and Finance. Such remittances shall include interest, at the legal rate, imposed by the Agency. The failure to pay over such amounts to the Agency shall be grounds for the New York State Tax Commissioner to assess and
determine State sales and use taxes due from the company under article twenty-eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

In order to determine if one of the foregoing events have occurred (a "State Mandated Recapture Event") and to effectuate this recapture of New York State sales and use tax benefits the Agency shall:

d) Keep records of the New York State and local sales tax exemptions provided to each project, with such records available to the New York State Tax Commissioner upon request.

e) Report within thirty days of providing any financial assistance in the form of a sales and use tax exemption, the project, the estimated amount of the exemption and other information as may be required by the New York State Tax Commissioner (Form ST-60).

f) The Agency shall file an annual report with the New York State Tax Commissioner detailing its terms and conditions and its activities in recapturing any unauthorized New York State sales and use tax exemptions.

III. SUSPENSION, DISCONTINUATION, RECAPTURE AND TERMINATION OF OTHER FORMS OF FINANCIAL ASSISTANCE

With respect to all other financial assistance provided to a project (other than the State portion of sales and use tax exemptions) the Agency shall have the right to suspend, discontinue, recapture or terminate financial assistance to any company for a project to the extent that:

f) for projects that utilized local sales and use tax exemptions, the project was not entitled to such exemptions, such exemptions were in excess of the amounts authorized by the Agency, and/or such exemptions were for property or services not authorized by the Agency (each, a "Local Sales Tax Benefit Violation");

g) the company, upon completion of the project, fails to reach and maintain at least 85 percent of its employment requirements for job creation and/or retention ("Job Deficit");

h) the total investment actually made with respect to the project at the project’s completion date is less than 85 percent of its investment requirement ("Investment Deficit");

i) the company fails to provide annually to the Agency certain information to confirm that the project is achieving the investment, job retention, job creation, and other objectives of the Project ("Reporting Failure"); or
j) there otherwise occurs any event of default under any project document (each, an “Event of Default”) or a material violation of the terms and conditions of any project document (a “Material Violation”).

IV. ANNUAL ASSESSMENT

The Agency shall evaluate, annually as of December 31, or at any time information is brought to the Agency’s attention, whether a State Mandated Recapture Event, a Local Sales Tax Benefit Violation, Job Deficit, Investment Deficit, Reporting Failure Event of Default or Material Violation (each a “Noncompliance Event”) has occurred. Notwithstanding the foregoing, the Agency may determine whether an Event of Default has occurred pursuant to any project document in accordance with the terms of the project document.

At the time of any Noncompliance Event (other than a State Mandated Recapture Event), the Agency shall determine by resolution whether to exercise its right to suspend, discontinue, recapture or terminate all or any portion of the financial assistance provided to a project, and shall consider the following in making its determination:

   g) Whether the company has proceeded in good faith.
   h) Whether the project has not performed as required due to economic issues, changes in market conditions or adverse events beyond the control of the company.
   i) Whether the enforcement by the Agency of its right to suspend, discontinue, recapture or terminate all or any portion of financial assistance would create a more adverse situation for the company, such as the company going out of business or declaring bankruptcy, which would not occur if the Agency’s rights were not exercised.
   j) Whether the enforcement by the Agency of its right to suspend, discontinue, recapture or terminate all or any portion of financial assistance would create an adverse situation for the residents of the City of Syracuse.
   k) The assessment prepared in accordance with the Agency’s Annual Assessment Policy.
   l) Such other criteria as the Agency shall determine is a relevant factor in connection with any decision regarding the exercise of its right to suspend, discontinue, recapture or terminate all or any portion of financial assistance.

The Agency shall document its evaluation of the above criteria in writing and based upon its evaluation, the Agency shall determine whether to suspend, discontinue, recapture or terminate all or any portion of the financial assistance (the “Determination”). The Determination shall provide terms, if any, by which a company may remedy any Noncompliance Event (other than a State Mandated Recapture Event) upon which the Determination was based. The
company must submit written documentation to the Agency of compliance with all terms and conditions of the Determination in order for the Agency to consider whether to resume financial assistance to the company (which will be at the Agency’s sole discretion).

The project agreement entered into between the Agency and the company (the “Project Agreement”) shall include the terms and conditions of the foregoing provisions. The Agency shall also include in the Project Agreement a requirement that the company comply with the Agency’s right to suspend, discontinue, recapture or terminate the financial assistance and that the company shall repay all or a portion of the financial assistance granted by the Agency to the company pursuant to any Determination.

Any such amount constituting local tax exemptions shall be redistributed to the appropriate affected tax jurisdictions, unless agreed to otherwise by any local taxing jurisdiction.

IV. RECAPTURE PERIOD

Except as otherwise provided by the General Municipal Law, the recapture period will be the longer of: (1) the term of the Lease Agreement; or (2) five years following the project’s completion date. A project will remain “active” for purposes of Section 874(12) of General Municipal Law and the Agency’s Annual Assessment Policy during the term of the Project Agreement.

Adopted: June 21, 2016
First PARTY 1
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

First PARTY 2
ARMORY BOYS LLC

Index Type: Land Records
Instr Number: 2017-00036576
Book: Page:

Type of Instrument: Memorandum Of Lease
Type of Transaction: Deed Misc
Recording Fee: $70.50

The Property affected by this instrument is situated in Syracuse, in the County of Onondaga, New York

Real Estate Transfer Tax

<table>
<thead>
<tr>
<th>RETT #</th>
<th>2977</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deed Amount</td>
<td>$0.00</td>
</tr>
<tr>
<td>RETT Amount</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

Total Fees: $70.50

This sheet constitutes the Clerk's endorsement required by Section 319 of Real Property Law of the State of New York

Entered By: MMERRILL  Printed On: 10/13/2017  At: 10:00:52AM
MEMORANDUM OF
AGENCY LEASE AGREEMENT

NAME AND ADDRESS OF LESSOR: City of Syracuse Industrial Development Agency
201 East Washington Street, 7th Floor
Syracuse, New York 13202

NAME AND ADDRESS OF LESSEE: Armory Boys LLC
33 Church Street
Montclair, New Jersey 07042

DESCRIPTION OF LEASED PREMISES:
All that tract or parcel of land situate in the City of Syracuse, County of Onondaga and State of
New York, being more particularly described in Exhibit “A” annexed hereto, together with the
improvements thereon.

DATE OF EXECUTION OF AGENCY LEASE AGREEMENT:
As of October 1, 2017

TERM OF AGENCY LEASE AGREEMENT:
The term of this Agency Lease shall commence on the date hereof and continue in full force and
effect until the earlier of: (1) September 1, 2018; or (2) sixty days after the issuance of a
certificate of occupancy by the City of Syracuse, New York, unless earlier terminated as provided
herein.
IN WITNESS WHEREOF, the parties hereto have respectively executed this memorandum as of the 1st day of October, 2017.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
By: __________________________
    William M. Ryan, Chairman

ARMORY BOYS LLC
By: __________________________
    Jeffery A. Appel, Managing Member
STATE OF NEW YORK    
COUNTY OF ONONDAGA    

On this 5th day of October, 2017, before me, the undersigned, personally appeared, William M. Ryan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 014105450
Commission Expires on Feb. 12, 2013997049.1

STATE OF NEW YORK    
COUNTY OF ONONDAGA    

On this 5th day of October, 2017, before me, the undersigned, personally appeared, Jeffrey A. Appel, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 014105450
Commission Expires on Feb. 12, 2013997049.1
EXHIBIT A

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, being part of Lot Nos. 1, 2, 30, 31, 40 and 41 of Block No. 105-D, Syracuse, New York, according to a Map made by B.F. Green and filed in the Onondaga County Clerk’s Office on October 11, 1850 and bounded and described as follows:

Beginning at a point in the southerly line of West Fayette Street, said point being N. 89° 44’ 00” W., 208.855 feet distant, measured along said street line from the westerly line of South Clinton Street, said point being where the centerline of the west wall of the so-called Tallman and Palmer Store, now or formerly known as No. 225 West Fayette Street, intersects the south line of West Fayette Street; thence southwardly along the center of said wall and the same continued about 115.0 feet to a point in range with the north face of the north wall of the six story brick building erected by E.F. Holden on Walton Street; thence westwardly along said range line about 27/100 of a foot to the northeasterly corner of said six story building; thence southwardly along the east face of the brick wall of said building about 90.0 feet to a point in the north line of Walton Street, said point being N. 89° 45’ 00” W., 208.856 feet distant, measured along the said northerly line of Walton Street, from the westerly line of South Clinton Street; thence N. 89° 45’ 00” W., 64,304 feet along said northerly line of Walton Street to a point; thence N. 00° 13’ 20” W., 110.08 feet to a point; thence N. 89° 44’ 00” W., .54 of a foot to a point; thence N. 00° 16’ 00” E., 95.0 feet to a point in the southerly line of West Fayette Street; thence S. 89° 44’ 00” E., 65,045 feet along said street line to the place of beginning.

ALSO, ALL THAT TRACT OR PARCEL OF LAND, situate lying and being under the waters of the old channel of Onondaga Creek (now filled in), situate in the City of Syracuse, County of Onondaga and State of New York, said tract or parcel being all of the old channel of Onondaga Creek lying within the premises describe above.
### Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax

See Form TP-584-1, Instructions for Form TP-584, before completing this form. Print or type.

### Schedule A — Information relating to conveyance

<table>
<thead>
<tr>
<th>Grantor/Transferor</th>
<th>Name (if individual, last, first, middle initial) (☐ check if more than one grantor)</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Individual</td>
<td>City of Syracuse Industrial Development Agency</td>
</tr>
<tr>
<td>☐ Corporation</td>
<td>Mailing address</td>
</tr>
<tr>
<td>☐ Partnership</td>
<td>201 East Washington Street, 7th Floor</td>
</tr>
<tr>
<td>☐ Estate/Trust</td>
<td>City</td>
</tr>
<tr>
<td>☐ Single member LLC</td>
<td>State</td>
</tr>
<tr>
<td>☑ Other</td>
<td>ZIP code</td>
</tr>
<tr>
<td></td>
<td>Syracuse</td>
</tr>
<tr>
<td></td>
<td>NY</td>
</tr>
<tr>
<td></td>
<td>13202</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grantee/Transferee</th>
<th>Name (if individual, last, first, middle initial) (☐ check if more than one grantee)</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Individual</td>
<td>Armory Boys LLC</td>
</tr>
<tr>
<td>☐ Corporation</td>
<td>Mailing address</td>
</tr>
<tr>
<td>☐ Partnership</td>
<td>33 Church Street</td>
</tr>
<tr>
<td>☐ Estate/Trust</td>
<td>City</td>
</tr>
<tr>
<td>☐ Single member LLC</td>
<td>State</td>
</tr>
<tr>
<td>☑ Other</td>
<td>ZIP code</td>
</tr>
<tr>
<td></td>
<td>Montclair</td>
</tr>
<tr>
<td></td>
<td>NJ</td>
</tr>
<tr>
<td></td>
<td>07042</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location and description of property conveyed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax map designation — Section, block &amp; lot (include dots and dashes)</td>
</tr>
<tr>
<td>SWIS code (six digits)</td>
</tr>
<tr>
<td>Street address</td>
</tr>
<tr>
<td>City, town, or village</td>
</tr>
<tr>
<td>County</td>
</tr>
<tr>
<td>101-04-03.0</td>
</tr>
<tr>
<td>311500</td>
</tr>
<tr>
<td>229-37 West Fayette Street and 120 -24 Walton Street</td>
</tr>
<tr>
<td>Syracuse</td>
</tr>
<tr>
<td>Onondaga</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of property conveyed (check applicable box)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ☐ One- to three-family house</td>
</tr>
<tr>
<td>2 ☐ Residential cooperative</td>
</tr>
<tr>
<td>3 ☐ Residential condominium</td>
</tr>
<tr>
<td>4 ☐ Vacant land</td>
</tr>
<tr>
<td>5 ☑ Commercial/Industrial</td>
</tr>
<tr>
<td>6 ☐ Apartment building</td>
</tr>
<tr>
<td>7 ☐ Office building</td>
</tr>
<tr>
<td>8 ☐ Other</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date of conveyance</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Condition of conveyance (check all that apply)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. ☐ Conveyance of fee interest</td>
</tr>
<tr>
<td>b. ☐ Acquisition of a controlling interest (state percentage acquired _________ %)</td>
</tr>
<tr>
<td>c. ☐ Transfer of a controlling interest (state percentage transferred _________ %)</td>
</tr>
<tr>
<td>d. ☐ Conveyance to cooperative housing corporation</td>
</tr>
<tr>
<td>e. ☐ Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest (attach Form TP-584.1, Schedule E)</td>
</tr>
<tr>
<td>f. ☐ Conveyance which consists of a mere change of identity or form of ownership or organization (attach Form TP-584.1, Schedule F)</td>
</tr>
<tr>
<td>g. ☐ Conveyance for which credit for tax previously paid will be claimed (attach Form TP-584.1, Schedule G)</td>
</tr>
<tr>
<td>h. ☐ Conveyance of cooperative apartment(s)</td>
</tr>
<tr>
<td>i. ☐ Syndication</td>
</tr>
<tr>
<td>j. ☐ Conveyance of air rights or development rights</td>
</tr>
<tr>
<td>k. ☐ Contract assignment</td>
</tr>
<tr>
<td>l. ☐ Option assignment or surrender</td>
</tr>
<tr>
<td>m. ☐ Leasehold assignment or surrender</td>
</tr>
<tr>
<td>n. ☐ Leasehold grant</td>
</tr>
<tr>
<td>o. ☐ Conveyance of an easement</td>
</tr>
<tr>
<td>p. ☐ Conveyance for which exemption from transfer tax claimed (complete Schedule B, Part III)</td>
</tr>
<tr>
<td>q. ☐ Conveyance of property partly within and partly outside the state</td>
</tr>
<tr>
<td>r. ☐ Conveyance pursuant to divorce or separation</td>
</tr>
<tr>
<td>s. ☐ Other (describe)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>For recording officer's use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount received</td>
</tr>
<tr>
<td>Schedule B., Part I $</td>
</tr>
<tr>
<td>Schedule B., Part II $</td>
</tr>
<tr>
<td>Date received</td>
</tr>
<tr>
<td>Transaction number</td>
</tr>
</tbody>
</table>
Schedule B — Real estate transfer tax return (Tax Law, Article 31)

### Part I - Computation of tax due

1. Enter amount of consideration for the conveyance (if you are claiming a total exemption from tax, check the exemption claimed box, enter consideration and proceed to Part III) .................. \( \checkmark \) Exemption claimed 1. 0 00
2. Continuing lien deduction (see instructions if property is taken subject to mortgage or lien) .......................................................... 2. 0 00
3. Taxable consideration (subtract line 2 from line 1) .......................................................... 3. 0 00
4. Tax: $2 for each $500, or fractional part thereof, of consideration on line 3 .......................................................... 4. 0 00
5. Amount of credit claimed for tax previously paid (see instructions and attach Form TP-584.1, Schedule G) .......................... 5. 0 00
6. Total tax due* (subtract line 5 from line 4) .......................................................... 6. 0 00

### Part II - Computation of additional tax due on the conveyance of residential real property for $1 million or more

1. Enter amount of consideration for conveyance (from Part I, line 1) .......................................................... 1. 0 00
2. Taxable consideration (multiply line 1 by the percentage of the premises which is residential real property, as shown in Schedule A) .......................................................... 2. 0 00
3. Total additional transfer tax due* (multiply line 2 by 1% (\( \times 0.01 \)) ) .......................................................... 3. 0 00

### Part III - Explanation of exemption claimed on Part I, line 1 (check any boxes that apply)

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

a. Conveyance is to the United Nations, the United States of America, the state of New York, or any of their instrumentalities, agencies, or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) .......................................................... a

b. Conveyance is to secure a debt or other obligation ......................................................................................... b

c. Conveyance is without additional consideration to confirm, correct, modify, or supplement a prior conveyance ................................................................................ d

d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts ................................................................................ e

e. Conveyance is given in connection with a tax sale ......................................................................................... e

f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) Attach Form TP-584.1, Schedule F ................................................................................ f

g. Conveyance consists of deed of partition ............................................................................................... g

h. Conveyance is given pursuant to the federal Bankruptcy Act ........................................................................ h

i. Conveyance consists of the execution of a contract to sell real property, without the use or occupancy of such property, or the granting of an option to purchase real property, without the use or occupancy of such property ................................................................................ i

j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than $200,000 and such property was used solely by the grantor as the grantor’s personal residence and consists of a one-, two-, or three-family house, an individual residential condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative apartment ................................................................................ j

k. Conveyance is not a conveyance within the meaning of Tax Law, Article 31, section 1401(e) (attach documents supporting such claim) ................................................................................ k

\*The total tax (from Part I, line 6 and Part II, line 3 above) is due within 15 days from the date conveyance. Please make check(s) payable to the county clerk where the recording is to take place. If the recording is to take place in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, make check(s) payable to the NYC Department of Finance. If a recording is not required, send this return and your check(s) made payable to the NYS Department of Taxation and Finance, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.
Schedule C — Credit Line Mortgage Certificate (Tax Law, Article 11)

Complete the following only if the interest being transferred is a fee simple interest.
I (we) certify that: (check the appropriate box)

1. ☐ The real property being sold or transferred is not subject to an outstanding credit line mortgage.

2. ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:
   ☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately before the transfer.
   ☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where 50% or more of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons (as in the case of a transfer to a trustee for the benefit of a minor or the transfer to a trust for the benefit of the transferor).
   ☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee, or other officer of a court.

☐ The maximum principal amount secured by the credit line mortgage is $3,000,000 or more, and the real property being sold or transferred is not principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

Please note: for purposes of determining whether the maximum principal amount secured is $3,000,000 or more as described above, the amounts secured by two or more credit line mortgages may be aggregated under certain circumstances. See TSB-M-96(6)-R for more information regarding these aggregation requirements.

☐ Other (attach detailed explanation).

3. ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:
   ☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
   ☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.

4. ☐ The real property being transferred is subject to an outstanding credit line mortgage recorded in _______________ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount of debt or obligation secured by the mortgage is _______________. No exemption from tax is claimed and the tax of _______________ is being paid herewith. (Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City but not in Richmond County, make check payable to the NYC Department of Finance.)

Signature (both the grantor(s) and grantee(s) must sign)

The undersigned certify that the above information contained in schedules A, B, and C, including any return, certification, schedule, or attachment, is to the best of their knowledge, true and complete, and authorize the person(s) submitting such form on their behalf to receive a copy for purposes of recording the deed or other instrument effecting the conveyance.

[Signatures and titles]

Reminder: Did you complete all of the required information in Schedules A, B, and C? Are you required to complete Schedule D? If you checked e, f, or g in Schedule A, did you complete Form TP-584.1? Have you attached your check(s) made payable to the county clerk where recording will take place or, if the recording is in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, to the NYC Department of Finance? If no recording is required, send your check(s), made payable to the Department of Taxation and Finance, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-5045.
Schedule D - Certification of exemption from the payment of estimated personal income tax (Tax Law, Article 22, section 663)

Complete the following only if a fee simple interest or a cooperative unit is being transferred by an individual or estate or trust.

If the property is being conveyed by a referee pursuant to a foreclosure proceeding, proceed to Part II, and check the second box under Exemptions for nonresident transferor(s)/seller(s) and sign at bottom.

Part I - New York State residents
If you are a New York State resident transferor(s)/seller(s) listed in Schedule A of Form TP-584 (or an attachment to Form TP-584), you must sign the certification below. If one or more transferors/sellers of the real property or cooperative unit is a resident of New York State, each resident transferor/seller must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all resident transferors/sellers.

Certification of resident transferor(s)/seller(s)
This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) as signed below was a resident of New York State, and therefore is not required to pay estimated personal income tax under Tax Law, section 663(a) upon the sale or transfer of this real property or cooperative unit.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Print full name</th>
<th>Date</th>
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Note: A resident of New York State may still be required to pay estimated tax under Tax Law, section 685(c), but not as a condition of recording a deed.

Part II - Nonresidents of New York State
If you are a nonresident of New York State listed as a transferor/seller in Schedule A of Form TP-584 (or an attachment to Form TP-584) but are not required to pay estimated personal income tax because one of the exemptions below applies under Tax Law, section 663(c), check the box of the appropriate exemption below. If any one of the exemptions below applies to the transferor(s)/seller(s), that transferor(s)/seller(s) is not required to pay estimated personal income tax to New York State under Tax Law, section 663. Each nonresident transferor/seller who qualifies under one of the exemptions below must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all nonresident transferors/sellers.

If none of these exemption statements apply, you must complete Form IT-2663, Nonresident Real Property Estimated Income Tax Payment Form, or Form IT-2664, Nonresident Cooperative Unit Estimated Income Tax Payment Form. For more information, see Payment of estimated personal income tax, on page 1 of Form TP-584-I.

Exemption for nonresident transferor(s)/seller(s)
This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) (grantor) of this real property or cooperative unit was a nonresident of New York State, but is not required to pay estimated personal income tax under Tax Law, section 663 due to one of the following exemptions:

- The real property or cooperative unit being sold or transferred qualifies in total as the transferor's/seller's principal residence (within the meaning of Internal Revenue Code, section 121) from ______ to ______ (see instructions).

- The transferor/seller is a mortgagor conveying the mortgaged property to a mortgagee in foreclosure, or in lieu of foreclosure with no additional consideration.

- The transferor or transferee is an agency or authority of the United States of America, an agency or authority of the state of New York, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.

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</table>
SCHEDULE “A”

The document being recorded for which this NYS Form TP-584 is being provided is a Memorandum of Lease between the Grantor and the Grantee. The sum of the term of the lease and any options for renewal do not exceed forty-nine (49) years, and therefore said lease is not a Conveyance within the meaning of Article 31 of the Tax Law.
7
CERTIFICATION

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agency Lease Agreement by and between the parties dated as of October 1, 2017.

The undersigned, Jeffrey A. Appel, Managing Member and authorized signatory of Armory Boys LLC (the "Company"), does hereby certify and confirm:

(1) that the Company has reviewed and understands the Agency’s Local Labor Policy (the "Policy") which states as follows:

The Company understands and agrees that local labor, contractors and suppliers will be used for the construction, renovation and equipping of the Project unless a written waiver is first received in accordance with the terms of the Policy. Failure to comply may result in the revocation or recapture of benefits awarded to the Project by the Agency.

For purposes of this Policy, the term “local” shall mean: Cayuga, Cortland, Madison, Onondaga, Oneida and Oswego Counties.

(2) that the Company has complied, and will, for so long as the Agency has an interest in the Project, continue to comply with, the Agency’s Local Labor Policy.

Dated: October 5, 2017

ARMORY BOYS LLC

By: Jeffrey A. Appel, Managing Member
CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER: Huntington Agency
PO Box 133
Baldwinville, NY 13027

INSURED: Armory Boys LLC
33 Church Street
Montclair, NJ 07042

INSURERS AFFORDING COVERAGE:
- Insurer A: Village & Company, LLC
- Insurer B:
- Insurer C:
- Insurer D:
- Insurer E:
- Insurer F:

COVERAGES:
- Commercial General Liability
- Personal and Advertising
- Professional Liability
- Environmental
- Products
- Compensation
- Employers' Liability

CERTIFICATE NUMBER: CL1710506843
REVISION NUMBER: 1

TYPE OF INSURANCE | CLASSIFICATION | INSURER | POLICY NUMBER | LIMITS | DATE | EXPIRATION |
--- | --- | --- | --- | --- | --- | --- |
COMMERCIAL GENERAL LIABILITY | CLAIMS-MADE | Wage & Company, LLC | CL1710506843 | EACH OCCURRENCE $1,000,000 | 05/05/2017 | 05/05/2018 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Location: 120-124 Walton St. & 229-237 Fayette St., Syracuse, NY.

Additional Insured Follows Form Of Primary Policies.

CERTIFICATE HOLDER:
SIDA Syracuse Industrial Development Agency
City Hall Commons 7th Floor
201 East Washington Street
Syracuse, NY 13202

CANCELLATION:
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE:

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ACORD 25 (2016/03) The ACORD name and logo are registered marks of ACORD
CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFER NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by the policies below. This certificate of insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder.

PRODUCER
Huntington Agency
8 Southgate Rd
PO Box 133
Baldwinsville NY 13027

INSURED
Armory Boys LLC
33 Church Street
Montclair NJ 07042

COVERAGES

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This is to certify that the policies of insurance listed below have been issued to the insured named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

Certificate holder is added as additional insured. Primary and Non-Contributory Coverage per LS-38.
PRIMARY AND NON-CONTRIBUTORY COVERAGE
(ADDITIONAL INSURED)

Refer to Supplemental Declarations if information is not shown on this form. We provide coverage under this endorsement subject to the terms contained in your policy.

When you have agreed in a written contract that this policy will be primary and without right of contribution from any liability insurance in force for an additional insured listed in the schedule below, then this insurance shall be primary over the additional insured’s valid and collectible insurance, and we shall not seek contribution from such additional insured’s insurance. The contract must arise out of your business operations, and must be executed prior to the occurrence of any bodily injury, property damage, personal injury or advertising injury covered by this liability insurance.

NAME OF PERSON(S) OR ENTITY:

All other terms and conditions remain unchanged.
EVIDENCE OF PROPERTY INSURANCE

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>COMPANY</th>
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<tbody>
<tr>
<td>Huntington Agency</td>
<td>Central Co-operative Insurance Company</td>
</tr>
<tr>
<td>6 Southgate Rd</td>
<td>6 Southgate Rd.</td>
</tr>
<tr>
<td>PO Box 133</td>
<td>PO Box 539</td>
</tr>
<tr>
<td>Baldwinsville NY 13027</td>
<td>Baldwinsville NY 13027</td>
</tr>
<tr>
<td>FAX: (315) 635-9023</td>
<td>E-MAIL: <a href="mailto:john@askfitz.com">john@askfitz.com</a></td>
</tr>
<tr>
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<td>Armory Boys LLC</td>
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<td>33 Church Street</td>
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<td>Montclair NJ 07042</td>
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</tbody>
</table>

PROPERTY INFORMATION

LOCATION/DESCRIPTION
Loc# 00001/Bldg# 00001
120-124 Walton ST & 227-237 Fayette ST
Syracuse, NY 13202

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

<table>
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<tr>
<th>COVERAGE / PERILS / FORMS</th>
<th>AMOUNT OF INSURANCE</th>
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<tbody>
<tr>
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REMARKS (Including Special Conditions)

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

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<tr>
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<td>LOAN #</td>
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<tr>
<td></td>
<td>AUTHORIZED REPRESENTATIVE</td>
<td>John FitzGibbons/CMP</td>
</tr>
</tbody>
</table>

ACORD 27 (2009/12) © 1993-2009 ACORD CORPORATION. All rights reserved.

The ACORD name and logo are registered marks of ACORD
**EVIDENCE OF PROPERTY INSURANCE**

**AGENCY**
Huntington Agency  
6 Southgate Rd  
PO Box 133  
Baldwinsville NY 13027

**COMPANY**
Central Co-operative Insurance Company  
6 Southgate Rd.  
PO Box 539  
Baldwinsville NY 13027

**CODE: SUB CODE:**

**EFFECTIVE DATE** 5/5/2017  
**EXPIRATION DATE** 5/5/2018

**PROPERTY INFORMATION**

| LOCATION/DESCRIPTION | Loc# | Bldg# | 120-124 Walton ST & 227-237 Fayette ST | Syracuse, NY 13202 |

**THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.**

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<td>7,200,000</td>
<td>10,000</td>
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</table>

**REMARKS (Including Special Conditions)**
Certificate Holder is added as additional Insured, Primary and Non-Contributory Coverage per attached LS-39

**CANCELLATION**

**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.**

**ADDITIONAL INTEREST**

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**AUTHORIZED REPRESENTATIVE**
John FitzGibbons/CHP

**ACORD 27 (2009/12)**

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PRIMARY AND NON-CONTRIBUTORY COVERAGE
(ADDITIONAL INSURED)

Refer to Supplemental Declarations if information is not shown on this form.
We provide coverage under this endorsement subject to the terms contained in your policy.

When you have agreed in a written contract that this policy will be primary and without right of contribution from any liability insurance in force for an additional insured listed in the schedule below, then this insurance shall be primary over the additional insured’s valid and collectible insurance, and we shall not seek contribution from such additional insured’s insurance. The contract must arise out of your business operations, and must be executed prior to the occurrence of any bodily injury, property damage, personal injury or advertising injury covered by this liability insurance.

NAME OF PERSON(S) OR ENTITY:

All other terms and conditions remain unchanged.
CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFER NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
MARSH USA, INC.
507 PLUM STREET, SUITE 110
SYRACUSE, NY 13204
Alt: Update.certrequest@Marsh.com Fax: 212-948-0927
998039--GAWU-17-18

INSURED
RICH & GARDNER CONSTRUCTION CO. INC.
206 PLUM STREET
SYRACUSE, NY 13204-2310

NAME:
CONTACT
PHONE
FAX
E-MAIL
ADDRESS:
INSURER(S) AFFORDING COVERAGE
NAIC #
19445
INSURER B : National Union Fire Ins. Co. of Pittsburgh, PA
19445
INSURER C : American Guarantee and Liability Insurance Company
26247
INSURER D : New Hampshire Ins Company
23841
INSURER E :
INSURER F :

COVERAGE
COVERAGE NUMBER:
NYC-010136522-01
REVISION NUMBER: 1

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CERTIFICATE NUMBER:
NYC-010136522-01

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Certificate holder is included as an additional insured where required by written contract. Waiver of subrogation applies where required by written contract.

CERTIFICATE HOLDER
Armony Boys, LLC
33 Church Street
Montclair, NJ 07042

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.
Matthew Reed

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2. **Electronic data** means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

3. **Loss** means those sums actually paid that the **insured** is legally obligated to pay as damages for the settlement or satisfaction of a claim because of injury or offense, after making proper deductions for all recoveries and salvage. However:
   a. **Under Coverage A:**
      (1) **Loss** also includes defense expenses and supplementary payments if **underlying insurance** includes defense expenses and supplementary payments in the Limits of Insurance; and
      (2) **Loss** does not include defense expenses and supplementary payments if **underlying insurance** does not include defense expenses and supplementary payments in the Limits of Insurance.
   b. **Under Coverage B.** **Loss** does not include defense expenses and supplementary payments.

4. **Other insurance** means a policy of insurance providing coverage that this policy also provides. **Other insurance** includes any type of self-insurance or other mechanisms by which an **insured** arranges for funding of legal liabilities.

   **Other insurance** does not include **underlying insurance** or a policy of insurance specifically purchased to be excess of this policy providing coverage that this policy also provides.

5. **Pollutants** mean any man-made or naturally occurring solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to: smoke; vapor; soot; fumes; acids; alkalis; chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

6. **Suit** means a civil proceeding in which injuries or damages to which this insurance applies are alleged. **Suit** includes:
   a. An arbitration proceeding in which such damages are claimed and to which the **insured** must submit pursuant to law or contract or does submit with our consent; or
   b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the **insured** submits with our consent.

7. **Underlying insurance** means the policy or policies of insurance listed in the Schedule of Underlying Insurance forming a part of this policy. We will only be liable for amounts in excess of the Limits of Insurance shown in the Schedule of Underlying Insurance for any **underlying insurance**.

B. The following definitions are applicable to **Coverage A** only:

1. **Hostile fire** means one which becomes uncontrollable or breaks out from where it was intended to be.

2. **Insured** means:
   a. You;
   b. Any person or organization included as an **insured** in **underlying insurance**; and
   c. Any person or organization qualifying as an additional **insured** in **underlying insurance** but only to the same extent that such person or organization is an additional **insured** under such **underlying insurance**.

3. **Non-Admitted Jurisdiction** means:
   a. Any country or political subdivision in which we are not licensed or permitted to insure risks and where doing so would violate the insurance laws and regulations of such jurisdiction; or
   b. Any country or political subdivision where we are prevented by law from investigating, defending or settling an occurrence or suit.

4. **Occurrence** means a covered event as defined in **underlying insurance**.

5. **Qualified Entity** means any entity, person or organization that is not an **insured** under this policy and would qualify as an **insured** under this policy, but for the fact that the entity is registered, domiciled or has ongoing operations in a **non-admitted jurisdiction**.
c. The duties and requirements imposed upon any insured under this policy will not apply to any non-admitted jurisdiction. However, with respect to any claims made or suits brought in a non-admitted jurisdiction, it will be the duty of the first Named Insured to do or cause the applicable qualified entity to do such things as would be required of such qualified entity if Coverage A applied directly to such claim or suit, including:

1. Make such investigation, defense or settlement as we deem reasonable;
2. Obtain our approval for any payment; and
3. Effect approved payments to others, in accordance with the terms and conditions of this insurance.

d. Under Coverage B, this policy does not apply to any liability, damage, loss, cost or expense arising out of any operations or activities of a qualified entity.

e. We will promptly pay the first Named Insured at the mailing address listed in Item 2. of the Declarations the amount of damages covered under the terms of this policy. If the first Named Insured or any qualified entity recovers from any third party all or part of any amount that we have paid pursuant to this insurance, the first Named Insured will promptly reimburse the amount of any such recovery to us.

10. Legal Action Against Us
There will be no right of action against us under this insurance unless:

a. You have complied with all the terms of this policy; and
b. The amount you owe has been determined by settlement with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a party in an action against you to determine your liability.

11. Maintenance of Underlying Insurance
During the period of this policy, you agree:

a. To keep the policies listed in the Schedule of Underlying Insurance in full force and effect;

b. That the Limits of Insurance of the policies listed in the Schedule of Underlying Insurance will be maintained except for any reduction or exhaustion of limits by payment of claims or suits for damages covered by underlying insurance;

c. The policies listed in the Schedule of Underlying Insurance may not be canceled or not renewed by you without notifying us, and you agree to notify us in the event an insurance company cancels or declines to renew any policy listed in the Schedule of Underlying Insurance; and

d. Renewals or replacements of the policies listed in the Schedule of Underlying Insurance will not be materially changed without our agreement.

If you fail to comply with these requirements, we will only be liable to the same extent that we would have been had you fully complied with these requirements.

12. Miscellaneous Unintentional Errors and Omissions
Any unintentional error or omission in the description of, or failure to describe completely, any premises or operations intended to be covered by this policy, shall not invalidate or affect the coverage for those operations or premises. However, the insured must report such error or omission to the company as soon as practicable after its discovery.

13. Other Insurance
If other insurance applies to damages that are also covered by this policy, this policy will apply excess of the other insurance. However, this provision will not apply:

a. If the other insurance is written to be excess of this policy; or
b. With respect to Coverage A only, if the named insured has agreed in a written contract to carry insurance to apply prior to and be non-contributory with that of another person or organization's insurance, but only as respects damages arising out of insured operations or work on behalf of the named insured performed under such written contract. The limits available to the other person or organization will be the lesser of the policy limits or the minimum limits required by such written contract. In that case, other insurance of that person or organization will apply as excess and not contribute prior to the insurance afforded by this policy.

U-UMB-103-CW (03/10)
Nothing herein will be construed to make this policy subject to the terms, conditions and limitations of such other insurance.

14. Premium
The premium for this policy as stated in Item 6. of the Declarations is a flat premium. It is not subject to adjustment unless an endorsement is attached to this policy.

15. Separation of Insureds
Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

a. As if each named insured were the only named insured; and
b. Separately to each insured against whom claim is made or suit is brought.

16. Terms Conformed to Statute
The terms of this policy which are in conflict with the statutes, laws, ordinances or regulations in any country, jurisdiction, state or province where this policy is issued are amended to conform to such statutes, laws, ordinances or regulations. If we are prevented by law or statute from paying on behalf of the insured, then we will, where permitted by law or statute, indemnify the insured.

17. Transfer of Rights of Recovery Against Others to Us

a. If the insured has rights to recover all or part of any payment we have made under this insurance, those rights are transferred to us. The insured must do nothing after the loss to impair them. At our request, the insured will bring suit or transfer those rights to us and help us enforce them. However, if any insured is required by a written contract or agreement which is executed before a loss to waive their rights of recovery from others, we agree to waive our rights of recovery. This waiver of rights shall not be construed to be a waiver with respect to any other operations for which the insured has not waived their rights of recovery by contract.
b. Any amount recovered will be apportioned in the inverse order of payment of loss to the extent of actual payment. The expenses of all such recovery proceedings will be apportioned in the ratio of respective recoveries.

18. Transfer of Your Rights and Duties
Your rights and duties under this insurance may not be transferred without our written consent. If you die, then your rights and duties will be transferred to your legal representative, but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having temporary custody of your property will have your rights and duties but only with respect to that property.

19. When Loss is Payable
Coverage under this policy will not apply until the insured, or the insured's underlying insurer has paid or is legally obligated to pay the full amount of the Underlying Limits of Insurance or Retained Limit.

When the amount of loss is determined by an agreed settlement or on a final judgment against an insured obtained after an actual trial, we will promptly pay on behalf of the insured the amount of loss covered under the terms of this policy. The first Named Insured will promptly reimburse us for any amount within the Retained Limit paid by us.

20. Violation of Economic or Trade Sanctions
If coverage for a claim or suit under this policy is in violation of any economic or trade sanctions of the United States of America then coverage for that claim or suit will be null and void.

B. The following Condition is applicable to Coverage A and Coverage B:

1. Notice of Occurrence, Claim or Suit

a. You must see to it that we are notified as soon as practicable of an occurrence which may result in damages covered by this policy. To the extent possible, notice will include:

(1) How, when and where the occurrence took place;
**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

<table>
<thead>
<tr>
<th>Name Of Additional Insured Person(s) Or Organization(s)</th>
<th>Location(s) Of Covered Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANY PERSON OR ORGANIZATION WHOM YOU BECOME OBLIGATED TO INCLUDE AS AN ADDITIONAL INSURED AS A RESULT OF ANY WRITTEN CONTRACT OR AGREEMENT YOU HAVE ENTERED INTO.</td>
<td>PER THE WRITTEN CONTRACT OR AGREEMENT.</td>
</tr>
</tbody>
</table>

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. **Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
C. With respect to the insurance afforded to these additional insureds, the following is added to Section III - Limits Of Insurance:

   If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

   1. Required by the contract or agreement; or

   2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

   This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

<table>
<thead>
<tr>
<th>Name Of Additional Insured Person(s) Or Organization(s)</th>
<th>Location And Description Of Completed Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANY PERSON OR ORGANIZATION WHOM YOU BECOME OBLIGATED TO INCLUDE AS AN ADDITIONAL INSURED AS A RESULT OF ANY WRITTEN CONTRACT OR AGREEMENT YOU HAVE ENTERED INTO.</td>
<td>PER THE WRITTEN CONTRACT OR AGREEMENT.</td>
</tr>
</tbody>
</table>

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III - Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.
WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:
ANY PERSON OR ORGANIZATION REQUIRING A WAIVER OF TRANSFER OF RIGHTS OF RECOVERY PURSUANT TO THE TERMS OF ANY WRITTEN CONTRACT OR AGREEMENT YOU ENTER INTO WITH SUCH PERSON OR ORGANIZATION.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us of Section IV - Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.
WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

ANY PERSON OR ORGANIZATION TO WHOM YOU BECOME OBLIGATED TO WAIVE YOUR RIGHTS OF RECOVERY AGAINST, UNDER ANY WRITTEN CONTRACT OR AGREEMENT YOU ENTER INTO PRIOR TO THE OCCURRENCE OF LOSS.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective. 3/1/2017 Effective Policy No. WC 025-89-3732 Endorsement No. This endorsement,

Issued to Rich & Gardner Construction Company, Inc.

By: New Hampshire Insurance Company

Countersigned by

POLICY NUMBER: GL 992-55-70

COMMERCIAL GENERAL LIABILITY
CG 20 01 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY - OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the Other Insurance Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance
This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:
(1) The additional insured is a Named Insured under such other insurance; and
(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.
AMENDMENT OF LIMITS OF INSURANCE (Per Project or Per Location Aggregate Limit)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

I. Your policy is amended to include either a Per Project General Aggregate Limit, a Per Location General Aggregate Limit or a Per Project and Per Location General Aggregate Limit. Please select only one of the following:

II. [X] Per Project General Aggregate Limit $2,000,000

[I] Per Location General Aggregate Limit

[ ] Per Project and Per Location General Aggregate Limit

IF NEITHER OF THESE BOXES ARE CHECKED, THIS ENDORSEMENT IS VOID. IF MORE THAN ONE OF THESE BOXES ARE CHECKED, THIS ENDORSEMENT IS VOID.

II. SECTION III – LIMITS OF INSURANCE, is amended to include the following:

1. The Limits of Insurance and the rules below fix the most we will pay regardless of the number of:

   a. Insureds;
   
   b. Claims made or "suits" brought; or
   
   c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

   a. Medical expenses under Coverage C;
   
   b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the products-completed operations hazard"; and
   
   c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
   a. Damages under Coverage A; and
   b. Medical expenses under Coverage C

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to 5. above, the Damage to Premises Rented To You Limit is the most we will pay under Coverage A because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

8. Subject to 2., 4., 5., 6., and/or 7. above, the Per Project Aggregate Limit is the most we will pay under Coverages A, B, and C combined for the sum of:
   a. Damages under Coverage A;
   b. Damages under Coverage B; and
   c. Medical Expenses under Coverage C

arising out of any single Project described above.

9. Subject to 2., 4., 5., 6., and/or 7. above, the Per Location Aggregate Limit is the most we will pay under Coverages A, B, and C combined for the sum of:
   a. Damages under Coverage A;
   b. Damages under Coverage B; and
   c. Medical expenses under Coverage C

arising out of the any single Location described above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

The Limits of Insurance shown in the Declarations are deleted in their entirety and replaced by the Limits of Insurance set forth below.

<table>
<thead>
<tr>
<th>Limits of Insurance</th>
<th>$ 10,000,000</th>
<th>$ 1,000,000</th>
<th>$ 2,000,000</th>
<th>$ 1,000,000</th>
<th>$ 100,000</th>
<th>$ 25,000</th>
<th>$ 2,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Aggregate Limit</td>
<td>Each Occurrence Limit</td>
<td>Products-Completed Operations Aggregate Limit</td>
<td>Personal &amp; Advertising Injury Limit</td>
<td>Damage to Premises Rented to You</td>
<td>Medical Expense Limit</td>
<td>Per Project General Aggregate Limit, Per Location</td>
<td>General Aggregate Limit or Per Project and Per Location General Aggregate Limit</td>
</tr>
</tbody>
</table>
IV. SECTION V – DEFINITIONS, is amended to include the following:

23. "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway, or right-of-way railroad.

All other terms and conditions of this policy remain the same.
**CERTIFICATE OF LIABILITY INSURANCE**

**DATE** (MM/DD/YYYY): 10/02/2017

**PRODUCER**
MARSH USA, INC.

507 PLUM STREET, SUITE 110
SYRACUSE, NY 13204

Attn: Upstate.certrequest@Marsh.com  Fax: 212-948-0927

**INSURED**
RICH & GARDNER CONSTRUCTION CO INC.

206 PLUM STREET
SYRACUSE, NY 13204-2310

**COVERAGES**

<table>
<thead>
<tr>
<th>INSURER(S) AFFORDING COVERAGE</th>
<th>NAIC #</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: National Union Fire Ins. Co.</td>
<td>19445</td>
</tr>
<tr>
<td>B: National Union Fire Ins. Co. of Pittsburgh, PA</td>
<td>19445</td>
</tr>
<tr>
<td>C: American Guarantee and Liability Insurance Company</td>
<td>26247</td>
</tr>
<tr>
<td>D: New Hampshire Ins Company</td>
<td>23841</td>
</tr>
</tbody>
</table>

**CERTIFICATE NUMBER:** NYC-010136522-01

**REVISION NUMBER:** 1

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES**

Certificate holder is included as an additional insured where required by written contract. Waiver of subrogation applies where required by written contract.

**CANCELLATION**

**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.**

**AUTHORIZED REPRESENTATIVE**

Marsh USA Inc.
Matthew Reed

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LOCATION: 1  BUILDING: 1

Policy Number: 201700036
AMENDED POLICY

INSURED:
ARMORY BOYS LLC
33 CHURCH STREET
MONTCLAIRE NJ 07042

Policy Period: FROM 5/05/2017 TO 5/05/2018
AMENDED POLICY EFFECTIVE 9/29/2017 12:01 AM Standard Time

AGENT:
THE HUNTINGTON AGENCY
PO BOX 133
BALDWINSVILLE NY 13027
PHONE: 315/635-9795

The Described Location(s) covered by this policy are as follows:
120-124 WALTON ST & 227-237 FAYETTE ST, SYRACUSE, NY, 13202, ONONDAGA COUNTY

This replaces all previously issued policy Declarations, if any. This policy applies only to accidents, occurrences or losses which happen during the policy period shown above. This policy applies only to those coverages below for which a limit of Insurance and/or a limit of liability or premium charge is shown. Our limit for each coverage shall not be more than the amount stated for such coverage, subject to all the terms of this policy.

OPTIONAL COVERAGES

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>COINSURANCE</th>
<th>DEDUCTIBLE</th>
<th>LIMIT OF LIABILITY</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Building</td>
<td>RC</td>
<td>NONE</td>
<td>$10,000 SF-3</td>
<td>$7,200,000</td>
</tr>
<tr>
<td>B. Business Property</td>
<td>NONE</td>
<td>NONE</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>L. Bodily Injury &amp; Property Damage (Each Occurrence)</td>
<td>NONE</td>
<td>$1,000,000</td>
<td>$96</td>
<td></td>
</tr>
<tr>
<td>M. Premises Medical Payments (Each Person)</td>
<td>NONE</td>
<td>$10,000</td>
<td>$8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Each Accident)</td>
<td>$25,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Products/Completed Operations (Each Occurrence)</td>
<td>NONE</td>
<td>$2,000,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Aggregator)</td>
<td>$2,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P. Personal/Advertising Injury (Each Occurrence)</td>
<td>NONE</td>
<td>$50,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Aggregate)</td>
<td>See Coverage L</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Any payments under Coverage P reduces Coverage L Limits of Liability for the same loss.**

Subject to the Following Forms and Endorsements:
SF-3 (1/88), SF-20 (1/88), SF-311 (1/88), SF-312 (1/88), SF-18 (7/96)

10/02/17
COUNTERSIGNATURE DATE

10/02/17
BOP- DEC (8/98) Continued On Page 2 For Location 1 Building 1

9/29/17
OUR AUTHORIZED REPRESENTATIVE
Location: 1 Building: 1

Policy Number: 201700036  Policy Period: FROM 5/05/2017 TO 5/05/2018
AMENDED POLICY EFFECTIVE 9/29/2017 12:01 AM Standard Time

INSURED: ARMORY BOYS LLC
33 CHURCH STREET
MONTCLAIRE NJ 07042

AGENT: 220
THE HUNTINGTON AGENCY
PO BOX 133
BALDWINSVILLE NY 13027
PHONE: 315/635-9795

SF-83 (3/02), ML-430B * (2/08), SF-10B (1/88), LS-14 (9/02),
LS-85 (5/99), LS-87 (7/88), LS-88 (9/02), LS-93 (9/02),
NY STAT-1 (11/08), LS-84 (10/97), LS-6 (1/88), ML-216 (6/99),

POLICY ADJUSTMENTS $5,802-
TERR-COV (1/15) TERRORISM DISCLOSURE ENDORSEMENT
LS-187 (6/07) ASBESTOS EXCLUSION $1-
LS-118 (12/08) SILICA EXCLUSION $1-
SF-345 (6/09) MECHANICAL BREAKDOWN $161
SF-72 (12/11) ADDED WATER DAMAGE COVERAGE $100
SF-500 (7/00) BUSINESS EXTENDER $182
IRPM 15% IRPM CREDIT 15% $1,753-
LS-22 (1/88) ADDITIONAL INSURED $248
SMOKE DETECTOR 2%

TOTAL SF-311 COVERAGE PREMIUM (** See Detail on SF-10B **) $959

INCEPTION PREMIUM $10,181
NY STATE FIRE FEE $54.09

Subsequent payments will be due each year on the anniversary date based on rates in effect at that time.

Rating Information: Protection: HIGH-PROTECTED
Construction: MAS/JOIST Policy Type: DELUXE Occupancy: TENANT
Miles From Fire Department: 1.0 Feet from Hydrant: 500
Fire District: SYRACUSE Business Desc.: OFFICE
RESTAURANT AND RETAIL

MORTGAGEE IS ADDED. (DF)
BUSINESSOWNERS

CENTRAL CO-OPERATIVE INSURANCE COMPANY

Policy Number: 201700036
AMENDED POLICY

Location: 1 Building: 1

Policy Period: FROM 5/05/2017 TO 5/05/2018
AGENT: 220

INSURED:
ARMORY BOYS LLC
33 CHURCH STREET
MONTCLAIRE NJ 07042

Mortgagee - First
EMPOWER FCU
INSURANCE SERVICE CENTER
PO BOX 863329
PLANO TX 75086-3329

Additional Insured
SIDA SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY
CITY HALL COMMONS 7TH FLOOR
201 EAST WASHINGTON STREET
SYRACUSE NY 13202

10/02/17
BOP- DEC (8/98)  End Of Declaration For Location 1 Building 1  9/29/17
SUPPLEMENTAL DECLARATIONS

Location 1 Building 1 Page: 1

This Supplemental Declarations page forms a part of your policy. Listed below are the forms and other information related to your policy. For descriptions of coverage, limitations and exclusions refer to the named forms, Declarations, General Policy Provisions, General Liability Coverage and other forms that are a part of your policy.

Policy No. 201700036

Named Insured: ARMORY BOYS LLC

BUSINESSOWNERS PLAN

☐ Actual Cash Value Building
☐ Actual Cash Value Business Property

☐ Replacement Cost (SF-27) Building
☐ Replacement Cost (SF-27) Business Property

If DELUXE PLAN HAS "X" ON LINE ABOVE, THEN ALL FORM SF-311 COVERAGES APPLY TO THIS POLICY. THE 90 DAY PERIOD FOR SEASONAL VARIATION COVERAGE MUST BE SHOWN BELOW.

STANDARD PLAN

Coverage ONLY APPLIES when an "X" is shown on the line below

FORM SF-311

REQUIRED INFORMATION

☐ ADDITIONAL EXPENSE
$ ______ amount of additional coverage above $1000.

☐ LOSS OF INCOME
actual loss of income for ______ additional months.

☐ ACCOUNTS RECEIVABLE
$ ______ amount of additional coverage above $1,000.

☐ BUILDING INFLATION PROTECTION
1% of increase each 3 months or ______ % of increase each 3 months.

☐ EMPLOYEE DISHONESTY COVERAGE
$ ______ amount of additional coverage above $1,000.

☐ EXTERIOR SIGNS
$ ______ amount of additional coverage above $1,000.

☐ MONEY AND SECURITIES
$ ______ amount of additional coverage above $1,000.

☐ WHILE AWAY FROM THE INSURED PREMISES
_______ % of additional coverage above 15%.

☐ PERSONAL INJURY

☐ SEASONAL VARIATION
Designate 90 Day Period - _________ Additional 30 Day Period - _________

25% increase raised to ______ %.

☐ SPRINKLER LEAKAGE

☐ VALUABLE PAPERS AND RECORDS
$ ______ amount of additional coverage above $1,000.

END OF FORM SF-311 COVERAGES

End Of SF-10B For Location 1 Building 1
Policy No. 201700036
NAMED INSURED: ARMORY BOYS LLC

The following optional coverages shown below form a part of your policy.

PROPERTY OPTIONAL COVERAGES

REPLACEMENT COST PROVISION - Coverage A Only

LIABILITY OPTIONAL COVERAGES

ADDITIONAL INSURED LS-22

PREMIUM

$248

SIDA SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
**EVIDENCE OF PROPERTY INSURANCE**

**DATE (MM/DD/YYYY)** 10/2/2017

**AGENCY**
Huntington Agency  
6 Southgate Rd  
PO Box 133  
Baldwinsville NY 13027

**PHONE** (315) 635-9795

**FAX** (315) 635-9023

**E-MAIL** john@askfitz.com

**COMPANY**
Central Co-operative Insurance Company  
6 Southgate Rd.  
PO Box 539  
Baldwinsville NY 13027

**LOAN NUMBER** 201700036

**POLICY NUMBER** 201700036

**EFFECTIVE DATE** 5/5/2017

**EXPIRATION DATE** 5/5/2018

**CONTINUED UNTIL** TERMINATED IF CHECKED

**PROPERTY INFORMATION**

<table>
<thead>
<tr>
<th>LOCATION/DESCRIPTION</th>
<th>Loc#</th>
<th>Bldg#</th>
</tr>
</thead>
<tbody>
<tr>
<td>120-124 Walton ST &amp; 229-237 Fayette ST</td>
<td>00001</td>
<td>00001</td>
</tr>
</tbody>
</table>

**THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.**

**COVERAGE INFORMATION**

<table>
<thead>
<tr>
<th>COVERAGE/PERILS/FORMS</th>
<th>AMOUNT OF INSURANCE</th>
<th>DEDUCTIBLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building, Replacement Cost, Special form</td>
<td>7,200,000</td>
<td>10,000</td>
</tr>
</tbody>
</table>

**REMARKS (Including Special Conditions)**

**CANCELLATION**

**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.**

**ADDITIONAL INTEREST**

EMPOWER FCU  
INSURANCE SERVICE CENTER  
PO BOX 863329  
PLANO, TX 75086-3329

X MORTGAGEE  
LOAN #

**ADDITIONAL INSURED**

LOSS PAYEE  
AUTHORIZED REPRESENTATIVE

John FitzGibbons/CMP

The ACORD name and logo are registered marks of ACORD
**EVIDENCE OF PROPERTY INSURANCE**

**THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERNS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.**

**AGENCY**
Huntington Agency  
6 Southgate Rd.  
PO Box 133  
Baldwinsville NY 13027

**PHONE**  
(315) 635-9795

**FAX**  
(315) 635-8023

**EMAIL ADDRESS**  
john@askfitz.com

**COMPANY**
Central Co-operative Insurance Company  
6 Southgate Rd.  
PO Box 539  
Baldwinsville NY 13027

**CODE:**  
00003060

**CUSTOMER ID#:**
00003060

**POLICY NUMBER**
201700036

**EXPIRATION DATE**
5/5/2018

**PROPERTY INFORMATION**

**LOCATION/DESCRIPTION**
Loc# 00001/Bldg# 00001  
120-124 Walton ST & 229-237 Fayette ST  
Syracuse, NY 13202

**THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.**

**COVERAGE INFORMATION**

<table>
<thead>
<tr>
<th>COVERAGE / PERILS / FORMS</th>
<th>AMOUNT OF INSURANCE</th>
<th>DEDUCTIBLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building, Replacement Cost, Special form</td>
<td>7,200,000</td>
<td>10,000</td>
</tr>
</tbody>
</table>

**REMARKS (Including Special Conditions)**
Certificate Holder is added as additional Insured, Primary and Non-Contributory Coverage per attached LS-39

**CANCELLATION**

**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.**

**ADDITIONAL INTEREST**

<table>
<thead>
<tr>
<th>MORTGAGEE</th>
<th>ADDITIONAL INSURED</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LOSS PAYEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>John FitzGibbons/CMF</td>
</tr>
</tbody>
</table>

**ACORD 27 (2009/12)**  
INS027 (2009/12).02
PRIMARY AND NON-CONTRIBUTORY COVERAGE
(ADDITIONAL INSURED)

Refer to Supplemental Declarations if information is not shown on this form.
We provide coverage under this endorsement subject to the terms contained in your policy.

When you have agreed in a written contract that this policy will be primary and without right of contribution from any liability insurance in force for an additional insured listed in the schedule below, then this insurance shall be primary over the additional insured's valid and collectible insurance, and we shall not seek contribution from such additional insured's insurance. The contract must arise out of your business operations, and must be executed prior to the occurrence of any bodily injury, property damage, personal injury or advertising injury covered by this liability insurance.

NAME OF PERSON(S) OR ENTITY:
SIDA Syracuse Industrial Development Agency
**CERTIFICATE OF LIABILITY INSURANCE**

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFER NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy must have ADDITIONAL INSURED provisions or be endorsed.

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<table>
<thead>
<tr>
<th>PRODUCER</th>
<th>CONTACT NAME</th>
<th>INSURED</th>
<th>COVERS</th>
<th>CERTIFICATE NUMBER: SIDA Revision</th>
<th>REVISION NUMBER:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Huntington Agency</td>
<td>Christine Polmaneer</td>
<td>Armory Boys LLC</td>
<td>33 Church Street</td>
<td>201700036</td>
<td></td>
</tr>
</tbody>
</table>

**COVERAGE**

<table>
<thead>
<tr>
<th>TYPE OF INSURANCE</th>
<th>LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>EACH OCCURRENCE</td>
</tr>
<tr>
<td></td>
<td>DAMAGE TO RATED PREMISES (Ex: building) $1,000,000</td>
</tr>
<tr>
<td></td>
<td>MED EXP (Any one person) $50,000</td>
</tr>
<tr>
<td></td>
<td>GENERAL AGGREGATE $10,000</td>
</tr>
<tr>
<td></td>
<td>PERSONAL &amp; ADV INJURY $1,000,000</td>
</tr>
<tr>
<td></td>
<td>GENERAL LIABILITY $2,000,000</td>
</tr>
<tr>
<td></td>
<td>PRODUCTS - COMMODITY AGG $2,000,000</td>
</tr>
<tr>
<td></td>
<td>PROFESSIONAL LIABILITY $1,000,000</td>
</tr>
<tr>
<td></td>
<td>EMPLOYEE BENEFITS $1,000,000</td>
</tr>
<tr>
<td></td>
<td>AUTOMOBILE LIABILITY</td>
</tr>
<tr>
<td></td>
<td>BODY INJURY (Per person) $50,000</td>
</tr>
<tr>
<td></td>
<td>PERSONAL INJURY (Per accident) $50,000</td>
</tr>
<tr>
<td></td>
<td>PROPERTY DAMAGE (Per accident) $50,000</td>
</tr>
<tr>
<td></td>
<td>EACH OCCURRENCE $1,000,000</td>
</tr>
<tr>
<td></td>
<td>AGGREGATE $1,000,000</td>
</tr>
<tr>
<td></td>
<td>WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY</td>
</tr>
<tr>
<td></td>
<td>WORKER'S COMPENSATION $1,000,000</td>
</tr>
<tr>
<td></td>
<td>E.L. DISEASE - F.A. EMPLOYEE $10,000,000</td>
</tr>
<tr>
<td></td>
<td>E.L. DISEASE - POLICY LIMIT $10,000,000</td>
</tr>
</tbody>
</table>

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

Location: 120-124 Walton St & 229-237 Fayette St, Syracuse, NY.

Certificate holder is added as additional insured. Primary and Non-Contributory Coverage per LS-39.

**CERTIFICATE HOLDER**

SIDA SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY  
CITY HALL COMMONS 7TH FLOOR  
201 EAST WASHINGTON STREET  
SYRACUSE NY 13202

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1888-2015 ACORD CORPORATION. All rights reserved.
PRIMARY AND NON-CONTRIBUTORY COVERAGE  
(ADDITIONAL INSURED)

Refer to Supplemental Declarations if information is not shown on this form. 
We provide coverage under this endorsement subject to the terms contained in your policy.

When you have agreed in a written contract that this policy will be primary and without right of contribution from any liability insurance in force for an additional insured listed in the schedule below, then this insurance shall be primary over the additional insured’s valid and collectible insurance, and we shall not seek contribution from such additional insured’s insurance. The contract must arise out of your business operations, and must be executed prior to the occurrence of any bodily injury, property damage, personal injury or advertising injury covered by this liability insurance.

NAME OF PERSON(S) OR ENTITY:  
SIDA Syracuse Industrial Development Agency
## A. Policy Number, Certificate Number, Holder Name

<table>
<thead>
<tr>
<th>Holder Address and Certificate Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.a. Certificate Number</td>
</tr>
<tr>
<td>2.a. Group Master Policy Number</td>
</tr>
<tr>
<td>2.b. Renewal of Certificate Number</td>
</tr>
<tr>
<td>2.b. Renewal of Group Master Policy Number</td>
</tr>
<tr>
<td>3. Certificate Holder Name:</td>
</tr>
<tr>
<td>Certificate Holder Address 2:</td>
</tr>
<tr>
<td>Certificate Holder City</td>
</tr>
<tr>
<td>Certificate Holder State</td>
</tr>
<tr>
<td>Certificate Holder Zip</td>
</tr>
<tr>
<td>5. Certificate Holder is a(n):</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

## B. Premium, Limits and Retroactive Date

| 1.a Certificate Premium | $909.00 |
| 1.c. Surcharge + Taxes | $0.00 |
2. Limits of Liability

<table>
<thead>
<tr>
<th>a. Each Occurrence</th>
<th>$2,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. General Aggregate (other than Products-Completed Operations)</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>c. Products-Completed Operations</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>d. Products-Completed Operations Aggregate</td>
<td></td>
</tr>
</tbody>
</table>

3. Retroactive Date

| N/A | Applicable to Claims Made Underlying Policies |

C. Schedule of Underlying Insurance

<table>
<thead>
<tr>
<th>Underlying Insurer</th>
<th>Underlying Coverage Type</th>
<th>Limits of Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>CENTRAL CO-OPERATIVE INSURANCE COMPANY</td>
<td>Commercial General Liability</td>
<td>$1,000,000.00 Each Occurrence $2,000,000.00 general Aggregate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Products-Completed Operations $2,000,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Products-Completed Operations Aggregate $2,000,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Personal and Advertising Injury</td>
</tr>
<tr>
<td>Name: Not Covered</td>
<td>Automobile Liability</td>
<td>Per Person</td>
</tr>
<tr>
<td>Policy Number:</td>
<td></td>
<td>Per Accident</td>
</tr>
<tr>
<td>Policy Term:</td>
<td></td>
<td>Not Covered Combined Single Limit</td>
</tr>
<tr>
<td>Name: Not Covered</td>
<td>Workers Compensation and Employers Liability</td>
<td>workers Compensation</td>
</tr>
<tr>
<td>Coverage B: Employers' Liability</td>
<td></td>
<td>Bodily Injury by Accident – each Accident</td>
</tr>
<tr>
<td>Policy Number:</td>
<td>Claims Made Retroactive Date</td>
<td>Not Covered Bodily Injury by Disease – each Policy</td>
</tr>
<tr>
<td>Policy Term</td>
<td></td>
<td>Not Covered</td>
</tr>
</tbody>
</table>
### Commercial Umbrella Liability Certificate Holder Declarations

<table>
<thead>
<tr>
<th>Underlying Insurer</th>
<th>Underlying Coverage Type</th>
<th>Limits of Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: Not Covered</td>
<td>Directors &amp; Officers Liability</td>
<td>Claims Made</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retroactive Date</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Occurrence</td>
</tr>
<tr>
<td>Policy Number:</td>
<td>Employee Benefits legal Liability</td>
<td>Claims Made</td>
</tr>
<tr>
<td>Policy Term</td>
<td></td>
<td>Retroactive Date</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Occurrence</td>
</tr>
</tbody>
</table>

Not Covered | Bodily Injury by Disease – each Employee

NYFTZ Statutory Code: 2-13000

STARSTONE
Part of the Enstar Group

StarStone National Insurance Company

Following Form Excess Liability Insurance Policy

Company Address:
Harborside Financial Center
Plaza Five, 26th Floor
Jersey City, NJ 07311
(201) 743-7700
www.starstone.com

To Report a Claim:
Contact your Insurance Agent, or
Contact the Company at (201) 743-7700 or
Send an email to: claims@starstone.com

To File a Complaint

Contact your insurance Agent, or
Contact the Company at (201) 743-7700 or
Contact your State Director of Insurance
STARSTONE NATIONAL INSURANCE COMPANY
HOME OFFICE: WILMINGTON DELAWARE

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

DECLARATIONS

POLICY NO.: 44218E160ALI

ITEM 1. (a) NAMED INSURED: See Evidence
(b) ADDRESS: See Evidence

ITEM 2. POLICY PERIOD: Inception Date: September 1, 2016 To: September 1, 2018
(12:01 A.M. prevailing time at the address stated in Item 1. above)

ITEM 3. RETROACTIVE DATE: Not Applicable

ITEM 4. COVERAGE: Following Form Excess Liability

ITEM 5. LIMITS OF LIABILITY: See Endorsement 3 Per Occurrence
See Endorsement 3 Other Aggregate
See Endorsement 3 Products/Completed Operations
 Aggregate
Excess of Total Limits in Item 6. below

ITEM 6. TOTAL LIMITS OF UNDERLYING POLICIES: Please see Schedule of Underlying Insurance.

ITEM 7. FOLLOWED POLICY: Please see Schedule of Underlying Insurance.

ITEM 8. (a) PREMIUM: As calculated per Insured for whom a Certificate of Insurance has been issued on behalf of and reported to the Company.

(b) MINIMUM EARNED PREMIUM: n/a

ITEM 9. NOTICES TO THE INSURER:

SSN EXS 0002 CW 05 14
STARSTONE NATIONAL INSURANCE COMPANY
HOME OFFICE: WILMINGTON DELAWARE

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

(a) All notices of Occurrence or Claim: Claim Department
(b) All other notices: Underwriting Department
At the address and numbers shown at the top of the Declarations Page.

ITEM 10. POLICY FORM: SSN EXS 0001 CW 06 10 together with endorsements as per attached form SSN EXS 0004 CW 06 10 Schedule of Endorsements:

Authorized Representative

Date of issue: August 15, 2016
STARSTONE NATIONAL INSURANCE COMPANY
FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

There are provisions in this Policy that restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words “you” and “your” refer to the Named Insured. The words “we”, “us” and “our” refer to StarStone National Insurance Company, the company providing this insurance.

The word Insured means any person or organization qualifying as such in the Followed Policy but only to the extent which such Insured qualifies for coverage in the Followed Policy.

In consideration of the payment of premium and in reliance upon the statements in the Declarations and in accordance with the provisions of this Policy we agree with you to provide coverage as follows:

SECTION I. - COVERAGE

A. We will pay on behalf of the Insured the sums in excess of the Total Limits of Underlying Policies shown in Item 6. of the Declarations that the Insured becomes legally obligated to pay as damages.

B. This Policy applies only to damages covered by the Followed Policy as shown in Item 7. of the Declarations. Except as otherwise provided by this Policy, the coverage follows the definitions, terms, conditions, limitations and exclusions of the Followed Policy in effect at the inception of this Policy.

C. This Policy applies only to damages arising out of any claim or of any occurrence likely to give rise to a claim, of which no Responsible Insured was aware prior to the Inception Date set forth in Item 2. of the Declarations, regardless of whether such Responsible Insured believed such claim or occurrence would involve this Policy.

D. Notwithstanding A., B. and C. above, in no event will this Policy follow the terms, conditions, exclusions or limitations in the Followed Policy or provide coverage under this Policy with respect to or as a result of any of the following clauses or similar clauses in the Followed Policy:

1. Liberalization clause;

2. Crisis Management or Crisis Response endorsement; or

3. Sublimit of liability, unless coverage for such sublimit is specifically endorsed to this Policy.

E. The amount we will pay for damages is limited as described in SECTION II. - LIMITS OF LIABILITY.

If we are prevented by law from paying on behalf of the Insured, we will indemnify you for damages covered under the terms of the Policy, which you become legally obligated to pay.

SECTION II. - LIMITS OF LIABILITY

A. The Limits of Liability shown in the Declarations and the rules below describe the most we will pay regardless of the number of:
STARSTONE NATIONAL INSURANCE COMPANY

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

1. Insureds:
2. Claims made or suits brought, or
3. Persons or organizations making claims or bringing suits.

B. The Limits of Liability of this Policy will apply as follows:

1. This Policy applies only in excess of the Total Limits of Underlying Policies shown in Item 6, of the Declarations.

2. If our Limits of Liability stated in Item 5, of the Declarations are less than the total Limits of Liability stated in Item 5, the limits of our liability shall be that proportion of all damages which our Limits of Liability bear to the total Limits of Liability in Item 5, and which is in excess of the Total Limits of Underlying Policies stated in Item 6, of the Declarations.

3. Subject to Paragraph B.2, above, the Per Occurrence Limit stated in Item 5, of the Declarations is the most we will pay for all damages arising out of any one occurrence to which this Policy applies.

4. Subject to Paragraphs B.2. and B.3., above, the limit stated in Item 5, of the Declarations for the Products/Completed Operations Aggregate is the most we will pay for all damages during our policy period under the products-completed operations hazard.

5. Subject to Paragraphs B.2. and B.3., above, the limit stated in Item 5, of the Declarations for the Other Aggregate is the most we will pay for all damages, except for damages covered under the products-completed operations hazard, that are subject to an aggregate limit provided by the Followed Policy. The Other Aggregate Limit applies separately and in the same manner as the aggregate limits provided by the Followed Policy.

6. Subject to Paragraphs B.2., B.3., B.4. B.5., above, if the Total Limits of Underlying Policies stated in Item 6, of the Declarations are reduced or exhausted solely by payment of damages to which this Policy applies, such insurance provided by this Policy will apply in excess of the reduced Limits of Underlying Policies, or if all Limits of Underlying Policies are exhausted, will apply as underlying insurance subject to the same terms, conditions, definitions and exclusions of the Followed Policy, except for the terms, conditions, definitions and exclusions of this Policy.

7. This Policy will not apply in excess of any reduced or exhausted Limits of Underlying Policies to the extent such reduction or exhaustion is caused by payment of damages that are not covered under this Policy. This provision applies whether the lack of coverage under this Policy arises:

a. From a difference between the terms, conditions, definitions and exclusions of this Policy and the Underlying Policies; or

b. From injury or damage occurring outside the coverage period of this Policy.
STARSTONE NATIONAL INSURANCE COMPANY
FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

8. Defense costs to which this Policy applies shall not reduce the Limits of Liability of this Policy, except to the extent defense costs reduce the limits of liability of the Followed Policy or Underlying Policies.

9. The Limits of Liability of this Policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the preceding period for purposes of determining our Limits of Liability.

SECTION III. — DEFENSE

A. We will not be required to assume charge of the investigation of any claim or defense of any suit against an Insured.

B. We will have the right, but not the duty, to be associated with an insured or underlying insurer or both in the investigation of any claim or defense of any suit which in our opinion may create liability on us for payment under this Policy.

C. If all Limits of Underlying Policies stated in Item 6. of the Declarations are exhausted solely by payment of damages, we shall have the right but not the duty to investigate and settle any claim or assume the defense of any suit, which in our opinion may give rise to a payment under this Policy. We may, however, withdraw from the defense of such suit and tender the continued defense to an Insured if our applicable Limit of Liability stated in Item 5. of the Declarations are exhausted by payment of damages.

D. If we exercise our rights under Paragraphs B. or C. above, we will do so at our own expense, and any such payments will not reduce the Limits of Liability provided by this Policy, unless such payments reduce the Limits of Underlying Policies. If defense payments reduce the Limits of Underlying Policies, they will also reduce the Limits of Liability provided by this Policy.

SECTION IV. — EXCLUSIONS

This Policy does not apply to any liability, damage, loss, cost or expense:

A. ASBESTOS

Arising out of:

1. The manufacturing, mining, use, sale, installation, removal, distribution of or exposure to asbestos, asbestos products, asbestos fibers, asbestos dust or products or materials containing asbestos:

2. Any obligation of an Insured to indemnify any party because of damages arising out of the manufacturing, mining, use, sale, installation, removal, distribution of or exposure to asbestos,
STARSTONE NATIONAL INSURANCE COMPANY

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

asbestos products, asbestos fibers, asbestos dust or products or materials containing asbestos; or

3. Any obligation to defend any suit or claim against an Insured that seeks damages if such suit or claim arises as the result of the manufacturing, mining, use, sale, installation, removal, distribution of or exposure to asbestos, asbestos products, asbestos fibers, asbestos dust or products or materials containing asbestos.

B. LAWS VARIOUS

Imposed on an Insured, or an Insured’s insurer:

1. Under any of the following laws: uninsured motorists, underinsured motorists, auto no-fault laws or other first party personal injury laws, or medical expense benefits and income loss benefits laws of any applicable state or jurisdiction.

2. For any obligation of an Insured under any workers compensation, disability benefits or unemployment compensation law or any similar law.

3. For any obligations incurred or imposed upon an Insured (or which are imputed to an Insured) under the Employee Retirement Income Security Act of 1974, Public Law 93-406 and any law amendatory thereof.

C. NUCLEAR

1. With respect to which an Insured under this Policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability, or

2. Resulting from the hazardous properties of nuclear material and with respect to which:

   a. Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or

   b. The Insured is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

3. Bodily injury or nuclear property damage resulting from the hazardous properties of nuclear material, if:

   a. The nuclear material:
STARSTONE NATIONAL INSURANCE COMPANY

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

1) Is at any nuclear facility owned by, or operated by or on behalf of, an insured; or

2) Has been discharged or dispersed therefrom;

b. The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

c. The bodily injury or nuclear property damage arises out of the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this Sub-paragraph c. applies only to nuclear property damage to such nuclear facility and any property thereat.

As used in this Exclusion C.:

1. Hazardous properties include radioactive, toxic or explosive properties;

2. Nuclear facility means:
   a. Any nuclear reactor;
   b. Any equipment or device designed or used for:
      1) Separating the isotopes of uranium or plutonium;
      2) Processing or utilizing spent fuel; or
      3) Handling, processing or packaging waste;
   c. Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
   d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

3. Nuclear material means source material, special nuclear material or by-product material;

4. Nuclear property damage includes all forms of radioactive contamination of property.

5. Nuclear reactor means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
STARSTONE NATIONAL INSURANCE COMPANY

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

6. Source material, special nuclear material, and by-product material have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

7. Spent fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

8. Waste means any waste material:
   a. Containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content; and
   c. Resulting from the operation by any person or organization of any nuclear facility included under the first two paragraphs of the definition of nuclear facility.

D. POLLUTION LIABILITY

1. Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time, or

2. Arising out of pollution cost or expense.

However, if insurance for bodily injury or property damage for such discharge, dispersal, seepage, migration, release or escape of pollutants, or pollution cost or expense, is provided by the Underlying Policies:

1. This exclusion shall not apply; and

2. The insurance provided by this Policy will not be broader than the insurance coverage provided by the Underlying Policies.

E. WAR

Bodily injury, personal injury or property damage that results from, or any condition that is incidental to, any of the following: (a) war, whether or not declared; (b) civil war; (c) insurrection; (d) rebellion; (e) revolution; (f) warlike operations.

SECTION V. - DEFINITIONS

The following Definitions apply to this Policy:

A. Executive Officer means the Chairman of the Board, President, Chief Executive, Operating, Financial and Administrative Officers, Managing Directors, or any Executive or Senior Vice President of the Insured. Where such title is inapplicable, the equivalent level of personnel shall be substituted.
STARSTONE NATIONAL INSURANCE COMPANY

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

B. Followed Policy means the policy listed in Item 7. of the Declarations of this Policy.

C. Responsible Insured means an Executive Officer of the Insured, or any manager or equivalent level employee in the Insured's Risk Management, Insurance or Law Department.

D. Underlying Policies means those policies that comprise the Total Limits of Underlying Policies scheduled in Item 6. of the Declarations of this Policy and any other applicable underlying insurance, including any self-insured retentions.

SECTION VI. — CONDITIONS

A. BANKRUPTCY OR INSOLVENCY

1. The bankruptcy, insolvency or inability to pay of any Insured, or of any Insured's estate, will not relieve us of our obligation to pay damages covered by this Policy.

2. In the event of bankruptcy, insolvency or refusal or inability to pay, of any underlying insurer, the insurance afforded by this Policy will not replace such underlying insurance, but will apply as if all the limits of any underlying insurance is fully available and collectible.

B. CANCELLATION

1. You may cancel this Policy. You must mail or deliver advance written notice to us stating when the cancellation it to be effective.

2. We may cancel this Policy. If we cancel because of non-payment of premium, we will mail or deliver to you not less than fifteen (15) days advance written notice when the cancellation is to take effect. If we cancel for any other reason, we will mail or deliver to you not less than sixty (60) days advance written notice stating when the cancellation is to take effect. Mailing notice to you at your mailing address shown in Item 1. of the Declarations will be sufficient to prove notice.

3. The policy period will end on the day and hour stated in the cancellation notice.

4. If we cancel, final premium will be calculated pro rata based on the time this Policy was in force.

5. If you cancel, final premium will be more than pro rata: it will be based on the time this Policy was in force and our short rate cancellation table and procedure.

6. Premium adjustment may be made at the time of the cancellation or as soon as practicable thereafter, but the cancellation will be effective even if we have not made or offered any refund due you. Our check or our representative's check, mailed or delivered, will be sufficient tender of any refund due you.
C. CHANGES IN FOLLOWED POLICIES

If during the policy period of this Policy, the terms, conditions, exclusions or limitations of the Followed Policy are changed in any manner from those in effect on the inception date of this Policy, you will give us, as soon as practicable, written notice of the full particulars of such changes. This Policy shall become subject to any such changes upon the effective date of the changes in the Followed Policy, but only upon the condition that we agree to follow such changes in writing and you agree to any additional premium or amendment of the provisions of this Policy required by us relating to such changes. Such change in coverage is conditioned upon your payment when due of any additional premium required by us relating to such changes.

D. COVERAGE TERRITORY

The Coverage Territory shall be deemed to be anywhere in the world, with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America, provided a claim or suit for damages within the Coverage Territory must be brought within the United States of America.

Payments under this Policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U. S. Treasury Department’s Office of Foreign Assets Control (“OFAC”).

E. MAINTENANCE OF UNDERLYING INSURANCE

During the period of this Policy, you agree:

1. To keep the policies making up the Total Limits of Underlying Policies in Item 6. of the Declarations in full force and effect;
2. That the limits of insurance of the Underlying Policies will be maintained except for any reduction or exhaustion of aggregate limits by payment of claims or suits for damages covered by Underlying Policies;
3. Underlying Policies may not be canceled or not renewed by you without notifying us, and you agree to notify us in the event an insurance company cancels or declines to renew any Underlying Policies;
4. Renewals or replacements of the Followed Policy will not be materially changed without our agreement.

Your failure to comply with these requirements will not invalidate this Policy, but in the event of such failure, we will only be liable to the same extent as if there had been full compliance with these requirements.

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F. PAYMENT OF PREMIUM

The first Named Insured listed in Item 1. of the Declarations of this Policy shall be responsible for and act on behalf of all Insureds with respect to the payment of any premiums due under this Policy, and for the receipt of any premium refund that may become payable under this Policy.

G. REQUIRED NOTICES TO INSURER BY INSURED

1. Notice of Occurrence, Offense, Claim or Loss

   a. You or an Insured shall give written notice as soon as practicable to us of any occurrence, offense, claim or suit likely to involve this Policy.

   b. Without limiting the requirements of paragraph a. above, you or an Insured shall separately, and as soon as practicable, give written notice to us when a payment is made or reserve established for any occurrence, offense, claim or suit which has brought the total of all payments and reserves by you or an Insured or Underlying Insurers to a level of fifty percent (50%) or more of the Underlying Aggregate Limit.

2. Notice Regarding Material Change

   You shall give written notice to us of the following events as soon as practicable but in no event later than thirty (30) days after an Insured has become aware of the event: that the Named Insured is consolidating with or merging with or into, or transferring all or substantially all of its assets to, or acquiring or being acquired by any natural person or entity or group of natural persons and/or entities acting in concert.

   With respect to the Notice required in Paragraphs 1. and 2. of this Condition G., notice to an Underlying Insurer shall not constitute notice to us. Notice under this Policy shall be given to us at the appropriate address set forth in Item 9. of the Declarations of this Policy.

H. RESTRICTIVE AS UNDERLYING

Notwithstanding any provision to the contrary in this Policy, including, without limitation, SECTION I — COVERAGE of this Policy, if any Underlying Policy with limits in excess of the Followed Policy but underlying to this Policy (the "Intervening Policy") contains warranties, terms, conditions, exclusions or limitations more restrictive than the Followed Policy, whether on the effective date of this Policy or at any time during the Policy Period of this Policy, then this Policy shall be deemed to follow those more restrictive warranties, terms, conditions, exclusions or limitations of the Intervening Policy.

J. SERVICE OF SUIT

Pursuant to any statute of any state, territory or District of the United States which makes provision therefore, we hereby designate the Superintendent, Commissioner or Director of Insurance or other
STARSTONE NATIONAL INSURANCE COMPANY

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

officer specified for that purpose in the statute, or his successor or successors in office, as our true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of you or any beneficiary hereunder, arising out of this Policy.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its Authorized Representative and countersigned on the Declarations Page by a duly authorized agent of the Insurer.

[Signatures]

President

Secretary
Named Insured: Commercial Umbrella Real Estate, Inc
Policy No: 44218E160ALI
Endorsement No: 1
Endorsement Effective Date: September 1, 2016

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

SCHEDULE OF ENDORSEMENTS

<table>
<thead>
<tr>
<th>FORM NO.</th>
<th>ENDORSEMENT NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSN EXS 0005 CW 03 16</td>
<td>Schedule of Followed Policies</td>
</tr>
<tr>
<td>SSN EXS 0095 CW 03 16</td>
<td>Limit of Liability – Amendment Designated Entities</td>
</tr>
<tr>
<td>SSN EXS 0183 CW 03 16</td>
<td>Auto Coverage – Exclusion of Terrorism</td>
</tr>
<tr>
<td>SSN EXS ML 0002 CW 03 16</td>
<td>Terrorism Quote Premium Disclosure</td>
</tr>
<tr>
<td>SSN EXS 0087 CW 03 16</td>
<td>Employment Related Discrimination and Employment – Related Practices Exclusion</td>
</tr>
<tr>
<td>SSN EXS 0187 CW 03 16</td>
<td>Exclusion of Other Acts of Terrorism Committed Outside the United States: Cap on Losses from Certified Acts of Terrorism</td>
</tr>
<tr>
<td>SSN EXS 0188 CW 03 16</td>
<td>Exclusion of Punitive Damages Related to a Certified Act of Terrorism</td>
</tr>
<tr>
<td>SSN EXS 0080 CW 03 16</td>
<td>Fungi or Bacteria Exclusion</td>
</tr>
<tr>
<td>SSN EXS 0122 CW 03 16</td>
<td>Pending and Prior Litigation and Known Losses Exclusion</td>
</tr>
<tr>
<td>SSN EXS 0166 CW 03 16</td>
<td>Silica Exclusion</td>
</tr>
<tr>
<td>SSN EXS 0129 CW 03 16</td>
<td>Pollution Exclusion with Hostile Fire Exception</td>
</tr>
<tr>
<td>SSN EXS 0138 CW 03 16</td>
<td>Professional Liability Exclusion</td>
</tr>
</tbody>
</table>
**Named Insured:** Commercial Umbrella Real Estate, Inc.

**Policy No:** 44218E160ALI

**Endorsement No:** 2

**Endorsement Effective Date:** September 1, 2016

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY**

**SCHEDULE OF FOLLOWED POLICIES AND TOTAL LIMITS OF UNDERLYING POLICIES**

**ITEM 6. TOTAL LIMITS OF UNDERLYING POLICIES**

<table>
<thead>
<tr>
<th>Item</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. As designated on Certificates of Insurance issued on behalf of the Company</td>
<td>GL Per Occurrence</td>
</tr>
<tr>
<td>As designated on Certificates of Insurance issued on behalf of the Company</td>
<td>GL Other Aggregate</td>
</tr>
<tr>
<td>As designated on Certificates of Insurance issued on behalf of the Company</td>
<td>GL Products/Completed Operations Aggregate</td>
</tr>
<tr>
<td>b. As designated on Certificates of Insurance issued on behalf of the Company</td>
<td>AL Combined Single Limit</td>
</tr>
</tbody>
</table>

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**ITEM 7. FOLLOWED POLICY**

The DECLARATIONS are amended to read as follows:

- **ITEM 6. TOTAL LIMITS OF UNDERLYING POLICIES:**
  - **a.**
    - As designated on Certificates of Insurance issued on behalf of the Company not less than $1,000,000
    - As designated on Certificates of Insurance issued on behalf of the Company not less than $2,000,000
    - As designated on Certificates of Insurance issued on behalf of the Company not less than $1,000,000
  - **b.**
    - As designated on Certificates of Insurance issued on behalf of the Company not less than $1,000,000
c. As designated on Certificates of Insurance issued on behalf of the Company not to exceed $100,000

   EL Each Accident

   As designated on Certificates of Insurance issued on behalf of the Company not to exceed $100,000

   EL Policy Limit – Disease

   As designated on Certificates of Insurance issued on behalf of the Company not to exceed $100,000

   EL Each Employee – Disease

ITEM 7. FOLLOWED POLICIES: SEE ITEM 6. ABOVE

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN THE SAME.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

LIMITS OF LIABILITY – AMENDMENT

DESIGNATED ENTITIES

The Policy is amended as follows:

SCHEDULE

Designated Entities:

Insureds for whom Certificates of Insurance have been issued on behalf of the Company.

Solely with respect to the entities designated in the SCHEDULE above, ITEM 5. LIMITS OF LIABILITY of the Declarations is deleted and replaced with the following:

ITEM 5. LIMITS OF LIABILITY:

<table>
<thead>
<tr>
<th>Per Occurrence</th>
<th>Other Aggregate</th>
<th>Products/Completed Operations Aggregate</th>
</tr>
</thead>
<tbody>
<tr>
<td>As designated on Certificates of Insurance issued on behalf of the Company not to exceed $15,000,000</td>
<td>$15,000,000</td>
<td></td>
</tr>
<tr>
<td>As designated on Certificates of Insurance issued on behalf of the Company not to exceed $15,000,000</td>
<td>$15,000,000</td>
<td></td>
</tr>
<tr>
<td>As designated on Certificates of Insurance issued on behalf of the Company not to exceed $15,000,000</td>
<td>$15,000,000</td>
<td></td>
</tr>
</tbody>
</table>

Excess of Limits in Item 6. below

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN THE SAME.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

AUTO COVERAGE – EXCLUSION OF TERRORISM

The Policy is amended as follows:

Any endorsement addressing acts of terrorism (however defined) in any Followed Policy does not apply to this excess insurance. The following provisions addressing acts of terrorism apply with respect to this excess insurance:

A. The provisions of this endorsement:

1. Apply only to liability, damage, loss, cost or expense arising out of the ownership, maintenance or use of any auto that is a covered auto under this Policy; and

2. Supersede the provisions of any other endorsement addressing terrorism attached to this Policy only with respect to liability, damage, loss, cost or expense arising out of the ownership, maintenance or use of any auto that is a covered auto.

B. The following definition is added and applies under this endorsement wherever the term terrorism is in bold text:

1. **Terrorism** means activities against persons, organizations or property of any nature:
   a. That involve the following or preparation for the following:
      1. Use or threat of force or violence; or
      2. Commission or threat of a dangerous act; or
      3. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
   b. When one or both of the following applies:
      1. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
      2. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

C. The following exclusion is added:

**EXCLUSION OF TERRORISM**

We will not pay for liability, damage, loss, cost or expense caused directly or indirectly by Terrorism, including action in hindering or defending against an actual or expected incident of Terrorism. Any liability, damage, loss, cost or expense is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. But this exclusion applies only when one or more of the following are attributed to an incident of Terrorism:
1. The Terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or

2. Radioactive material is released, and it appears that one purpose of the Terrorism was to release such material; or

3. The Terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the Terrorism was to release such materials, or

5. The total of insured damage to all types of property exceeds $25,000,000. In determining whether the $25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the Terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions, or

6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
   a. Physical injury that involves a substantial risk of death; or
   b. Protracted and obvious physical disfigurement; or
   c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of Terrorism which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraph C.5. or C.6. are exceeded.

With respect to this Exclusion, Paragraphs C.5. and C.6. describe the threshold used to measure the magnitude of an incident of Terrorism and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of Terrorism, there is no coverage under this Policy.

In the event of any incident of Terrorism that is not subject to this Exclusion, coverage does not apply to any liability, damage, loss, cost or expense that is otherwise excluded under this Policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN THE SAME.
THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

Named Insured: Commercial Umbrella Real Estate, Inc.
Policy No: 4421BE160ALI
Endorsement No: 5
Endorsement Effective Date: September 1, 2016

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

SCHEDULE — PART I

<table>
<thead>
<tr>
<th>Terrorism Premium (Certified Acts)</th>
<th>Included</th>
</tr>
</thead>
</table>

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):
Excess Liability Follow Form Insurance

Additional information, if any, concerning the terrorism premium:

SCHEDULE — PART II

Federal share of terrorism losses: 85%, Year: 2015
(Refer to Paragraph B of this endorsement.)

Federal share of terrorism losses: 84%, Year: 2016
(Refer to Paragraph B of this endorsement.)

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.
C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN THE SAME.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

EMPLOYMENT DISCRIMINATION AND EMPLOYMENT – RELATED PRACTICES EXCLUSION

The Policy is amended as follows:

SECTION IV. —EXCLUSIONS, is amended to include the following exclusion:

This Policy does not apply to any liability, defense costs, fines or damages which arise out of any:

1. Refusal to employ;
2. Termination of employment;
3. Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, or other employment-related practices, policies, acts or omissions;
4. Consequential bodily injury or personal injury as a result of 1. through 3. above.

This exclusion applies whether the Insured may be held liable as an employer or in another capacity and to any obligation of the Insured to share damages with or to repay someone else who must pay damages because of the injury.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN THE SAME.
Named Insured: Commercial Umbrella Real Estate, Inc.

Policy No: 44218E160AL

Endorsement No: 7

Endorsement Effective Date: September 1, 2016

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

The Policy is amended as follows:

Any endorsement addressing acts of terrorism (however defined) in any Followed Policy does not apply to this excess insurance. The following provisions addressing acts of terrorism apply with respect to this excess insurance:

SCHEDULE

| Certified Acts of Terrorism Retained Amount | $1,000,000 |

A. Coverage provided by this Policy for damages arising out of a Certified Act of Terrorism applies in excess of the Certified Acts of Terrorism Retained Amount described in Paragraph B. below.

B. SECTION II. — LIMITS OF LIABILITY, is amended to include the following:

The Certified Acts of Terrorism Retained amount refers to the amount stated in the SCHEDULE of this endorsement. This amount may consist of a self-insured retention, Underlying Policies, or a combination thereof.

The Certified Acts of Terrorism Retained Amount applies:

1. Only to damages arising out of a Certified Act of Terrorism covered under this Policy:

2. Separately to each Certified Act of Terrorism.

We will pay those sums covered under this Policy only after your Certified Acts of Terrorism Retained amount has been exhausted by means of payments for judgments or settlements. Defense expenses shall not erode the Certified Acts of Terrorism Retained Amount.

C. SECTION IV. — EXCLUSIONS, is amended to include the following exclusion:

This Policy does not apply to any liability, damage, loss, cost or expense:

TERRORISM

Arising, directly or indirectly, out of an Other Act of Terrorism that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the coverage territory. However, this exclusion applies only when one or more of the following are attributed to such act:
1. The total of insured damage to all types of property exceeds $25,000,000 (valued in US dollars). In determining whether the $25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions, or

2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
   a. Physical injury that involves a substantial risk of death; or
   b. Protracted and obvious physical disfigurement; or
   c. Protracted loss of or impairment of the function of a bodily member or organ; or

3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1 and 2 describe the thresholds used to measure the magnitude of an incident of an Other Act of Terrorism and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

D. SECTION V. — DEFINITIONS, is amended to include the following definitions:

1. Certified Act of Terrorism means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a Certified Act of Terrorism include the following:
   a. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
   b. The act resulted in damage:
      (1) Within the United States (including its territories and possessions and Puerto Rico); or
      (2) Outside of the United States in the case of:
         (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
         (b) The premises of any United States mission; and
   c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

2. Other Act of Terrorism means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a Certified Act of Terrorism.

Multiple incidents of an Other Act of Terrorism which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.
E. In the event of an **Other Act of Terrorism** that is not subject to this exclusion, coverage does not apply to any liability, damage, loss, cost or expense that is otherwise excluded under this Policy.

F. If aggregate insured losses attributable to terrorist acts certified under the federal **Terrorism Risk Insurance Act** exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN THE SAME.**
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

The Policy is amended as follows:

Any endorsement addressing acts of terrorism (however defined) in any Followed Policy does not apply to this excess insurance. The following provisions addressing acts of terrorism apply with respect to this excess insurance:

A. SECTION IV. — EXCLUSIONS, is amended to include the following exclusion:

This Policy does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a Certified Act of Terrorism that are awarded as punitive damages.

B. SECTION V. — DEFINITIONS, is amended to include the following definition:

Certified Act of Terrorism means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a Certified Act of Terrorism include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN THE SAME.
FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

FUNGI OR BACTERIA EXCLUSION

The Policy is amended as follows:

A. SECTION IV. – EXCLUSIONS, is amended to include the following exclusion:

This Policy does not apply to:

1. Any liability, damage, loss, cost or expense which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any fungi or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

2. Any loss, cost or expenses arising out of the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effect of, fungi or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any fungi or bacteria that are, are on, or are contained in, a food product intended for consumption.

B. SECTION V. – DEFINITIONS, is amended to include the following definition:

Fungi means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN THE SAME.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

PENDING AND PRIOR LITIGATION AND KNOWN LOSSES EXCLUSION

The Policy is amended as follows:

SECTION IV. – EXCLUSIONS, is amended to include the following exclusion:

This Policy does not apply to:

1. Any liability, damage, loss, cost or expense arising out of any claim, suit, litigation, arbitration, alternative dispute resolution or other judicial or administrative proceeding which has commenced or is pending prior to the effective date of this Policy, as well as all future liability, damage, loss, cost or expense arising out of said pending or prior litigation; or

2. Any bodily injury, property damage, personal injury, advertising injury, or any other injury or damage of which any Insured had knowledge prior to the effective date of this Policy.

This exclusion applies whether or not:

a. Damages continue or progress during this policy period; or

b. Ultimate liability for the final amount of damages, loss, cost or expense has been established.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN THE SAME.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

SILICA EXCLUSION

The Policy is amended as follows:

SECTION IV. — EXCLUSIONS, is amended to include the following exclusion:

This Policy does not apply to:

1. Any liability, damage, loss, cost or expense arising out of or in any way related to the actual, alleged or threatened discharge, dispersal, emission, release, escape, handling, contact with, exposure to or inhalation, ingestion or respiration of silica or products or substances containing silica or silicon dioxide in any form including, but not limited to, silica dust, sand or otherwise, or work involving the use of or handling of silica or silicon dioxide in any form, even if other causes are alleged to contribute to or aggravate such loss, claim or occurrence.

2. Any liability, damage, loss, cost or expense arising from or related to:
   a. Any supervision, instruction, recommendations, warnings or advice given or which should have been given in connection with the events described in Paragraph 1. above;
   b. Any obligation to indemnify, defend, share damages with or repay someone else who must pay damages because of events described in Paragraph 1. above; and
   c. Any fines or penalties imposed because of events described in Paragraph 1. above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN THE SAME.
This Endorsement changes the policy. Please read it carefully.

Following Form Excess Liability Insurance Policy

Pollution Exclusion
(with Hostile Fire Exception)

The Policy is amended as follows:

Section IV. —Exclusions, exclusion D. Pollution Liability, is deleted in its entirety and replaced with the following exclusion:

This Policy does not apply to:

D. Pollution Liability

1. Any liability, damage, loss, cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:

   a. At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;

   b. At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

   c. Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom any insured may be legally responsible;

   d. At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:

      1) If the pollutants are brought on or to the premises, site or location in connection with such operations by any insured or such contractor or subcontractor; or

      2) If the operations are the test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants:

Sub-paragraphs 1.a. and 1.d.1 do not apply to bodily injury or property damage arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

e. If the liability, damage, loss, cost or expense is included within the products-completed operations hazard;
f. That are, or that are contained in any property that is:

1) Being transported or towed by, or handled for movement into, onto or from, the covered auto;

2) Otherwise in the course of transit by or on behalf of any Insured; or

3) Being stored, disposed of, related or processed in or upon the covered auto.

g. Before the pollutants or any property in which the pollutants are contained are moved from the place where they are accepted by any Insured for movement into or onto the covered auto; or

h. After the pollutants or any property in which the pollutants are contained are moved from the covered auto to the place where they are finally delivered, disposed of or abandoned by any Insured.

2. Pollution cost or expense.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN THE SAME.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY
PROFESSIONAL LIABILITY EXCLUSION

The Policy is amended as follows:

SECTION IV. —EXCLUSIONS, is amended to include the following exclusion:

This Policy does not apply to any liability, damage, loss, cost or expense arising out of:
1. The rendering of; or
2. Failure to render;

any professional services by or for any Insured.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN THE SAME.
ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT

THIS ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT (the “Agreement”) is made as of the 1st day of October, 2017, between ARMORY BOYS LLC (the “Indemnitor” or the “Company”), for the benefit of the CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY (the “Agency”).

RECITALS

WHEREAS, the Agency has undertaken at the request of the Indemnitor, a project (the “Project”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York, as more fully described on Schedule A annexed hereto (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Land and the Facility are connected to an adjacent building (the “Adjacent Building”) located at 120-124 Walton Street, Syracuse, New York (the “Adjacent Land” and together with the Adjacent Building, the “Additional Land”) which is also owned by the Company; and

WHEREAS, in at the request of the Company and the Mortgagee, the Agency has agreed to extend its interest to the Adjacent Building in accordance with the terms of the Agency Lease; and

WHEREAS, solely for purposes of this Agreement, the Company has agreed to include the Additional Land as part of the Project Facility and is included in the description of the Land attached hereto as Schedule “A”; and

WHEREAS, it is the intent of the Company to have this Agreement and the indemnifications provided for hereunder, apply to the Additional Land for the benefit of the Agency.
NOW, THEREFORE, in consideration of the premises, Ten Dollars ($10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Indemnitor, intending to be legally bound, hereby agrees as follows:

1. **Recitals; Definitions.**

   (a) The foregoing recitals are incorporated into this Agreement by this reference.

   (b) Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Table of Definitions attached to the Agency Lease as Exhibit “C.”

2. **Representations and Warranties.**

   (a) Except as disclosed in Schedule B annexed hereto, Indemnitor represents and warrants that it has no knowledge of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage or filtration of oil, petroleum or chemical liquids or solids, liquid or gaseous products or any hazardous wastes or hazardous substances (collectively, “Hazardous Substances”), as those terms are used in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 or in any other federal, state or local law governing hazardous substances, as such laws may be amended from time to time (collectively, the “Hazardous Waste Laws”), at, upon, under or within the Project Facility or any contiguous real estate, and (ii) it has not caused or permitted to occur, and shall not permit to exist, any condition which may cause a discharge of any Hazardous Substances at, upon, under or within the Project Facility or on any contiguous real estate.

   (b) Except as disclosed in the reports listed on Schedule B annexed hereto, Indemnitor further represents and warrants that (i) it has not been nor will be involved in operations at or near the Project Facility which operations could lead to (A) the imposition of liability on Indemnitor or on any subsequent or former owner of the Project Facility or (B) the creation of a lien on the Project Facility under the Hazardous Waste Laws or under any similar laws or regulations; and (ii) it has not permitted, and will not permit, any tenant or occupant of the Project Facility to engage in any activity that could impose liability under the Hazardous Waste Laws on such tenant or occupant, on Agency, the Indemnitor or on any other owner of any of the Project Facility.

3. **Covenants.**

   (a) Indemnitor shall comply strictly and in all respects with the requirements of the Hazardous Waste Laws and related regulations and with all similar laws and regulations and shall notify Agency immediately in the event of any discharge or discovery of any Hazardous Substance at, upon, under or within the Project Facility which is not otherwise already disclosed in Schedule B. Indemnitor shall promptly forward to Agency copies of all orders, notices, permits, applications or other communications and reports in connection with any discharge or the presence of any Hazardous Substance or any other matters relating to the
Hazardous Waste Laws or any similar laws or regulations, as they may affect the Project Facility.

(b) Promptly upon the written request of Agency, Indemnitor shall provide Agency, at Indemnitor's expense, with an environmental site assessment or environmental audit report prepared by an environmental engineering firm acceptable to the requesting Person, to assess with a reasonable degree of certainty the presence or absence of any Hazardous Substances and the potential costs in connection with abatement, cleanup or removal of any Hazardous Substances found on, under, at or within the Project Facility.

4. **Indemnity.**

(a) Indemnitor shall at all times indemnify and hold harmless Agency against and from any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, of any nature whatsoever suffered or incurred by Agency, whether as contract vendor, owner, mortgagee, as mortgagee in possession, or as successor-in-interest to Indemnitor by foreclosure deed or deed in lieu of foreclosure, under or on account of the Hazardous Waste Laws or any similar laws or regulations, including the assertion of any lien thereunder, with respect to:

1. any discharge of Hazardous Substances, the threat of a discharge of any Hazardous Substances, or the presence of any Hazardous Substances affecting the Project Facility whether or not the same originates or emanates from the Project Facility or any contiguous real estate including any loss of value of the Project Facility as a result of any of the foregoing;

2. any costs of removal or remedial action incurred by the United States Government or any costs incurred by any other person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Hazardous Waste Laws;

3. liability for personal injury or property damage arising under any statutory or common law tort theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance or for the carrying on of an abnormally dangerous activity at or near the Project Facility; and/or

4. any other environmental matter affecting the Project Facility within the jurisdiction of the Environmental Protection Agency, any other federal agency, or any state or local agency.

The obligations of Indemnitor under this Agreement shall arise whether or not the Environmental Protection Agency, any other federal agency or any state or local agency has taken or threatened any action in connection with the presence of any Hazardous Substances.

(b) In the event of any discharge of Hazardous Substances, the threat of a discharge of any Hazardous Substances, or the presence of any Hazardous Substances affecting
the Project Facility, whether or not the same originates or emanates from the Project Facility or any contiguous real estate, and/or if Indemnitor shall fail to comply with any of the requirements of the Hazardous Waste Laws or related regulations or any other environmental law or regulation, Agency may at its election, but without the obligation so to do, give such notices and/or cause such work to be performed at the Project Facility and/or take any and all other actions as Agency shall deem necessary or advisable in order to abate the discharge of any Hazardous Substance, remove the Hazardous Substance or cure the noncompliance of Indemnitor.

(c) Indemnitor acknowledges that Agency has relied upon the representations, warranties, covenants and indemnities of Indemnitor in this Agreement. All of the representations, warranties, covenants and indemnities of this Agreement shall survive the repayment of Indemnitor’s obligations under the Agency Lease or other Company Documents.

5. Attorney’s Fees. If Agency retains the services of any attorney in connection with the subject of the indemnity herein, Indemnitor shall pay Agency’s costs and reasonable attorneys’ fees thereby incurred. Agency may employ an attorney of its own choice.

6. Interest. In the event that Agency incurs any obligations, costs or expenses under this Agreement, Indemnitor shall pay such Person immediately on demand, and if such payment is not received within ten (10) days, interest on such amount shall, after the expiration of the ten-day period, accrue at the interest rate set forth in the Agency Lease until such amount, plus interest, is paid in full.

7. No Waiver. Notwithstanding any terms of the Company Documents to the contrary, the liability of Indemnitor under this Agreement shall in no way be limited or impaired by: (i) any extensions of time for performance required by any of the Company Documents; (ii) any sale, assignment or foreclosure of the Agency Lease or any sale or transfer of all or part of the Project Facility; (iii) the accuracy or inaccuracy of the representations and warranties made by Indemnitor under any of the Company Documents; or (iv) the release of Indemnitor or any other person from performance or observance of any of the agreements, covenants, terms or conditions contained in the Company Documents by operation of law, Agency’s voluntary act, or otherwise; and, in any such case, whether with or without notice to Indemnitor and with or without consideration.

8. Waiver by Indemnitor. Indemnitor waives any right or claim of right to cause a marshalling of Indemnitor’s assets or to cause Agency to proceed against any of the security for the Agency Lease before proceeding under this Agreement against Indemnitor or to proceed against Indemnitor in any particular order; Indemnitor agrees that any payments required to be made hereunder shall become due on demand; Indemnitor expressly waives and relinquishes all rights and remedies (including any rights of subrogation) accorded by applicable law to indemnitors or guarantors.
9. **Releases.** Any one or more of Indemnitor and any other party liable upon or in respect of this Agreement or the Agency Lease may be released without affecting the liability of any party not so released.

10. **Amendments.** No provision of this Agreement may be changed, waived, discharged or terminated orally, by telephone or by any other means except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

11. **Joint and Several Liability.** In the event that this Agreement is executed by more than one party as Indemnitor, the liability of such parties is joint and several. A separate action or actions may be brought and prosecuted against each Indemnitor, whether or not an action is brought against any other person or whether or not any other person is joined in such action or actions.

12. **Consent to Jurisdiction.** Indemnitor consents to the exercise of personal jurisdiction over Indemnitor by any federal or state court in the State of New York and consent to the laying of venue in any jurisdiction or locality in the City of Syracuse. Service shall be effected by any means permitted by the court in which any action is filed.

13. **Notices.** All notices, certificates, and other communications hereunder shall be in writing, shall be sufficiently given, and shall be deemed given when (a) sent to the applicable address stated below by registered or certified mail, return receipt requested, and actually received by the intended recipient or by overnight courier or such other means as shall provide the sender with documentary evidence of such delivery, or (b) delivery is refused by the addressee as evidenced by the affidavit of the Person who attempted to effect such delivery. The addresses to which notices, certificates, and other communications hereunder shall be delivered are as follows:

(a) If to the Agency, to:

City of Syracuse Industrial Development Agency
333 West Washington Street, Suite 130
Syracuse, New York 13202
Attention: Chairman

With a copy to:

City of Syracuse
233 East Washington Street
Syracuse, New York 13202
Attn: Corporation Counsel
(b) To the Company:

Armory Boys LLC
33 Church Street
Montclair, New Jersey 07042
Attn: Jeffrey A. Appel, Managing Member

With a copy to:

Caraccioli & Associates, PLLC
175 East 7th Street
Oswego, New York 13216
Attn: Kevin C. Caraccioli, Esq.

The Agency and the Company, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, and other communications shall be sent.

14. **Waivers.** The parties waive trial by jury in any action brought on, under or by virtue of this Agreement. Indemnitor waives any right to require Agency at any time to pursue any remedy in such Person’s power whatsoever. The failure of Agency to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any such terms, nor shall it prevent Agency from insisting upon strict compliance with this Agreement or any other Company Document at any time thereafter.

15. **Severability.** If any clause or provisions herein contained operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision shall be held for naught as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

16. **Inconsistencies Among the Company Documents.** Nothing contained herein is intended to modify in any way the obligations of Indemnitor under the Agency Lease or any other Company Document. Any inconsistencies among the Company Documents shall be construed, interpreted and resolved so as to benefit Agency.

17. **Successors and Assigns.** This Agreement shall be binding upon Indemnitor’s successors, assigns, heirs, personal representatives and estate and shall inure to the benefit of Agency and its successors and assigns.

18. **Controlling Laws.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, Indemnitor has executed this Agreement as of the date first above written.

ARMORY BOYS LLC

By: [Signature]
Jeffrey A. Appel, Managing Member

STATE OF NEW YORK  )
COUNTY OF ONONDAGA  )

On the 5th day of October, in the year 2017 before me, the undersigned, a notary public in and for said state, personally appeared Jeffrey A. Appel, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5555551
Commission Expires on Feb. 12, 2018
SCHEDULE “A”

LEGAL DESCRIPTION
SCHEDULE A

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, being part of Lot Nos. 1, 2, 30, 31, 40 and 41 of Block No. 105-D, Syracuse, New York, according to a Map made by B.F. Green and filed in the Onondaga County Clerk’s Office on October 11, 1850 and bounded and described as follows:

Beginning at a point in the southerly line of West Fayette Street, said point being N. 89° 44’ 00” W., 208.855 feet distant, measured along said street line from the westerly line of South Clinton Street, said point being where the centerline of the west wall of the so-called Tallman and Palmer Store, now or formerly known as No. 225 West Fayette Street, intersects the south line of West Fayette Street; thence southwardly along the center of said wall and the same continued about 115.0 feet to a point in range with the north face of the north wall of the six story brick building erected by E.F. Holden on Walton Street; thence westwardly along said range line about 27/100 of a foot to the northeasterly corner of said six story building; thence southwardly along the east face of the brick wall of said building about 90.0 feet to a point in the north line of Walton Street, said point being N. 89° 45’ 00” W., 208.856 feet distant, measured along the said northerly line of Walton Street, from the westerly line of South Clinton Street; thence N. 89° 45’ 00” W., 64.304 feet along said northerly line of Walton Street to a point; thence N. 00° 13’ 20” W., 110.08 feet to a point; thence N. 89° 44’ 00” W., .54 of a foot to a point; thence N. 00° 16’ 00” E., 95.0 feet to a point in the southerly line of West Fayette Street; thence S. 89° 44’ 00” E., 65.045 feet along said street line to the place of beginning.

ALSO, ALL THAT TRACT OR PARCEL OF LAND, situate lying and being under the waters of the old channel of Onondaga Creek (now filled in), situate in the City of Syracuse, County of Onondaga and State of New York, said tract or parcel being all of the old channel of Onondaga Creek lying within the premises describe above.
SCHEDULE "B"

EXCEPTIONS

See Attached.
Phase I Environmental Site Assessment
Bentley Settle & Piper Phillips Building
120 Walton Street & 227 West Fayette Street
Syracuse, New York

Introduction

Purpose
The objective of this Phase I Environmental Site Assessment (ESA) was to identify recognized environmental conditions connected with the subject site property.

The potential for a release, past release or material threat of a release of hazardous substances or petroleum products into structures or into the ground, ground water or surface water of the subject site property was evaluated.

Scope
The scope of services comprised visual observation of site conditions during a one-time site visit performed on October 9, 2006; review of readily available information on historical site usage, surface and subsurface conditions; and information provided by individuals, public agencies and others.

This report was prepared in general conformance with the American Society for Testing Materials (ASTM) Standard Practice for Environmental Site Assessment: Phase I Environmental Site Assessments (Standard Designation E 1527-05), and is valid for a period of six months from the date of the site visit.

Site Location

General
The building is centrally located between North Franklin Street to the west, South Clinton Street to the east, and by West Fayette Street to the north and Walton Street to the south, in the City of Syracuse, New York (Figure 1) [1].

Address
120 Walton Street & 227 West Fayette Street
Syracuse, New York 13202

City
Syracuse

County
Onondaga

State
New York
Site Description

Property & Buildings

The subject property comprises an approximately 0.31-acre parcel (64.3 feet by 205 feet) currently occupied by two adjoining and interconnected buildings: the six-story Bentley Settle Building and the three-story Piper Phillips building, a combined total of 47,200 square feet of gross floor area including 44,812 square feet of lease space (Figure 2) [2,3,4]. The building is constructed of wood and brick, with largely paneled wood ceilings on the ground and top floors, in addition to drywall wall interiors, a concrete basement floor, wood floors locally carpeted or tiled with vinyl or ceramic tiling, and acoustical ceiling tiles (Photographs in Appendix A). The ground floor and basements of the building are openly interconnected. Two janitor’s closets with packaged cleaning supplies were observed in the foyer of the ground floor.

The building is occupied by numerous tenants including: Imperial Dry Cleaners (drop-off and pick-up only storefront on West Fayette Street), a massage parlor, Events Studio (a wedding planner), David Church (a goldsmith), One-20 Salon, Bentley-Hill, Inc. (publications), International Musician (a magazine publisher), Lexicon Graphix (poster designer), Hemisphere Holdings Group (a real estate broker), BellGroup (real estate broker), Eagle Insurance, Peregrine Companies (Farchione & Bowman, LLP), Queri Development Company, and New Visions Powerline Communications.

Several former office and storefront suites are vacant including one formerly occupied by the Empire Brewery and Restaurant in the basement of the Bentley Settle Building, and a former music shop storefront on West Fayette Street. The former restaurant area contains a bar, restaurant seating areas, a brewery area with brewing equipment in place, three walk-in coolers, a kitchen and grill area with sinks, dishwasher, and mop sink, and two adjoining offices. In addition, three floor drains were observed in the kitchen, which reportedly drain to the sanitary sewer. Elsewhere in the basement are six private storage rooms for tenants, an elevator room with a hydraulic lift, an electrical room with a small maintenance shop (12 paint cans and three cans WD-40), cleaning supplies, and several electrical light ballasts (non-PCB). In addition, there is a large open storage area along the eastern side of the basement where a 55-gallon drum of hydraulic oil was observed. Two drums of cooking grease/oil were observed in the basement also. The building is bounded by concrete City of Syracuse sidewalks along the north and south sides.

Boundaries

The subject property comprises a rectangular-shaped area, which is unfenced (Figure 2) [2].

Abutters

North: The north side of the subject property is bordered by West Fayette Street, opposite of which is a concrete parking garage (Figures 1 and 2) [1,2].

ENVIRONMENTAL INSITE, INC.

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East: The east side of the parcel is bordered by PJ Dorsey's Pub and Grill (Figures 1 and 2) [1,2].

South: The south side of the parcel is bordered by Walton Street, opposite of which is the Blue Tusk Restaurant and Pub, and other small shops (Figures 1 and 2) [1,2].

West: The west side of the parcel is bordered by the Sound Garden, a music store along Walton Street, and a building containing Famous Artists, EZ Pay, Inc., J. Willard & Associates and the National Employees Council, Inc. (Figures 1 and 2) [1,2].

Neighborhood The surrounding area is predominantly commercial.

Site History

Zoning The site is zoned as Central Business District - General Service A [3].

Prior Site Usage The following is based on a review of the chain of title for the subject property, as is a matter of public record maintained by the Onondaga County Clerk's Office, together with tax assessment records [5].

Though the subject property has been conveyed via a single deed description for upwards of 86 years, the land is described as two parcels for tax assessment purposes as follows:

— City of Syracuse 101.04-09.0, situate at 120-124 Walton Street.

— City of Syracuse 101.04-03.0, situate at 229-237 West Fayette Street.

The property is labeled on the 1938 G.M. Hopkins Atlas as "Bentley-Settle & Co., Inc. wholesale groceries."

Ownership has historically run as follows:

— Erastus F. Holden (or his estate), prior to 1920.


In 1931, Bentley, Settle & Co., Inc. received a deed from the State of New York for any portion of the old channel of Onondaga Creek falling within its otherwise privately deeded parcel. This appears to have been curative for this outstanding title issue, but it's unclear whether this ownership question was then considered serious enough to have previously discouraged development of the property. Tax assessment records indicate the buildings on both parcels were built in 1930, which lends some weight to the possibility that prior development was impractical, so long as ownership of the old creek channel...
remained unresolved.


— Walton Street Associates, a New York limited partnership, was briefly in title in 1985, a step which was likely undertaken merely to set up tax breaks under governmental ownership as occurs next.

— City of Syracuse Industrial Development Agency, 1985 to 1996.


— 311 Wolf Street, LLC, 1999 to loss via mortgage foreclosure on 5-4-2006.

— 120 Acquisition Company, LLC, from 5-4-2006 to at least the day the records were last searched, 10-7-2006.

According to the property overview provided by Sutton Company, the Piper Phillips building was built in 1872, and was originally used as a hotel for railroad employees [4]. The Bentley Settle Building was constructed in the early 1890s and was used as a dry goods warehouse for commercial traffic on the Erie Canal warehouse. In 1986, both buildings were completely renovated to their present day condition.

An EDR-City Directory abstract of the subject property for the years spanning 1957 through 2006 is included in Appendix B [6]. For the 120 Walton Street address, it was not listed until 1992, and thereafter contains listings including businesses as: a hair salon, a restaurant, law firms, CPAs, sales and marketing, communication, insurance, real estate development and other businesses.

Sanborn Fire Insurance Maps dating from 1892, 1911, 1951, 1953, 1961, 1968, 1971, and 1990 were reviewed (Appendix C) [7]. The 1892 map shows the Bentley Settle building first floor occupied by the T.H. Lyons Wagon Shop with associated storage, in addition to a blacksmith shop and a paint shop. The Piper Phillips building appears to be occupied by three storefronts on the first floor. The 1911, 1952, 1961, 1968 and 1971 maps show the Piper Phillips and Bentley Settle buildings occupied by building occupied by Bentley & Settle Wholesale Grocers. The 1990 map shows the building as unlabeled.

Aerial photographs of the area dating from 1938, 1951, 1966, 1978, and 1990 were reviewed [8]. The photographs show the subject property to be occupied with the current buildings.
## Environmental Considerations

### General Observations
No unusual odors, pits, or evidence of excavation, fill, mounds, ponds, or lagoons were observed during the site visit on the subject property. Small amounts of oil staining were observed on the floor of the hydraulic lift elevator room in the basement.

### Water Supply
Water is reportedly supplied to the property by the Onondaga County Water Authority [9].

### Waste Water
Waste water generated from the subject property is discharged to the Onondaga County public sanitary sewer system [9].

### Storm Water
Storm water from the site probably drains to adjacent low-lying areas and storm drains along the streets to the north and south.

### Air Emissions
There are no air emissions from the building.

### Heating/Cooling
The heating and cooling system associated with the building are reportedly comprised of a roof-mounted cooling tower for the building and a roof-mounted gas-fired heating unit for the restaurant [9]. In addition, there is a hot water tank for the building located in the boiler room in the basement, in addition to three gas-fired boilers for heating the building, and one for the brewery.

### Hazardous Materials
No hazardous materials were observed within the building; although one 55-gallon drum of hydraulic oil was observed in the basement. Small quantities of packaged cleaning products were observed stored in two janitor closets and the maintenance shop within the building.

### ASTs
No above ground storage tanks are located on the property [9].

### USTs
No underground storage tanks are located currently or have been used in the past on the property [9].

### Solid Waste
Numerous plastic trash containers were observed stored within the empty storefront on West Fayette Street; these are reportedly emptied by FEHER trash removal [9].

### Hazardous Waste
The site was not identified as a generator of hazardous waste by the EDR environmental database search (Appendix D) [10].

### PCBs
No electrical transformers were observed on the subject property.
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<tr>
<th>Physical Setting</th>
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<tbody>
<tr>
<td><strong>Physiography</strong></td>
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<td><strong>Topography</strong></td>
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**ENVIRONMENTAL INSITE, INC.**
NORTH SYRACUSE, NY
(315) 458-3005
Corrective Action Report (CORRACTS)
Resource Conservation and Recovery Information System-Transportation, Storage and Disposal facilities (RCRIS-TSD)
Resource Conservation and Recovery Information System - Large Quantity Generators (RCRA Lq Gen)
Resource Conservation and Recovery Information System - Small Quantity Generators (RCRA Sm Gen)
Emergency Response Notification System (ERNS)
Hazardous Materials Information Reporting System (HMIRS)
Engineering Controls Sites List (US ENG CONTROLS)
Sites with Institutional Controls (US INST CONTROL)
Department of Defense Sites (DOD)
Formerly Used Defense Sites (FUDS)
Listing of Brownfields Sites (US BROWNFIELD)
Superfund [CERCLA] Consent Decrees (CONSENT)
Record of Decision (ROD)
Uranium Mill Tailings Sites (UMTRA)
Open Dump Inventory (ODI)
Toxic Chemical Release Inventory System (TRIS)
Toxic Substances Control Act (TSCA)
FIFRA/TSCA Tracking System (FTTS)
Section 7 Tracking Systems (SSTS)
Integrated Compliance Information System (ICIS)
PCB Activity Database System (PADS)
Material Licensing Tracking System (MLTS)
Mines Master Index File (MINES)
Facility Index System (FINDS)
RCRA Administrative Action Tracking System (RAATS)

The database search summarized below is provided in Appendix D. One CERC-NFRAP facility, three CORRACTS sites, three RCRA TSD facilities, eight RCRA Large Quantity Generator facilities, 28 RCRA Small Quantity Generator sites, and one US Eng Controls site were identified within a 0.25-mile radius of the subject property for the ASTM and non-ASTM federal records reviewed:
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Note: - = Search distance exceeds database search parameters
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Note: * = Search distance exceeds database search parameters

State Database
State records reviewed included information provided by EDR from the following State of New York ASTM and non-ASTM sources [10]:
- Hazardous Substance Waste Disposal Site Inventory (HSWDS)
- Inactive Hazardous Waste Disposal Sites in NYS (SWHS)
- Deleted Registry Sites (DEL SHWS)
- Solid Waste Facilities/Landfill Sites (SWF/LF)
- Registered Recycling Facility List (SWRCY)
- Registered Waste Tire Storage & Facility List (SWTIRE)
- Leaking Underground Storage Tank Incident Reports (LTANKS)
- Listing of pre-1/1/02 Leaking Storage Tanks (HIST LTANKS)

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ENVIRONMENTAL INSITE, INC.
NORTH SYRACUSE, NY
(315) 458-3005
Petroleum Bulk Storage Database (UST)
Chemical Bulk Storage Database (CBS UST)
Major Oil Storage Facilities Database (MOSF UST)
Historical Petroleum Bulk Storage Database (HIST UST)
Registered Aboveground Petroleum Bulk Storage Tanks (AST)
Chemical Bulk Storage Database (CBS AST)
Historical Petroleum Bulk Storage Database (HIST AST)
Major Oil Storage Facilities Database (MOSF AST)
Facility and Manifest Data (NY MANIFEST)
Spills Information Database (NY Spills)
Spills Information Database of pre-1/1/2002 Chemical and Petroleum Spills (NY Hist Spills)
Registry of Engineering Controls: Env. Remediation Sites with Engineering Controls in Place (ENG CONTROLS)
Registry of Institutional Controls (INST CONTROL)
Voluntary Cleanup Agreements (VCP)
Registered Drycleaners (DRYCLEANERS)
State Pollution Discharge Elimination System (SPDES)
Brownfields Site List (Brownfields)
Air Emissions Data (AIRS)
Indian Reservations (Indian Reserv)
Leaking Underground Storage Tanks on Indian Land (Indian LUST)
Underground Storage Tanks on Indian Land (Indian UST)
Former Manufactured Gas Plants (Coal Gas) Sites

The database search summarized below is provided in Appendix D. Numerous sites were identified within the search criteria:
A total of one DEL SHWS facility, two SWF/LF facilities, 32 LTANKS sites, 27 HIST LTANKS sites, nine UST facilities, nine HIST UST facilities, 31 MANIFEST facilities, nine NY Spills sites, eight NY Hist Spills sites, and one Manufactured Gas Plant site are located within a one-mile radius of the subject property [10]. According to the EDR report, the listed NY Spills, HIST NY Spills, LTANKS and HIST LTANKS sites are closed. Based on the status and relative location of these sites, they do not appear to present a risk to the subject.
property.

A total of 39 unmapped ‘orphan’ sites were identified by EDR, including: 19 NY Spills sites, 15 NY Hist Spills sites, 2 RCRA Small Quantity Generator facilities, 3 RCRA Large Quantity Generator facilities, 3 FINDS sites, 9 NY Manifest sites, 4 US Brownfields sites, 1 SHWS facility, 3 UST facilities, 2 LTANKS sites, 2 HIST LTANKS sites, and 1 AST facility [10]. None of the orphan sites, based on their probable relative location, appear to present a risk to the subject property.

A Freedom of Information Law request was submitted to the NYSDEC Region 7 office on September 16, 2006 [16]. Communication with the NYSDEC indicated that there have been no spills reported with the subject property [17].

### Previous Site Investigation and Restoration

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Remediation</td>
<td>None identified.</td>
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</table>

### Conclusion

According to historical property information, the Piper Phillips building was built in 1872, and was originally used as a hotel for railroad employees. Three storefronts occupied the lower floors. The Bentley Settle Building was constructed prior to 1892 when it was occupied by the T.H. Lyons Wagon Shop, in addition to a blacksmith shop and a paint shop, and may have also been used as a dry goods warehouse for commercial traffic on the Erie Canal. Sanborn maps dating from 1911 to 1971 show the Piper Phillips and Bentley Settle buildings occupied by Bentley & Settle Wholesale Grocers. In 1986, both buildings were completely renovated being mostly occupied by offices and a few shops.

No indications of the storage, handling or disposal of hazardous substances or petroleum products on the subject property were encountered during the site inspection. Furthermore, no evidence of spills, discharges or PCBs was observed on the subject property.

It is the opinion of EIS that based on the information reviewed during the Phase I Environmental Site Assessment, the potential for the subject property to be impacted by recognized environmental conditions either from on-site sources or potential off-site sources of contamination is low. No historic or current recognized environmental conditions associated with the lease parcel were discovered. Therefore, based on the information presented in this report, there is no indication that further investigation is required.
## Information Sources

1. USGS 7.5 Minute Topographic Quadrangle, Syracuse West, NY, 1978.
2. Aerial photograph (June 2003) showing approximate outline of tax parcel and buildings on subject parcel, from the GIS System of Onondaga County, New York web site.
3. Review of online City of Syracuse, New York Tax Assessment records for subject property and communication with the City of Syracuse Zoning Office, October 11, 2006.
4. Review of Property Overview (for subject property), prepared by Sutton Real Estate Company.
5. A review of the chain of title for the subject property, as is a matter of public record maintained by the Onondaga County Clerk's Office.
7. EDR-Sanborn Map Report, Inquiry No. 1766332.3s, October 4, 2006.
10. EDR, Inc., Inquiry No. 1766332.2s, October 2, 2006.

## Limitations

The scope of work conducted for this evaluation was outlined in a proposal to Rossrock, LLC (Client) to perform a Phase I Environmental Site Assessment on the site. Asbestos inspection and sampling was not performed during this assessment.
EIS exercised due and customary care in the conduct of its assessment but did not independently verify information provided by others. Therefore, EIS assumes no liability for any loss resulting from errors or omissions arising from the use of inaccurate/incomplete information or misrepresentations made by others.

This report is intended for the sole use of its Client, exclusively for the purpose outlined herein at the site location and project indicated. The scope of services performed in this assessment may not be appropriate to satisfy the needs of other users, and any use or re-use of this document or the findings, conclusions, or recommendations presented, is at the sole risk of the user.

This study was undertaken and completed in accordance with the professional standards and generally accepted practices of environmental consultants at the time of preparation of this study. The scope of services for this assessment was limited and should not be construed as a guarantee that no currently unrecognized environmental concerns exist at the site; the study was not intended to be a definitive investigation of potential environmental concerns at the subject property.

Opinions, conclusions or recommendations presented herein apply to the site conditions existing at the time of the assessment and those reasonably foreseeable. They cannot necessarily apply to site changes of which EIS is not aware and has not had the opportunity to evaluate.

Stuart R. Holtzclaw, C.P.G. #9965
Principal
Environmental InSite, Inc.
CLOSING RECEIPT

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
LEASE/SUBLEASE TRANSACTION
ARMORY BOYS LLC

CLOSING RECEIPT executed October 5, 2017 by the City of Syracuse Industrial Development Agency (the “Agency”) and Armory Boys LLC (the “Company”) in connection with a certain project (the “Project”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

WITNESSETH:

(1) The Agency has executed, delivered, sealed and acknowledged, where appropriate, the documents to which it is a party, and acknowledges receipt from the Company of its administrative fee.

(2) The Company has executed, delivered, sealed and acknowledged, where appropriate, the documents to which it is a party.
(Signature page to Closing Receipt)

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: [Signature]
William M. Ryan, Chairman

ARMORY BOYS LLC

By: [Signature]
Jeffery A. Appel, Managing Member
October 1, 2017

Armory Boys LLC
33 Church Street
Montclair, New Jersey 07042
Attn: Jeffrey A. Appel, Managing Member

Re: City of Syracuse Industrial Development Agency
Armory Boys LLC Project
Sales Tax Appointment Letter

Dear Mr. Appel:

Pursuant to a resolution duly adopted on August 15, 2017, the City of Syracuse Industrial Development Agency (the “Agency”) appointed Armory Boys LLC (the “Company”) the true and lawful agent of the Agency to undertake a project (the “Project”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one- bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement. The amount of State and local sales and use tax exemption benefits comprising the Financial Assistance approved by the Agency for the benefit of the Project shall not exceed $60,000.
This appointment includes, and this letter evidences, authority to purchase on behalf of the Agency all materials to be incorporated into and made an integral part of the Project Facility and the following activities as they relate to any renovation, improvement, equipping and completion of any of any buildings, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of such buildings: (1) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with renovation, improvement and equipping; (2) all purchases, rentals, uses or consumption of supplies, materials, utilities and services of every kind and description used in connection with renovation, improvement and equipping; and (3) all purchases, leases, rentals and uses of equipment, machinery and other tangible personal property (including installation costs), installed or placed in, upon or under such building or facility, including all repairs and replacements of such property, and with respect to such specific purchases or rentals, are exempt from any sales or use tax imposed by the State of New York or any governmental instrumentality located within the State of New York.

This agency appointment includes the power to delegate such agency, in whole or in part, to a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, “Additional Agents”). Additional Agents must be specifically appointed by the Company in accordance and compliance with the terms of the Agency Lease dated as of October 1, 2017 by and between the Agency and the Company (the “Agency Lease”). The Company hereby agrees to complete “IDA Appointment of Project Operator or Agent for Sales Tax Purposes” (Form ST-60) for itself and each Additional Agent who provide materials, equipment, supplies or services to the Project Facility and deliver said form to the Agency within fifteen (15) days of appointment such that the Agency can execute and deliver said form to the State Department of Taxation and Finance within thirty (30) days of appointment. The Agency’s obligation to execute any Form ST-60 relative to an Additional Agent is subject to the satisfaction of the conditions in the Agency Lease relative to such appointments.

The Company agrees, whenever requested by the Agency, to provide, or cause its Additional Agents to provide and certify, or cause to be certified, such information regarding use of local labor, job creation, exemptions from State and local sales and use tax, real property taxes and mortgage recording taxes and other topics as the Agency from time to time reasonably considers necessary or appropriate, including, but not limited to, such information as to enable the Agency to make any reports required by law or governmental regulation, including but not limited to those required by §875 of the Act.

The Company acknowledges and agrees that pursuant to Section 875(3) of the Act, and in conjunction with the Agency’s Recapture of Benefits Policy (the “Recapture Policy”) dated as of June 21, 2016 and the Project Agreement between the Agency and the Company dated as of October 1, 2017, the Agency shall, and in some circumstances may, recover, recapture, receive or otherwise obtain from the Company some or all of the Financial Assistance (the “Recapture Amount”).
Each supplier or vendor should identify the Project Facility on each bill or invoice and indicate thereon which of the Company or its Additional Agents acted as agent for the Agency in making the purchase.

In order to be entitled to use this exemption, you and each Additional Agent should present to the supplier or other vendor of materials for the Project Facility, a completed “IDA Agent or Project Operator Exempt Purchase Certificate” (Form ST-123).

In addition, General Municipal Law § 874(8) requires you to file an Annual Statement with the New York State Department of Taxation and Finance (“NYSDTF”) on “Annual Report of Sales and Use Tax Exemptions” (Form ST-340) regarding the value of sales and use tax exemptions you and your Additional Agents have claimed pursuant to the agency we have conferred on you with respect to this Project. The penalty for failure to file such statement is the removal of your authority to act as our agent. In addition, you must provide a copy of the completed Form ST-340 to the Agency within ten (10) days of the date it is due to be filed with the NYSDTF.

The agency created by this letter is limited to the Project Facility and will expire on the earlier of: (i) sixty (60) days after the issuance of a certificate of occupancy or similar document by the applicable municipality in which the Project Facility is located; or (i) September 1, 2018; unless the Agency Lease is terminated early in accordance with its terms in which case this appointment shall terminate at that time.

This letter is provided for the sole purpose of evidencing, in part, the exemption from New York State Sales and Use Taxes for this project only. No other principal/agent relationship is intended or may be implied or inferred by this letter.

The Agency shall not be liable, either directly or indirectly or contingently, upon any such contract, agreement, invoice, bill or purchase order in any manner and to any extent whatsoever (including payment or performance obligations), and the Company shall be the sole party liable thereunder. By acceptance of this letter, the vendor hereby acknowledges the limitations on liability described herein.
Very truly yours

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: William M. Ryan, Chairman
October 12, 2017

VIA CERTIFIED MAIL
7016 3010 0001 1675 7919

New York State Tax Department
IDA Unit
Building 8, Room 738
W.A. Harriman Campus
Albany, New York 12227

Re: IDA Appointment of Project Operator or Agent for Sales Tax Purposes
City of Syracuse Industrial Development Agency Appointment of
Armory Boys LLC and Rich & Gardner Construction Company, Inc.
Armory Boys LLC Project - IDA Project No. 31021711

Dear Ladies and Gentlemen:

Enclosed for filing on behalf of the City of Syracuse Industrial Development Agency, please find form ST-60 in connection with the appointment by the IDA of Armory Boys LLC and Rich & Gardner Construction Company, Inc. as its agents for sales tax purposes in connection with the IDA project identified therein.

Please do not hesitate to contact me with any questions. Thank you.

Very truly yours,

Susan R. Katzoff

SRK:llm
Enclosure
New York State Department of Taxation and Finance

ID A Appointment of Project Operator or Agent

For Sales Tax Purposes

(4/13)

The industrial development agency or authority (IDA) must submit this form within 30 days of the appointment of a project operator or agent, whether appointed directly by the IDA or indirectly by the operator or another agent.

For IDA use only

Name of IDA: City of Syracuse Industrial Development Agency

Street address: 201 East Washington Street, 7th Floor

City: Syracuse

Name of IDA project operator or agent: Armory Boys LLC

Purpose of project: other - commercial

Description of goods and services intended to be exempted from New York State and local sales and use taxes:

Building materials, equipment, fixtures and furnishings installed in the Project Facility

Date project operator or agent appointment (mm/dd/yyyy): 10/01/17

Date project operator or agent status ends (mm/dd/yyyy): 09/01/18

Estimated value of goods and services that will be exempt from New York State and local sales and use tax:

$750,000

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements with the knowledge that willfully providing false or fraudulent information with this document may constitute a felony or other crime under New York State Law, punishable by a substantial fine and possible jail sentence. I also understand that the Tax Department is authorized to investigate the validity of any information entered on this document.

Print name of officer or employee signing on behalf of the IDA: William M. Ryan

Print title: Chairman

Date: 10/01/17

Telephone number: (315) 448-8127

Instructions

Mailing instructions

Mail completed form to:

NYS TAX DEPARTMENT
IDA UNIT
W A HARRIMAN CAMPUS
ALBANY NY 12227

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 267, 330, 429, 475, 505, 657, 1096, 1142, and 1415 of that law; and may require disclosure of social security numbers pursuant to 42 USC 405(o)(3).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227, telephone (518) 457-5181.

Need help?

Internet access: www.tax.ny.gov

(for information, forms, and publications)

Sales Tax Information Center: (518) 485-2889

To order forms and publications: (518) 457-5431

Text Telephone (TTY) Hotline:

(for persons with hearing and speech disabilities using a TTY): (518) 485-5082
Onondaga County Clerk Recording Cover Sheet

First PARTY 1
ARMORY BOYS LLC

First PARTY 2
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Index Type: Land Records
Instr Number: 2017-00036579
Book: Page:
Type of Instrument: Mortgage
Type of Transaction: Mtg Type A
Recording Fee: $225.50
Recording Pages: 36

The Property affected by this instrument is situated in Syracuse, in the County of Onondaga, New York

Mortgage Taxes

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Tax</td>
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</tr>
<tr>
<td>Local Tax</td>
<td>$0.00</td>
</tr>
<tr>
<td>Additional Tax</td>
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<tr>
<td>Transportation Auth Tax</td>
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</tr>
<tr>
<td>SONYMA</td>
<td>$0.00</td>
</tr>
<tr>
<td>County Tax</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,875.00</strong></td>
</tr>
</tbody>
</table>

Total Fees: $4,100.50

I hereby certify that the within and foregoing was recorded in the Clerk's office for Onondaga County, New York on (Recorded Date): 10/12/2017 at (Recorded Time): 10:15:05 AM

Lisa Dell, County Clerk

This sheet constitutes the Clerks endorsement required by Section 319 of Real Property Law of the State of New York

Entered By: MMERRILL  Printed On: 10/12/2017  At: 10:24:59AM
MORTGAGE AND SECURITY AGREEMENT

Maximum Principal Indebtedness 
Not To Exceed $1,550,000.00

THIS MORTGAGE AND SECURITY AGREEMENT ("Mortgage") made as of 5th day of October, 2017, between ARMORY BOYS LLC, a New York limited liability company, having a mailing address of 175 East 7th Street, Oswego, New York 13126 (the "Mortgagor") and the City of Syracuse Industrial Development Agency, a body corporate and politic and a public instrumentality of the State of New York, having its office at 201 East Washington Street, 7th Floor, Syracuse, New York 13202 (the "Agency"), in favor of EMPOWER FEDERAL CREDIT UNION, a corporation organized and existing under and by virtue of the laws of the United States of America (the "Mortgagee"), having an address at 1 Member Way, Syracuse, New York 13212.

WITNESSETH:

WHEREAS, Mortgagor is the owner in fee simple of certain improved real property (the "Premises") known as 120-124 Walton Street and 229-237 Fayette Street in the City of Syracuse, Onondaga County, New York, as more particularly described on Schedule "A" attached, as improved on the date hereof; and

WHEREAS, the Mortgagor leased its interests in the Premises to the Agency pursuant to the terms of a lease agreement, dated as of October 1, 2017 by and between the Company and the Agency as the same may be amended or supplemented from time to time (the "Company Lease"); and

WHEREAS, the Agency subleased certain of its interests in the Premises back to the Company pursuant to the terms of a sublease agreement, dated as of October 1, 2017 by and between the Agency and the Company as the same may be amended or supplemented from time to time (the "Agency Lease"); and

WHEREAS, as a condition to providing a loan to the Mortgagor, the Mortgagee requires that the Mortgagor and Agency execute and deliver this Mortgage; and

NOW, THEREFORE, in order to secure the payment of an indebtedness from the Mortgagor in the principal sum of $1,550,000.00 together with all interest thereon, and all other sums, advances, expenses and charges that may or shall become due hereunder or under the Note or any of the other agreements between the Mortgagor and the Mortgagee relating to the Loan ("Loan Amount"), Mortgagor and Agency do hereby grant, assign, convey, mortgage and pledge to Mortgagee, its successors and
assigns, all of their respective rights, title and interests in and to the Premises as set forth on Schedule “A” attached hereto and made a part of hereof, and all of Mortgagor’s estate, right, title and interest therein, excluding therefrom the Agency’s Unassigned Rights as that term is defined in the Agency Lease;

TOGETHER with all right, title and interest of Mortgagor and Agency, including any after-acquired title or reversion, in and to the ways, easements, streets, alleys, passages, water, water courses, riparian rights, oil, gas and other mineral rights, gaps, gores, rights, hereditaments, liberties and privileges thereof, if any, and in any way appertaining to the Premises;

TOGETHER with all leases (excepting therefrom the Company Lease and the Agency Lease), rents, royalties, issues, proceeds and profits accruing and to accrue from the Premises as more particularly described in that certain Assignment of Leases and Rents of even date herewith (the “Assignment”) from Mortgagor as Assignor to Mortgagee as Assignee;

TOGETHER with all buildings and improvements of every kind and description now or hereafter erected or placed on the Premises, including, without limitation, all materials intended for construction, reconstruction, alteration and repair of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Mortgaged Property (as hereinafter defined) immediately upon the delivery thereof to the Premises, and all fixtures and articles of personal property now or hereafter owned by Mortgagor and/or Agency and attached to or contained in and used in connection with the Premises, including, without limitation, all furniture, apparatus, machinery, equipment, motors, elevators, fittings, radiators, furnaces, stoves, microwave ovens, awnings, shades, screens, blinds, office equipment, trash and garbage removal equipment, carpeting and other furnishings, and all plumbing, heating, lighting, cooking, laundry, ventilating, refrigerating, incinerating, air-conditioning, conveyer, security, sprinkler and other equipment, and all fixtures and appurtenances thereof; and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to such improvements in any manner; it being intended that all the above-described property owned by Mortgagor and/or the Agency and placed by Mortgagor and/or the Agency on the Premises shall, so far as permitted by law, be deemed to be fixtures and a part of the realty, and security for the indebtedness of Mortgagor to Mortgagee hereinafter described and secured by this Mortgage, and as to the balance of the above-described property, this Mortgage is hereby deemed to be as well a Security Agreement for the purpose of creating hereby a security interest in such property, securing such indebtedness, for the benefit of Mortgagee; all of the property described in this paragraph is hereinafter sometimes collectively called the “Improvements”;

- 2 -
TOGETHER with any and all warranty claims, maintenance contracts and other contract rights, instruments, documents, chattel papers and general intangibles with respect to or arising from the Premises, the Improvements and the balance of the Mortgaged Property, and all cash and non-cash proceeds and products thereof; and

TOGETHER with all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments or settlements made in lieu thereof, for damage to the Mortgaged Property; and

TOGETHER with all awards and other compensation heretofore or hereafter to be made to the present and all subsequent owners of the Mortgaged Property for any taking by eminent domain, either permanent or temporary (a "Taking"), of all or any part of the Mortgaged Property or any easement or other appurtenance thereof, including severance and consequential damage and change in grade of streets (collectively, "Taking Proceeds"), and any and all refunds of impositions or other charges relating to the Mortgaged Property or the indebtedness secured by this Mortgage.

The property described above is hereafter called the "Premises" to the extent that such property is realty, and the "Collateral" to the extent that such property is personalty. The Premises and the Collateral are hereafter collectively called the "Mortgaged Property."

TO HAVE AND TO HOLD, all and singular, the Mortgaged Property, whether now owned or held or hereafter acquired by Mortgagor and/or the Agency, with the appurtenances thereunto belonging, unto Mortgagee, its successors and assigns, forever. Mortgagor does hereby warrant to Mortgagee, its successors and assigns, that Mortgagor has good and indefeasible estate in fee simple and is the sole owner of the Collateral, and has good right to mortgage, assign and grant a security interest in the Mortgaged Property in manner and form as above written; that title to the Mortgaged Property is free and clear of all defects, liens and encumbrances except for real estate taxes and assessments and rights of way of record (the "Permitted Exceptions") and that Mortgagor will warrant and defend the Premises, with the appurtenances thereunto belonging, and the Collateral to Mortgagee, its successors and assigns, forever, against all liens, security interests, encumbrances, defects, claims and demands whatsoever.

Mortgagor and Agency have executed and delivered this Mortgage to secure the following:

- 3 -

14026421.1
(a) Payment by Mortgagor of principal, interest and all other charges under the Note, as the same may be amended, extended, supplemented, modified and/or renewed, and all replacements and substitutions therefor, together with interest thereon at a rate or rates which may vary from time to time as specified in the Note, with principal and interest payable in accordance with the terms of the Note, and all accrued but unpaid interest and the entire unpaid principal amount being due and payable, in accordance with the terms of the Note;

(b) Payment of any and all amounts or charges required to be paid by Mortgagor pursuant to this Mortgage or any of the other Loan Documents (as hereinafter defined);

(c) Payment by Mortgagor to Mortgagee of all sums expended or advanced by Mortgagee pursuant to this Mortgage or any of the other Loan Documents;

(d) Payment by Mortgagor of any and all amounts advanced by Mortgagee with respect to the Mortgaged Property for the payment of taxes, assessments, insurance premiums or costs incurred in the protection of the Mortgaged Property;

(e) Performance and observance of each covenant and agreement of Mortgagor contained herein or in any of the other Loan Documents; and

(f) Payment by Mortgagor to Mortgagee of any and all other liabilities and indebtedness of Mortgagor to Mortgagee, direct or contingent, now or hereafter owing by Mortgagor to Mortgagee, other than as provided in subparagraphs (a) through (e) above.

PROVIDED, HOWEVER, that if Mortgagor shall pay or cause to be paid to Mortgagee the principal, interest and all other charges under the Note on or before the date on which the outstanding principal balance of the Note is due and payable in full in accordance with the terms of the Note, and in the manner stipulated therein and herein, all without deduction or credit for taxes or other charges paid by Mortgagor, and if Mortgagor shall have kept, performed and observed all of the covenants and conditions contained in this Mortgage and all of the other Loan Documents, then this Mortgage shall cease, determine and be void, but otherwise shall remain in full force and effect.

Mortgagor further covenants and agrees as follows:

1. Payment of Indebtedness. Mortgagor shall pay promptly the indebtedness evidenced by the Note at the time and in the manner provided herein and in the Note, and all other sums and charges payable when due by Mortgagor and pursuant to the Note, this Mortgage and any of the other Loan Documents.
2. Payment of Taxes.

(a) Mortgagor will pay all taxes, assessments, sewer rents or water rates or sums due under any payment in lieu of tax agreement and in default thereof, Mortgagee may pay the same. In the event that Mortgagee shall pay any such tax, assessment, sewer rent or water rate, Mortgagee shall have the right, among other rights, to declare the amount so paid with interest thereon immediately due and payable, and upon default of Mortgagor in paying any such amount with interest thereon, Mortgagee shall have the right to foreclose for such amount subject to the continuing lien of this Mortgage for the balance of the mortgage indebtedness not then due.

(b) In the event that the Mortgagor should fail to pay any sum the Mortgagor has agreed to pay pursuant to this covenant for a period in excess of sixty (60) days after the same is due and payable, in addition to any other remedies available to the Mortgagee hereunder, the Mortgagee may, at its option, require that the Mortgagor deposit with the Mortgagee, monthly, one-twelfth (1/12th) of the annual charges for taxes and any other sums the Mortgagor is obligated to pay pursuant to this covenant and the Mortgagor shall make such deposits with the Mortgagee. The Mortgagor shall simultaneously therewith deposit with the Mortgagee a sum of money which together with the monthly installments aforementioned will be sufficient to make payment of all sums required to be paid hereunder at least thirty (30) days prior to the due date of such payments, it being understood that the Mortgagee shall calculate the amount of such deposits and notify the Mortgagor of the sum due. Should an Event of Default (hereinbelow defined) occur, the funds deposited with the Mortgagee pursuant to this provision may be applied in payment of the charges for which said funds shall have been deposited or to the payment of any other sums secured by this Mortgage as the Mortgagee sees fit.

(c) Without limiting the rights of Mortgagee hereunder, including, without limitation, those provided in Paragraph 18 hereof, in the event of a sale of the Premises or any other part of the Mortgaged Property, any funds then on deposit with the Mortgagee shall, at Mortgagee's option, and thereupon automatically and without the necessity of further notice or written assignment, be transferred to and held thereafter for the account of the new owner, to be applied in accordance with the foregoing. If the Premises or any other part of the Mortgaged Property is purchased by Mortgagee at foreclosure sale or is otherwise acquired by Mortgagee after an Event of Default, the remaining balance, if any, of the funds deposited with Mortgagee pursuant to subsection 2(a) above shall continue to be applied, subject to the security interest hereunder, first to Mortgagee's unreimbursed costs and expenses in such purchase or acquisition, then to reduce the indebtedness secured by this Mortgage, and the balance,
if any, shall be paid to Mortgagor, subject to the order of the court having jurisdiction in any such proceeding.

3. **Protection Against Charges.** Except for the PermittedExceptions, Mortgagor shall keep the Mortgaged Property free from liens of every kind, except only for real estate taxes and general and special assessments which are **not** yet due and payable, and special taxes, if any, as provided in Paragraph 7 hereof, and shall pay, before delinquency and before any penalty for non-payment attaches thereto, all taxes, assessments, and other governmental or municipal or public dues, charges, fines or impositions which are or hereafter may be levied against the Mortgaged Property or any part thereof. Mortgagor shall promptly deliver to Mortgagee receipted bills evidencing each such payment, together with any other evidence of payment required by Mortgagee in its sole and absolute discretion, no later than five (5) days prior to the last day upon which such payment can be made without penalty or interest. Mortgagor shall also pay, in full, under protest or otherwise in the manner provided by law, any tax, assessment, charge, fine or imposition described above which Mortgagor contests in accordance with the provisions of law and this Mortgage.

4. **Insurance and Casualty Damage.**

   (a) Mortgagor shall keep, or cause to be kept, all of the following insurance policies with respect to the Mortgaged Property in companies, forms, amounts and coverage satisfactory to Mortgagee, containing waiver of subrogation and standard New York mortgagee endorsements in favor of Mortgagee and providing for thirty (30) days' written notice to Mortgagee in advance of cancellation of said policies for non-payment of premiums or any other reason or for material modification of said policies, and ten (10) days' written notice to Mortgagee in advance of payment of any insurance claims under said policies to any person:

   (i) Insurance against loss or damage by fire and such other hazards, casualties and contingencies (including, without limitation, so-called all risk coverages) as Mortgagee reasonably may require, in an amount equal to the greater of (1) the Loan Amount, or (2) the replacement cost of the Mortgaged Property, with a replacement cost endorsement and in such amounts so as to avoid the operation of any coinsurance clause, for such periods and otherwise as Mortgagee reasonably may require from time to time.

   (ii) Comprehensive general public liability, property damage and indemnity insurance, including, without limitation, so-called assumed and contractual liability coverage and claims for bodily injury, death or property damage, naming Mortgagee as an additional insured, in such amounts as Mortgagee reasonably may require from time to time.
(iii) Flood insurance in an amount as Mortgagee may reasonably require if the Mortgaged Property is located in a Special Flood Hazard Area (as defined in the National Flood Insurance Act of 1968, as amended).

Mortgagor shall deliver renewal certificates of all insurance required above, together with written evidence of full payment of the annual premiums therefor at least thirty (30) days prior to the expiration of the existing insurance. Any such insurance may be provided under so-called “blanket” policies, so long as the amounts and coverages thereunder will, in Mortgagee’s sole judgment, provide protection equivalent to that provided under a single policy meeting the requirements hereinafore. All policies of insurance shall be issued by a financially sound and generally recognized insurer lawfully doing business in New York and acceptable to Mortgagee having an A.M. Best Company rating of A-VIII or better. If at any time, Mortgagee is not in receipt of written evidence that all insurance required hereunder is in full force and effect, Mortgagee shall have the right with reasonable notice to Mortgagor to take such action as Mortgagee deems necessary to protect its interest in the Mortgaged Property, including, without limitation, the obtaining of such insurance coverage as Mortgagee in Mortgagee’s sole discretion deems appropriate, and all expenses incurred by Mortgagee in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Mortgagor to Mortgagee upon demand.

(b) Notice. In case of any damage or destruction of the Mortgaged Property, or any part thereof, or any interest therein or right accruing thereto, Mortgagor shall promptly give to Mortgagee written notice generally describing the nature and extent of such damage or destruction which has resulted or which may result therefrom. Mortgagee may appear in any such proceedings and negotiations and Mortgagor shall promptly deliver to Mortgagee copies of all notices and pleadings in any such proceedings. Mortgagor will in good faith, file and prosecute all claims necessary for any award or payment resulting from such damage or destruction. All costs and expenses incurred by Mortgagee in exercising its rights under this section shall constitute indebtedness secured by this Mortgage.

(c) Application of Insurance Proceeds. Upon occurrence of any loss or damage to all or any portion of the Mortgaged Property resulting from fire, vandalism, malicious mischief or any other casualty or physical harm (a “Casualty”), Mortgagee may elect subject to the provisions set forth below to collect, retain and apply as a Loan prepayment all proceeds (the “Proceeds”) of any insurance policies collected or claimed as a result of such Casualty after deduction of all expenses of collection and settlement, including attorneys’ and adjusters’ fees and charges. Mortgagor hereby authorizes Mortgagee, at Mortgagee’s option, to collect, adjust and
compromise and losses under any insurance with respect to the Mortgaged Property which is kept, or caused to be kept, by Mortgagor, and hereby irrevocably appoints Mortgagee as its attorney-in-fact, coupled with an interest, for such purposes. Any Proceeds remaining after payment in full of the Loan and all other sums due Mortgagee hereunder shall be paid by Mortgagee to Mortgagor without any allowance for interest thereon.

In the event such Proceeds would not be sufficient to restore or rebuild the Mortgaged Property, then Mortgagor shall deposit with Mortgagee cash, letters of credit, surety bonds or equivalent assurances of the availability of funds with which to pay for the restoration or rebuilding of the Mortgaged Property. Such letters of credit, surety bonds or equivalent assurances shall in all respects be in form, substance, execution and sufficiency acceptable to Mortgagee. Mortgagor shall promptly proceed with restoration of the Mortgaged Property resulting from any such Casualty. The Proceeds shall be disbursed in accordance with Mortgagee’s standard disbursement policies.

If the Mortgagee shall receive and retain insurance proceeds, the lien of this Mortgage shall be reduced only by the amount thereof received and retained by Mortgagee and actually applied by Mortgagee in reduction of the Loan. The provisions of subsection 4 of Section 254 of the Real Property Law of New York covering the insurance of buildings against loss by fire shall not apply to this Mortgage.

5. Maintenance of Improvements.

(a) None of the Improvements shall be structurally or otherwise altered, removed or demolished, nor shall any fixtures or any portion of the Collateral on, in or about the Premises be severed, removed, sold, mortgaged or otherwise encumbered, without the prior written consent of Mortgagee in each case; except, however, that Mortgagor shall have the right, without such consent, to remove and dispose of, free from the lien of this Mortgage such Collateral as from time to time may become worn out or obsolete, provided that simultaneously with or prior to such removal, such Collateral shall be replaced with other new Collateral of like kind and quality, and by such removal, the Mortgagor shall be deemed to have subjected the replacement Collateral to the lien of this Mortgage. Any Improvements or any of the Collateral which are demolished or destroyed in whole or in part shall be replaced promptly by similar Improvements and articles of personal property of comparable quality, condition and value as those demolished or destroyed, thereupon becoming part of the Mortgaged Property free from any other lien or security interest or encumbrance on or reservation of title to such property. Mortgagor shall not permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or any part thereof and shall keep and maintain (or cause to be kept and maintained) the
same in good repair and condition. Mortgagor shall make (or cause to be made) all necessary and proper repairs and replacements so that all components of the Mortgaged Property will, at all times, be in good condition, fit and proper for the respective purposes for which they were erected or installed, other than for matters of health and safety prior to the demolition thereof.

(b) Mortgagor hereby grants to Mortgagee and its agents the right in their reasonable discretion, but Mortgagee shall have no obligation, to enter upon the Premises at any time for the purpose of inspecting and appraising the Mortgaged Property and conducting tests and surveys thereof. In the event that Mortgagor shall fail fully to comply with any of the requirements of this Paragraph 5, without prejudice to any other right or remedy that may be available to Mortgagee in such event, Mortgagee shall have the right to recover, as damages for such failure, an amount equivalent to the cost required to restore the Mortgaged Property to the condition hereby required.

(c) Mortgagor hereby covenants and agrees to comply with, and to cause all occupants of all or any portion of the Mortgaged Property to comply with, all applicable zoning, building, use and environmental restrictions and all laws, rules, statutes, ordinances, regulations, orders and requirements, including, without limitation, environmental matters and notices of violation of all governmental authorities having jurisdiction over the Mortgaged Property or the maintenance, use and operation thereof, and all applicable restrictions, agreements and requirements, whether or not of record (collectively, “Laws”). Mortgagor will deliver to Mortgagee within ten (10) days after receipt thereof any additional permits or renewals, issued and approved or disapproved with respect to the Mortgaged Property. Mortgagor hereby indemnifies Mortgagee and its officers, directors, shareholders, employees, agents and partners and their respective heirs, successors and assigns (collectively, “Indemnified Parties”) and agrees to defend and hold the Indemnified Parties harmless from and against any and all claims, demands, loss, cost, damage, liability or expense incurred or suffered by the Indemnified Parties arising from any failure of the Mortgaged Property to comply with Laws, or from any failure of Mortgagor to obtain, maintain or renew, or to have obtained, maintained or renewed, any permit or approval required with respect to the Mortgaged Property. The foregoing indemnification and agreement shall survive the release of this Mortgage and the payment or other satisfaction of the indebtedness secured hereby.

Upon any default by the Mortgagor in satisfying its obligations under this Paragraph 5 after thirty (30) days notice from Mortgagee, Mortgagee at its option may put the Mortgaged Property into reasonable condition and repair, and all sums paid by Mortgagee for such purpose purposes shall, together with interest thereon, be added to the amount secured hereunder and be payable on demand.
Mortgagor will not, without obtaining the prior written consent of the Mortgagee, initiate, join in or consent to any private restrictive covenant, zoning ordinance, or other public or private restrictions, limiting or defining the uses that may be made of the Mortgaged Property or any part thereof.


(a) Without limiting the generality of any provision herein or in any of the Loan Documents, Mortgagor hereby represents and warrants to Lender that neither Mortgagor nor, to the best knowledge and belief of Mortgagor, any previous owner or user of the Mortgaged Property or any adjacent properties, has used, generated, stored or disposed of in violation of Environmental Law (as defined below) in, on, under, around or above the Mortgaged Property, any Regulated Material (defined herein as flammable explosives, radioactive materials, solid waste, hazardous substances, hazardous waste, hazardous materials, asbestos containing materials, petroleum or any fraction thereof, pollutants, irritants, contaminants, toxic substances, or any other materials respectively defined as such in, or regulated by, any applicable Environmental Law), that, to the best knowledge and belief of Mortgagor, or any of them, the Mortgaged Property is not currently in violation of any Environmental Law (defined herein as any federal, state or local law, regulation or ordinance, as each may be validly interpreted and applied by the appropriate governmental entity, governing any Regulated Material for the protection of human health, safety or the environment, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 and the Emergency Planning and Community Right-to-Know Act of 1986, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Clean Air Act, the Federal Water Pollution Control Act, the Safe Drinking Water Act and the Oil Pollution Act of 1990), and that underground storage tanks are not and have not been located on the Mortgaged Property. Mortgagor shall keep and maintain, and shall cause all tenants and any other persons present on or occupying the Mortgaged Property ("Tenants"), employees, agents, contractors and subcontractors of Mortgagor and Tenants, to keep and maintain the Mortgaged Property, including, without limitation, the soil and ground water thereof, in compliance with, and not cause or knowingly permit the Mortgaged Property, including the soil and ground water thereof, to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions thereon (including, but not limited to, any Environmental Law). Neither Mortgagor nor Tenants nor any employees, agents, contractors and subcontractors of Mortgagor or Tenants or any other persons occupying or present on the Mortgaged Property shall (i) use, generate, manufacture, store or dispose of in violation of Environmental Law on, under or about the Mortgaged Property or transport to or from the Mortgaged Property any Regulated Material, except as such
may be required to be used, stored, or transported in connection with the permitted uses of the Mortgaged Property and then only to the extent permitted by law after obtaining all necessary permits and licenses therefor; or (ii) perform, cause to be performed or permit any fill activities or other acts which would in any way destroy, eliminate, alter, obstruct, interfere with, or otherwise affect any Wetlands, as defined in 33 C.F.R. Section 328.3 and in any comparable state and local law, statute, ordinances, rule or regulation ("Wetlands"), in violation of any federal, state or local laws, statutes, ordinances, rules or regulations pertaining to such Wetlands ("Wetlands Law").

(b) Mortgagor shall immediately advise Lender in writing of: (i) any notices (whether such notices are received from the Environmental Protection Agency, or any other federal, state or local governmental agency or regional office thereof) of violation or potential violation which are received by Mortgagor of any applicable federal, state or local laws, ordinances, or regulations relating to any Environmental Law or any Wetlands Law; (ii) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any Environmental Law or Wetlands Law; (iii) all claims made or threatened by any third party against Mortgagor or the Mortgaged Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Environmental Law or Wetlands Law (the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "Environmental or Wetlands Claims"); and (iv) discovery by Mortgagor of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgaged Property that could cause the Mortgaged Property or any part thereof to be classified as in violation of any Environmental Law or Wetlands Law or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Mortgaged Property under any Environmental Law or Wetlands Law.

(c) Lender shall have the right but not the obligation to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Environmental or Wetlands Claims, and to have its reasonable attorneys’ and consultants’ fees in connection therewith paid by Mortgagor upon demand.

(d) Mortgagor shall be solely responsible for, and each hereby jointly and severally indemnifies and agrees to defend and hold harmless Lender, its directors, officers, employees, agents, successors and assigns and any other person or entity claiming by, through, or under Lender, from and against, any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence (whether prior to or during the term of the loan secured by this Mortgage) of Regulated Materials on, under or about the Mortgaged Property (whether by Mortgagor or a
predecessor in title or any Tenants, employees, agents, contractors or subcontractors of Mortgagor or any predecessor in title or any third persons at any time occupying or present on the Mortgaged Property), including, without limitation: (i) all foreseeable consequential damages; (ii) the cost of any required or necessary repair, cleanup or detoxification of the Mortgaged Property, including the soil and ground water thereof, and the preparation and implementation of any closure, remedial or other required plans; (iii) damage to any Wetlands or natural resources; and (iv) all reasonable costs and expenses incurred by Lender in connection with clauses (i), (ii), and (iii), including but not limited to reasonable attorneys’ and consultants’ fees; provided, however, that nothing contained in this paragraph shall be deemed to create or give any rights to any person other than Lender and its successors and assigns, it being intended that there shall be no third party beneficiary of such provisions, or preclude Mortgagor from seeking indemnification from, or otherwise proceeding against, any third party, including, without limitation, any tenant or predecessor entitled to the Mortgaged Property.

(e) Any costs or expenses reasonably incurred by Lender under Paragraph 6 for which Mortgagor is responsible or for which Mortgagor has indemnified Lender shall be paid to Lender on demand, and failing prompt reimbursement, shall earn interest at the default rate of interest set forth in the Loan Documents (the “Default Rate”).

(f) Mortgagor shall take any and all remedial action in response to the presence of any Regulated Materials or Wetlands on, under, or about the Mortgaged Property, required pursuant to any settlement agreement, consent decree or other governmental proceeding; furthermore, Mortgagor shall take such additional steps as may be necessary to preserve the value of Lender’s security under the Loan Documents.

(g) Upon Lender’s reasonable request, Mortgagor shall retain, at Mortgagor’s sole cost and expense, a licensed geologist, industrial hygienist or an environmental consultant (referred to hereinafter as the “Consultant”) acceptable to Lender to conduct a baseline investigation of the Mortgaged Property for the presence of Regulated Materials or Wetlands (“Environmental Audit”). The Environmental Audit shall be performed in a manner reasonably calculated to discover the presence of Regulated Materials contamination or Wetlands; provided, however, such investigation shall be of a scope and intensity no greater than a baseline investigation conducted in accordance with the general standards of persons providing such services taking into consideration the known uses of the Mortgaged Property and property in the vicinity of the Mortgaged Property and any factors unique to the Mortgaged Property. The Consultant shall concurrently deliver the results of its investigation in writing directly to Mortgagor and Lender. Such results shall be kept confidential by both Mortgagor
and Lender unless legally compelled or required to disclose such results or disclosure is reasonably required in order to pursue rights or remedies provided herein or at law.

(h) If Mortgagor fails to pay for or obtain an Environmental Audit as provided for herein, Lender may, but shall not be obligated to, obtain the Environmental Audit, whereupon Mortgagor shall immediately reimburse Lender all its costs and expenses in so doing, together with interest on such sums at the Default Rate.

(i) Mortgagor covenants to reasonably cooperate with the Consultant and to allow entry and reasonable access to all portions of the Mortgaged Property for the purpose of Consultant's investigation. Mortgagor covenants to comply, at its sole cost and expense, with all recommendations contained in the Environmental Audit reasonably required to bring the Mortgaged Property into compliance with all Environmental Laws and Wetlands Laws, including any recommendation for additional testing and studies to detect the quantity and types of Regulated Materials or Wetlands present, if Lender requires the implementation of the same.

7. Changes in Tax Laws. If at any time any governmental authority, whether federal, state or municipal, or any agency or subdivision of any of them, shall require Internal Revenue or other documentary stamps on the Note, this Mortgage or any of the other Loan Documents, or upon the passage of any law of the State of New York deducting from the value of land for the purposes of real estate taxation the amount of any lien thereon, or changing in any way the laws for the taxation of mortgages or debts secured by mortgages for federal, state or local purposes, or the manner of the collection of any such taxes so as to impose, in any such event, a tax (other than an income tax) upon or otherwise to substantially and adversely affect the value of this Mortgage, then all indebtedness secured hereby shall become due and payable at the election of Mortgagee thirty (30) days after the mailing of notice of such election to Mortgagor; provided, however, this Mortgage, the Note and the other Loan Documents shall be and remain in effect if Mortgagor lawfully may pay, and does in fact pay, when payable, for such stamps and taxes, including interest and penalties thereon, to or for Mortgagee. Mortgagor further agrees to deliver to Mortgagee, at any time, upon demand, such evidence as may be required by any government agency having jurisdiction in order to determine whether the obligation secured hereby is subject to or exempt from any such tax.

8. Indemnification for Costs. Mortgagor hereby indemnifies Mortgagee and agrees to defend and hold Mortgagee harmless from and against all costs, liabilities and expenses, including, but not limited to, attorneys' fees and expenses to the fullest extent not then prohibited by applicable law, and costs of any Environmental Audit, title search, continuation of abstract and preparation of survey, incurred by reason of
any action, suit, proceeding, hearing, motion or application before any court or administrative body, including an action to foreclose or to collect any indebtedness or obligation secured hereby, or incurred in connection with any extra-judicial collection procedure, in and to which Mortgagee may be or become a party by reason hereof, including, without limitation, any Taking, bankruptcy, probate and administration proceedings, as well as any other proceeding wherein proof of claims required to be filed by law or in which it becomes necessary to defend or uphold the terms of and the lien created by this Mortgage.


(a) In the event all or any part of the Mortgaged Property shall be damaged or taken as a result of a Taking, either temporarily or permanently, Mortgagor shall assign, transfer and set over unto Mortgagee the Taking Proceeds or any claim for damages for any of the Premises taken or damaged under the power of eminent domain, and agrees that in the event the whole or any part of the Premises is taken by eminent domain proceedings, then all sums awarded as damages for the Taking shall be applied in reduction of the indebtedness secured by this Mortgage, but without imposition of the prepayment premium to such application. Any and all costs and expenses, including, without limitation, reasonable attorneys' fees and expenses to the fullest extent not then prohibited by applicable law, incurred by Mortgagee by reason of any condemnation, threatened condemnation or proceedings thereunder shall be secured hereby and Mortgagor shall reimburse Mortgagee therefor immediately, or Mortgagee shall have the right, at its option, to deduct such costs and expenses from any Taking Proceeds paid to Mortgagee hereunder. In the event that the Premises is wholly condemned, Mortgagee shall receive from Mortgagor and/or from the Taking Proceeds payment of the entire amount of the indebtedness secured by this Mortgage.

(b) Subject to paragraph (a) of this Section, Mortgagor will immediately notify Mortgagee of the actual or threatened commencement of any Taking proceedings affecting all or any part of the Premises, including any easement therein or appurtenance thereof, including severance and consequential damage and change in grade of streets, and will deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Mortgagor further covenants and agrees to make, execute and deliver to Mortgagee, from time to time upon request, free, clear and discharged of any encumbrances of any kind whatsoever, any and all further assignments or other instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning the Taking Proceeds and all other awards and compensation heretofore and hereafter to be made to Mortgagor, including the assignment of any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for payment thereof, for any Taking, either permanent or
temporary, under any such proceedings. In the event of a Taking, Mortgagor shall not be limited to the rate of interest paid on the award by the condemning authority but shall be entitled to receive out of the Taking Proceeds interest on the entire unpaid principal sum under the Note and the other Loan Documents at the applicable rate(s) provided therein. Mortgagor hereby assigns to Mortgagee so much of the balance of the Taking Proceeds payable by the condemning authority as is required to pay such interest.

(c) Subject to paragraph (a) of this Section, Mortgagor hereby irrevocably authorizes and appoints Mortgagee its attorney-in-fact, coupled with an interest, to collect and receive any such Taking Proceeds from the authorities making the same, to appear in any proceeding therefor, to give receipts and acquittances therefor, and to apply the same to payment on account of the indebtedness secured hereby whether then matured or not. Mortgagor shall execute and deliver to Mortgagee on demand such assignments and other instruments as Mortgagee may require for such purposes.

10. **Estoppel Certificate.** Within ten (10) days after request by Mortgagee, Mortgagor shall furnish to Mortgagee a written statement, duly acknowledged, of the aggregate amount of indebtedness secured by this Mortgage, confirming (to the extent true) that no right of offset exists under the Loan Documents or otherwise, and stating either that no defenses exist against the indebtedness secured hereby, or, if such defenses are alleged to exist, the nature thereof, and any other information which Mortgagee may reasonably request.

11. **Title Warranty; Title Evidence.** Mortgagor hereby confirms the warranties and representations as to title to the Mortgaged Property made in the granting clause of this Mortgage, and agrees to pay the costs of title evidence satisfactory to Mortgagee showing title to the Mortgaged Property to be as herein warranted. In the event of any subsequent change in title to the Mortgaged Property, other than a change expressly permitted by the Loan Documents, Mortgagor agrees to pay the cost of (i) an extension or endorsement to such title evidence showing such change in title, and (ii) changing any and all insurance and other records in connection with the servicing of the loan secured hereby made necessary by such change in title.

12. **Mortgagee's Reliance.** Mortgagee, in advancing any payment relating to taxes, assessments and other governmental or municipal charges, fines, impositions or liens asserted against the Mortgaged Property, shall have the right to do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy or validity thereof. Mortgagee shall have the right to make any such payment whenever Mortgagee, in its sole discretion, shall deem such payment to be necessary or desirable to protect the security intended to be created by this
Mortgage. In connection with any such advance, Mortgagor, at its option, shall have the right to and is hereby authorized to obtain, at Mortgagor’s sole cost and expense, a continuation report of title prepared by a title insurance company of Mortgagor’s choice.

13. Default. Each of the following events shall be deemed to be an "Event of Default" hereunder:

(a) Mortgagor shall fail to make payment of any sum of money due and payable under this Mortgage within thirty (30) days after the date such payment is due as herein provided, or of the indebtedness evidenced by the Note, or any sum of money due and payable under any of the other Loan Documents on the date when the same is due and payable or within any applicable grace period; or

(b) Mortgagor shall file a voluntary petition in bankruptcy or under any bankruptcy act or similar law, state or federal, whether now or hereafter existing, or make an assignment for the benefit of creditors or file an answer admitting insolvency or inability to pay its or their debts generally as they become due, or shall fail to obtain a vacation or stay of any such proceedings which are involuntary within sixty (60) days after the institution of such proceedings, as hereinafter provided; or

(c) Any plan of liquidation or reorganization is filed by or on behalf of Mortgagor or either in any bankruptcy, insolvency or other judicial proceeding, or a trustee or a receiver shall be appointed for the Mortgaged Property in any involuntary proceeding and such trustee or receiver shall not be discharged or such jurisdiction relinquished, vacated or stayed on appeal or otherwise within sixty (60) days after the appointment thereof; or

(d) Failure of Mortgagor to commence, diligently pursue and/or complete actions as and when provided in Paragraphs 2, 4 or 5 above; or

(e) Any sale or transfer of the Mortgaged Property in violation of Paragraph 21 of this Mortgage; or

(f) The occurrence of an involuntary transfer under subsection 30(d) of this Mortgage; or

(g) Any violation of the representations and warranties, or the filing of formal charges or commencement of proceedings as contemplated by Paragraph 34 of this Mortgage; or
(ii) Default shall be made in the due observance or performance of any of the other covenants, agreements or conditions required to be kept, performed or observed by Mortgagor or Agency under this Mortgage, and such default is not cured within thirty (30) days after written notice thereof has been delivered to Mortgagor by Mortgagee; provided, however if such default cannot reasonably be cured within the thirty (30) day period, and Mortgagor promptly commences such cure within the thirty (30) day period, then within such additional period during which Mortgagor diligently pursues and prosecutes such cure to completion and so long as the value of the Mortgaged Property is not impaired; or

(i) Default shall be made in the due observance or performance of any of the covenants, agreements or conditions required to be kept, performed or observed by Mortgagor or any other party under the Note, or any of the other Loan Documents, and such default is not cured within the applicable grace period, if any, expressly provided for therein;

(j) If Mortgagor ceases to exist or any Guarantor dies.

(k) If any of the real property taxes are not paid within thirty (30) days after the same are due and payable, except if contested as may be permitted herein;

(l) If any leases are cancelled or modified, except in the ordinary course of business or if any of the rents are prepaid for a period of more than one year in advance, or if the rents are assigned without the consent of the Mortgagee;

(m) If the Premises shall become subject to any tax lien, (other than a lien for local real estate taxes not due and payable), or any mechanics, or materialman’s lien and the same shall not be discharged for a period of thirty (30) days;

(n) If a final judgment or order for the payment of money rendered in an amount of $50,000.00 or more against Mortgagor or any Guarantor, and the same is not stayed or dismissed for any period of thirty (30) days;

(o) If Mortgagor abandons the Premises or ceases to do business at the Premises;
(p) If the Mortgagor uses the Loan Amount for any purpose other than purchase of the Premises and capital improvement thereto;

(q) If Annual Debt Service Coverage falls below 1.2 times beginning in fiscal year 2017. The Annual Debt Service Ratio is defined as a net income, plus non-cash charges, plus interest less any withdrawals or distributions, divided by principal and interest on the debt of the Mortgaged Property;

(r) If Mortgagor fails to deliver to Mortgagee within 120 days of the calendar year ending 12/31 annual financial statements, copies of personal annual income tax returns, copies of updated signed business tax returns with all schedules prepared by a qualified tax professional acceptable to Mortgagee for that proceeding calendar year and current rent roll for the Mortgaged Property and operating statement for the Mortgaged Property for such calendar year;

(s) If Mortgagor fails to deliver to Mortgagee annual schedule of all real estate owned by the Mortgagor, rent roll, including an income and expense report on these properties, and a current debt schedule.

then and upon any such Event of Default, the entire amount of the indebtedness hereby secured, shall, automatically in the event of defaults under sections (b) or (e) above, or at the option of Mortgagee in any other Event of Default, become immediately due and payable, without execution or other process and without further notice or demand, all of which are hereby expressly waived. Upon and after any such Event of Default, the indebtedness hereby secured shall, at the option of Mortgagee, bear interest at the Default Interest Rate (as defined in the Note), payable on demand. Acceleration of maturity, once claimed hereunder by Mortgagee, may, at the option of Mortgagee, be rescinded by written acknowledgment to that effect by Mortgagee, but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity, nor extend or affect the grace period, if any.

14. Rights and Remedies Upon Default. Upon the occurrence of any Event of Default hereunder, the Mortgagee may, at its option, exercise any one or more of the following rights and remedies:

(a) Right to Take Possession of Mortgaged Property. The Mortgagor agrees to surrender possession of the Mortgaged Property to the Mortgagee upon demand, and the Mortgagee shall thereupon have the right to enter and take possession of the Mortgaged Property, to lease the Land, the Improvements, the Equipment, or any part thereof, to collect all Rents, rental insurance proceeds and business interruption insurance proceeds and to apply the same on account of the Debt, whether then matured or not, after payment of all proper costs, charges and expenses, including, but
not limited to, (1) Taxes and other impositions, (2) any premiums for fire, public liability and other insurance coverage affecting the Land, the Improvements, the Equipment or any part thereof and (3) any and all other costs, charges and expenses which it may be necessary or advisable for the Mortgagee to pay in the management, operation and maintenance of the Land, the Improvements, the Equipment or any part thereof, including, but not limited to, the cost of making repairs, alterations, and tenant improvements, commissions for renting the Land, the Improvements, the Equipment, or any part thereof and legal expenses incurred in enforcing claims, preparing papers or any other services that may be required, or otherwise as a court of competent jurisdiction may direct. After taking possession of the Mortgaged Property, the Mortgagee may dispossess, by summary proceedings or otherwise, any tenants, subtenants or occupants of the Land, the Improvements or any part thereof then or thereafter in default in the payment of any Rent, and the Mortgagor hereby irrevocably appoints the Mortgagee as the Mortgagee's agent and attorney-in-fact (which agency shall be deemed to be coupled with an interest), with full power of substitution, for such purpose. In the event that the Mortgagor is then an occupant of the Land, the Improvements or any part thereof, Mortgagor agrees to surrender possession thereof to the Mortgagee upon demand, and if the Mortgagor remains in possession thereof after such demand, such possession shall be as tenant of the Mortgagee, and the Mortgagor agrees to pay monthly in advance to the Mortgagee such rent for the Land, the Improvements or any part thereof so occupied as the Mortgagee may reasonably demand, and in default of so doing, the Mortgagor may also be dispossessed by summary proceedings or otherwise.

(b) **Right to Foreclose Mortgage.** The Mortgagee may foreclose this Mortgage and sell, if permitted by law, or petition to be sold, the Mortgaged Property in one parcel or in such parcels, manner or order as a court of competent jurisdiction may direct. If permitted by law, Mortgagee may foreclose this Mortgage for any portion of the Debt or any other sums secured hereby which are then due and payable, subject to the continuing lien of this Mortgage for the balance of the Debt not then due. If any real property transfer tax or real property transfer gains tax shall be due and payable upon the conveyance of the Mortgaged Property pursuant to a judicial sale in any action, suit or proceeding brought to foreclose this Mortgage or by deed in lieu of foreclosure, the Mortgagee will pay or cause the same to be paid. In the event that the Mortgagor fails to pay any such tax within twenty (20) days after notice and demand for payment is given by the Mortgagee, the Mortgagee is hereby authorized to pay the same, and any amount thereof so paid by the Mortgagee, together with all costs and expenses incurred by the Mortgagee in connection with such payment, including, but not limited to, reasonable attorneys' fees and disbursements, and interest on all such amounts, costs and expenses at the Default Interest Rate shall be paid by the Mortgagor to the Mortgagee on demand. Until paid by the Mortgagor, all such amounts, costs and expenses, together with interest thereon, shall be secured by this Mortgage and may be
added to the judgment in any suit brought by the Mortgagee against the Mortgagor hereon.

(c) **Right to Appointment of Receiver.** In any action to foreclose this Mortgage, the Mortgagee shall be entitled, without notice, without regard to the adequacy of any security for the indebtedness secured hereby and without regard to the solvency of any person, firm or corporation who is or may become liable for the payment of all or any part of the Debt secured hereby, to have a receiver appointed with all the rights and powers permitted under the laws of the State of New York. In addition, the receiver shall be entitled to take any and all action necessary or deemed advisable to lease the Mortgaged Property, including, without limitation, making reasonable improvements or tenant improvements and adding the cost of same to the Debt secured hereby. In the event that a receiver of the Mortgaged Property is appointed hereunder, such receiver shall also have and may enforce all of the rights and remedies of the Mortgagee under subparagraph (a) hereof.

(d) **Additional Rights and Remedies.** The rights and remedies of the Mortgagee hereunder shall be in addition to Mortgagee’s rights and remedies under the laws of the State of New York, including, without limitation, Mortgagee’s rights and remedies under Section 254 of the New York Real Property Law. Nothing contained in this Mortgage shall be construed as requiring the Mortgagee to pursue any particular right or remedy for the purpose of procuring the satisfaction of the obligations and Debt secured hereby, and the Mortgagee may exercise any or all of Mortgagee’s rights and remedies under this Mortgage, the instruments evidencing the Debt, or otherwise provided by law, in Mortgagee’s sole discretion. No failure of the Mortgagee to insist upon strict performance by the Mortgagor of any of Mortgagor’s covenants or obligations under this Mortgage, the Note, the Loan Documents, and no delay by the Mortgagee in exercising any of Mortgagee’s rights or remedies hereunder, thereunder or otherwise provided by law, shall be deemed to be a waiver of such covenants or obligations or to preclude the exercise of such rights or remedies, and the Mortgagee, notwithstanding any such failure or delay, shall have the right thereafter to insist upon the strict performance by the Mortgagor of any and all of its covenants and obligations under this Mortgage and the instruments evidencing the Debt, and to exercise any and all of its rights and remedies hereunder, thereunder or otherwise provided by law.

15. **Right to Cure Defaults/Costs of Collection.** If an Event of Default occurs, the Mortgagee may, at its discretion, remedy the same and for such purpose shall have the right to enter upon the Mortgaged Property or any portion thereof without thereby becoming liable to Mortgagor, any tenant or any other person in possession thereof holding under Mortgagor. If Mortgagee shall remedy such a default or appear in, defend, or bring any action or proceeding to protect Mortgagee’s interest in the Mortgaged Property or to foreclose this Mortgage or collect the Debt, or take any other
action of any kind to protect its interest in the Mortgaged Property or collect the Debt (including, without limitation, taking possession, monitoring, appointing a receiver, or collecting rents), the costs and expenses thereof (including reasonable attorneys’ fees to the extent permitted by law), with interest as provided in this Section 15, shall be paid by Mortgagor to Mortgagee upon demand. All such costs and expenses incurred by Mortgagee in remedying such default or in appearing in, defending, or bringing any such action or proceeding, or in taking any other action shall be paid by Mortgagor to Mortgagee upon demand, with interest at the Default Interest Rate for the period after notice from Mortgagee that such costs or expenses were incurred to the date of payment to Mortgagee. All such costs and expenses incurred by Mortgagee pursuant to the terms of this Mortgage, with interest, shall be secured by this Mortgage.

16. **Late Payment Charge.** If any portion of the Debt is not paid within fourteen (14) days after the date on which it is due, Mortgagor shall pay to Mortgagee upon demand a late payment charge of five percent (5.0%) of such unpaid portion of the Debt to defray the expense incurred by Mortgagee in handling and processing such delinquent payment, and such amount shall be secured by this Mortgage.

17. **Non-Waiver.** The failure of Mortgagee to insist upon strict performance of any term of this Mortgage shall not be deemed to be a waiver of any term of this Mortgage. Mortgagor shall not be relieved of Mortgagor’s obligation to pay the Debt at the time and in the manner required by reason of (a) failure of Mortgagee to comply with any request of Mortgagor to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Note, this Mortgage or any other Loan Documents, (b) the release, regardless of consideration, of the whole or any part of the Mortgaged Property or any other security for the Debt, or (c) any agreement or stipulation between Mortgagee and any subsequent owner or owners of the Mortgaged Property or other person extending the time of payment or otherwise modifying or supplementing the Note, this Mortgage or any other Loan Documents, without first having obtained the consent of Mortgagor; and in the latter event, Mortgagor shall continue to be obligated to pay the Debt at the time and in the manner provided in the Note, this Mortgage or any other Loan Documents, as so extended, modified and supplemented, unless expressly released and discharged by Mortgagee. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien, encumbrance, right, title or interest in or to the Mortgaged Property, Mortgagee may release any person at any time liable for the payment of the Debt or any portion thereof or any part of the security held for the Debt and may extend the time of payment or otherwise modify the terms of any instrument evidencing the Debt and/or this Mortgage, including, without limitation, a modification of the interest rate payable on the principal balance on the Note without in any manner impairing or affecting this Mortgage or the lien thereof or the priority of this Mortgage, as so extended and modified, as security for the Debt over any such
subordinate lien, encumbrance, right, title or interest. Mortgagor may resort for the
payment of the Debt to any of the other Loan Documents in such order and manner as
Mortgagee, in its discretion, may elect. Mortgagor’s obligations shall not be impaired
or altered by the taking of any other or additional security for or guarantee of the Debt
or any part thereof, or by the failure to hold, protect, or realize upon any other
additional security or guarantee, or by the release of same. Mortgagee may take action
to recover the Debt, or any portion thereof, or to enforce any covenant hereof without
prejudice to the right of Mortgagee thereafter to foreclose this Mortgage. Mortgagor’s
obligations shall not be limited exclusively to the rights and remedies herein stated but shall be
titled to every additional right and remedy now or hereafter afforded by law. The
rights of Mortgagee under this Mortgage shall be separate, distinct and cumulative and
none shall be given effect to the exclusion of the others. No act of Mortgagee shall be
construed as an election to proceed under any one provision herein to the exclusion of
any other provision.

18. **Waiver.** Mortgagor shall not, and anyone claiming through or under
Mortgagor shall not, set up, claim or seek to take advantage of any appraisement,
valuation, stay, extension or redemption laws now or hereafter in force, in order to
prevent or hinder the enforcement or foreclosure of this Mortgage, or the final and
absolute sale of the Mortgaged Property, or the final and absolute placing into
possession thereof, immediately after such sale, of the purchaser or purchasers thereof,
and Mortgagor, for itself and all who may claim through or under it, waive, if and to
the fullest extent not prohibited by applicable law, all benefits and protections under
such appraisement, valuation, stay, extension and redemption laws.

19. **Marshalling of Assets.** Mortgagor and Agency hereby waive for itself
and, to the fullest extent not prohibited by applicable law, for any subsequent lien or,
any right to apply for an order, decree, judgment, or ruling requiring or providing for a
marshalling of assets which would require Mortgagee to proceed against certain of the
Mortgaged Property before proceeding against any of the other Mortgaged Property.
Mortgagee shall have the right to proceed, in its sole discretion, against the Mortgaged
Property in such order and in such portions as Mortgagee may determine, without
regard to the adequacy of value or other liens on any such Mortgaged Property. No
such action shall in any way be considered as a waiver of any of the rights, benefits,
liens or security interests created hereby or by any of the Loan Documents.

20. **Subrogation.** If the indebtedness hereby secured or any part thereof,
including any amounts advanced by Mortgagee, are used directly or indirectly to pay
off, discharge or satisfy, in whole or in part, any prior lien or encumbrance upon the
Mortgaged Property or any part thereof, then Mortgagee shall be subrogated to such
other liens or encumbrances and to any additional security held by the holder thereof
and shall have the benefit of the priority of all of the same, whether or not any such lien,
encumbrance or additional security is canceled of record upon such payment or advancement or otherwise, and in addition to the security afforded by this Mortgage and the other Loan Documents.

21. **Sale or Transfer.** Mortgagor, without the prior written consent of Mortgagee, shall not create, effect, consent to, attempt, contract for, agree to make, suffer or permit any conveyance, sale, assignments, transfer, lien, pledge, encumbrance, mortgage, security interest or alienation of all or any portion of, or any ownership or beneficial interest in, the Mortgaged Property or the Mortgagor, whether effected directly, indirectly, voluntarily, involuntarily, by operation of law or otherwise. If any of the foregoing shall occur without Mortgagee's prior written consent, then the same shall conclusively be deemed to increase the risk to Mortgagee and immediately constitute an Event of Default hereunder.

22. **Mortgagee's Cost of Collection or Performance.** If any action or proceeding is commenced by or against Mortgagee, including, without limitation, condemnation proceedings, proceedings involving the foreclosure of this Mortgage or of any other liens or encumbrances, the enforcement or interpretation of contracts, leases or other documents relating to the Mortgaged Property, or any other proceeding of any nature, legal or otherwise, affecting the Mortgage Property or any part thereof, or the title thereto, or the validity or priority of the lien of this Mortgage, Mortgagee shall have the right to appear, defend, prosecute, retain counsel, and take such action as Mortgagee shall determine. In addition, upon an Event of Default hereunder, Mortgagee is authorized, but not obligated, to discharge Mortgagor's obligations hereunder. Mortgagor shall pay to Mortgagee, promptly upon demand, all costs, including, without limitation, “late charges” payable under the Note, out-of-pocket expenses and attorneys' fees and expenses, to the fullest extent not prohibited by applicable law, and the costs of any environmental examination and analysis, title examination, supplemental examination of title or title insurance, that may be incurred by Mortgagee in connection with any proceedings affecting the Mortgaged Property, or any part thereof, to cause the enforcement of the covenants or agreements of Mortgagor contained herein or in the any of other Loan Documents, or with or without the institution of an action or proceeding, or that may otherwise be incurred by Mortgagee in the performance of any other action by Mortgagee authorized by this Mortgage. All such costs, expenses and attorneys' fees and expenses, and any other moneys advanced by Mortgagee to protect the Mortgaged Property shall, to the fullest extent not prohibited by applicable law, bear interest from the date of payment thereof at the Default Rate until repaid by Mortgagor, and shall be repaid by Mortgagor to Mortgagee immediately upon demand. Notwithstanding that the indebtedness secured hereby shall not have been declared due and payable upon any Event of Default, Mortgagor hereby agrees that if an Event of Default has occurred, pursuant to the terms hereof, Mortgagee shall be entitled to receive interest thereon at the Default Rate, to be
computed from the due date through actual receipt and collection of the amount then in
default. The preceding sentence shall not be construed as an agreement or privilege to
extend the time for performance of any obligation under the Mortgage or any of the
other Loan Documents, nor as a waiver of any other right or remedy accruing to
Mortgagee by reason of any such default.

23. **Partial Release.** Mortgagee, without notice, and without regard to any
consideration paid therefor, and notwithstanding the existence at the time of any
inferior liens thereon, shall have the right to release (a) any part of the security for the
indebtedness secured hereby, including, without limitation, the interest under this
Mortgage in and to any of the Mortgaged Property, or (b) any person liable for any
indebtedness secured hereby, without affecting the priority of any part of the security
and the obligations of any person not expressly released, and shall have the right to
agree with any party remaining liable for such indebtedness or having any interest
therein to extend the time for payment of any part or all of the indebtedness secured
hereby. Such agreement shall not in any way release or impair the lien hereof, but shall
extend the lien hereof as against all parties having any interest in such security.

24. **Non-Waiver.** In the event Mortgagee (a) releases, as aforesaid, any part of
such security or any person liable for any indebtedness secured hereby; (b) grants an
extension of time for any payments of the indebtedness secured hereby; (c) takes other
or additional security for the payment thereof; (d) accepts partial payments; or
(e) otherwise exercises or waives or fails to exercise any right granted herein or in any
of the other Loan Documents, no such act or omission shall constitute a waiver of any
default, or extend or affect the grace period, if any, release Mortgagor, subsequent
owners of the Mortgaged Property or any part thereof, or makers or guarantors of the
Note, this Mortgage, or any of the other Loan Documents, or preclude Mortgagee from
exercising any right, power or privilege herein granted or intended to be granted for
any Event of Default.

25. **No Merger of Estates.** There shall be no merger of the lien, security
interest or other estate or interest created by this Mortgage with the fee estate in the
Mortgaged Property by reason that any such interest created by this Mortgage may be
held, directly or indirectly, by or for the account of any person who shall own the fee
estate or any other interest in the Mortgaged Property. No such merger shall occur
unless and until all persons at the time having such concurrent interests shall join in a
written instrument effecting such merger, and such instrument shall be duly recorded.

26. **Further Assurances.** Upon request of Mortgagee, Mortgagor shall
execute, acknowledge and deliver to Mortgagee, in form satisfactory to Mortgagee,
financing statements covering as Collateral any personal property owned by the
Mortgagor, which, in the sole opinion of Mortgagee, is essential to the operation of any
of the Mortgaged Property, and any supplemental mortgage, security agreement, financing statement, assignment of leases, rents, income and profits from the Mortgaged Property, affidavit, continuation statement or certification as Mortgagee may request in order to protect, preserve, maintain, continue and extend the lien and security interest hereunder or the priority hereof. Mortgagor hereby irrevocably appoints Mortgagee its attorney-in-fact, coupled with an interest, and authorizes, directs and empowers such attorney, at its option, to execute, acknowledge and deliver on behalf of Mortgagor, its successors and assigns, any such documents if Mortgagor shall fail so to do within five (5) days after request by Mortgagee. Mortgagor shall pay to Mortgagee on demand all costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording and filing of any such documents. Mortgagor shall annually submit a signed and dated financial statement, and a complete signed copy of its federal income tax return with all schedules attached for each calendar year within 120 days of such year end. Mortgagor shall annually submit a certified rent roll for the Mortgaged Property.

27. Application of Proceeds. All payments made by Mortgagor under the Note, this Mortgage or any of the other Loan Documents and received by Mortgagee shall be applied by Mortgagee to the following items and in such order as Mortgagee may determine in its sole discretion: (a) advances by Mortgagee for payment of taxes, assessments, insurance premiums and other costs and expenses, as set forth in this Mortgage, the Note or any of the other Loan Documents; (b) any amounts which may be overdue under the Note, this Mortgage or any of the other Loan Documents; (c) interest on the indebtedness secured hereby; and (d) outstanding principal under the Note.

28. Mortgagee’s Subordination Right. At the option of Mortgagee, this Mortgage shall become subject and subordinate, but not with respect to the priority of entitlement to Casualty Proceeds or any Taking Proceeds, to any and all leases of all or any part of the Mortgaged Property, upon the execution by Mortgagee and recording of a unilateral declaration to that effect at any time hereafter, in the Office of the Recorder or Clerk of the County in which Mortgaged Property is located.

29. UCC Security Agreement. This Mortgage is hereby deemed to be as well a Security Agreement and creates a security interest in and to the Collateral securing the indebtedness secured by this Mortgage. Without derogating any of the provisions of this instrument, Mortgagor to the extent permitted by law hereby:

(a) grants to Mortgagee a security interest in and to all Collateral, including, without limitation, the items referred to above, together with all additions, accessions and substitutions and all similar property hereafter acquired and used or obtained for use on or in connection with the Mortgaged Property. The proceeds of the
Collateral are intended to be secured hereby; however, such intent shall never constitute an expressed or implied consent on the part of Mortgagee to the sale of any or all Collateral;

(b) agrees that the security interest hereby granted shall secure the payment of the indebtedness specifically described herein together with payment of any future debt or advancement owing by Mortgagor to Mortgagee with respect to the Mortgaged Property;

(c) except as otherwise provided herein, agrees not to remove from the Mortgaged Property, sell, convey, mortgage or grant a security interest in, or otherwise dispose of or encumber, any of the Collateral or any of the Mortgagor's right, title or interest therein, without first obtaining Mortgagee's written consent; Mortgagee shall have the right, at its sole option, to require Mortgagor to apply the proceeds from the disposition of Collateral in reduction of the indebtedness secured hereby;

(d) agrees that if Mortgagor's rights in the Collateral are voluntarily or involuntarily transferred, whether by sale, creation of a security interest, attachment, levy, garnishment or other judicial process, without the prior written consent of Mortgagee, such transfer shall constitute an Event of Default hereunder;

(e) agrees that upon or after the occurrence of any Event of Default, Mortgagee shall have all rights and remedies contemplated hereunder, including, without limitation, the right to take possession of the Collateral, and for this purpose Mortgagee shall have the right to enter upon any premises on which any or all of the Collateral is situated without being deemed guilty of trespass and without liability for damages thereby occasioned, and take possession of and operate the Collateral or remove it therefrom. Mortgagee shall have the further right, as Mortgagee may determine, to repair, refurbish or otherwise prepare the Collateral for sale, lease or other use or disposition, and to sell at public or private sale or otherwise dispose of, lease or utilize the Collateral and any part thereof in any manner authorized or permitted by law and to apply the proceeds thereof toward payment of any costs and expenses incurred by Mortgagee including, to the fullest extent not prohibited by applicable law, attorneys' fees and expenses, and toward payment of the indebtedness secured hereby, in such order and manner as Mortgagee may determine. To the fullest extent not prohibited by applicable law, Mortgagor expressly waives any notice of sale or other disposition of the Collateral and any other rights or remedies of a debtor or formalities prescribed by law relative to a sale or disposition of the Collateral or to exercise any other right or remedy existing after an Event of Default. To the extent any notice is required and cannot be waived, Mortgagor agrees that if such notice is deposited for mailing, postage prepaid, certified or registered mail, to the owner of record of the Mortgaged Property, directed to the such owner at the last address...
actually furnished to Mortgagee at least five (5) days before the time of sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirements for giving of such notice;

(f) agrees, to the extent not prohibited by law and without limiting any rights and privileges herein granted to Mortgagee, that Mortgagee shall have the right to dispose of any or all of the Collateral at the same time and place upon giving the same notice, if any, provided for in this Mortgage, and in the same manner as the nonjudicial foreclosure sale provided under the terms and conditions of this Mortgage; and

(g) authorizes Mortgagee to file without the Mortgagor’s signature, in the jurisdiction where this agreement will be given effect, financing statements covering the Collateral and the proceeds of the Collateral. At the request of Mortgagee, Mortgagor will join Mortgagee in executing one or more such financing statements pursuant to this Mortgage. To the extent permitted by law, a carbon, photographic or other reproduction of this instrument or any financing statement executed in accordance herewith shall be sufficient as a financing statement.

30. Management. Mortgagee shall have the right to give or withhold its prior consent to any contract or other arrangement for the management of all or any part of the Mortgaged Property. Mortgagee shall have the right, exercisable at its option upon an Event of Default or an event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default, to terminate the rights of any party engaged to manage the Mortgaged Property and any and all other agreements or contracts relating to the operation or management of the Mortgaged Property, if, in Mortgagee’s sole discretion, the management and/or operation of the Mortgaged Property is unsatisfactory.

31. Notices. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given (i) if hand delivered, or if sent by telecopy, effective upon receipt, or (ii) if delivered by overnight courier service, effective on the day following delivery to such courier service or (iii) if mailed by United States registered or certified mail, postage prepaid, return receipt requested, effective two (2) business days after deposit in the United States mails addressed as follows:

If to Mortgagor:

ARMORY BOYS LLC
175 East 7th Street
Oswego, New York 13126
If to Mortgagee:

EMPOWER FEDERAL CREDIT UNION
1 Member Way
Syracuse, New York 13212

Attention: Commercial Real Estate
Loan Department

If to Agency:

City of Syracuse Industrial Development Agency
201 East Washington Street, 7th Floor
Syracuse, New York 13202
Attn: Chairman

or at such other address or to such other addressee as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

32. Loan Documents. The term "Loan Documents" as used herein collectively refers to (a) the Note, (b) this Mortgage, (c) the Assignment, (d) all Uniform Commercial Code Financing Statements executed by Mortgagor, as debtor, in favor of Mortgagee, as secured party, in connection with the Mortgaged Property, (e) an Indemnity Agreement, (f) the Loan Commitment Letter, dated August 21, 2017 (the "Loan Commitment"), and (g) any and all other documents and/or agreements evidencing, securing or relating to the loan contemplated by the Loan Commitment.

33. Survival and Conflicts. The execution and delivery of this Mortgage and the other Loan Documents shall in no way merge or extinguish the Loan Commitment or the terms and conditions set forth therein, which shall survive the closing of the loan and delivery of this Mortgage. In the event of any inconsistency or conflict between any provisions of the Loan Commitment and the other Loan Documents, the provisions of the other Loan Documents shall prevail and apply.

34. Anti-Forfeiture. Mortgagor hereby further expressly represents and warrants to Mortgagee that to the best of Mortgagor's knowledge there has not been committed by Mortgagor or any other person involved with the Mortgaged Property or the Mortgagor any act or omission affording the federal government or any state or local government the right and/or remedy of forfeiture as against the Mortgaged
Property or any part thereof or any monies paid in performance of its obligations under the Note or under any of the other Loan Documents, and Mortgagor hereby covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right and/or remedy of forfeiture. In furtherance thereof, Mortgagor hereby indemnifies Mortgagee and agrees to defend and hold Mortgagee harmless from and against any loss, damage or other injury, including, without limitation, attorneys’ fees and expenses, to the fullest extent not prohibited by applicable law, and all other costs and expenses incurred by Mortgagee in preserving its lien, security interest and other rights and interests in the Mortgaged Property and any additional collateral under any of the Loan Documents in any proceeding or other governmental action asserting forfeiture thereof, by reason of, or in any manner resulting from, the breach of the covenants and agreements or the warranties and representations set forth in the preceding sentence. Without limiting the generality of the foregoing, the filing of formal charges or the commencement of proceedings against Mortgagor, Mortgagee, any guarantor, any additional collateral under any of the Loan Documents or all or any part of the Mortgaged Property under any federal or state law in respect of which forfeiture of the Mortgaged Property or any part thereof or of any monies paid in performance of Mortgagor’s obligations under the Loan Documents is a potential result shall, at the election of the Mortgagee in its absolute discretion, constitute an Event of Default hereunder without notice or opportunity to cure.

35. **Trust Fund.** Pursuant to Section 13 of the Lien Law of New York, Mortgagor shall receive the advances secured hereby and shall hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of any improvement and shall apply such advances first to the payment of the cost of any such improvement on the Mortgaged Property before using any part of the total of the same for any other purpose.

36. **Miscellaneous.** The Mortgaged Property is located in the State of New York, and this Mortgage and the rights and indebtedness secured hereby shall, without regard to the place of contract or payment, be construed and enforced according to the laws of New York. Nothing herein contained nor any transaction related hereto shall be construed or so operate as to require Mortgagor to do any act contrary to law, and if any clauses or provisions herein contained operate or would prospectively operate to invalidate this Mortgage, in whole or in part, or any of the Mortgagor’s obligations hereunder, such clauses and provisions only shall be held void and of no force or effect as though not herein contained, and the remainder of this Mortgage shall remain operative and in full force and effect. All of the obligations, rights and covenants herein contained shall run with the land, and shall bind and inure to the benefit of Mortgagor, its successors and permitted assigns, and Mortgagee and any subsequent holder of the Note. Whenever used, the singular number shall include
the plural and the plural numbers shall include the singular, and the use of any gender shall include all genders, all as the context may reasonably require.

37. Execution Of Counterparts. This Mortgage may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

38. Mortgagor's Obligations To Comply With Company Lease and the Agency Lease. Company shall: (i) pay the all other sums of money due and payable at any time and from time to time under the Company Lease and the Agency Lease, as and when such sums become due and payable, but in any event before the expiration of any grace period provided in the Agency Lease and/or the Company Lease, as applicable, for the payment of any such sum; and (ii) at all times fully perform, observe and comply with all other terms, covenants and conditions of the Agency Lease and the Company Lease to be performed, observed or complied with by Company as lessor under the Company Lease, as lessee under the Agency Lease. If the Agency Lease and/or the Company Lease do not provide for a grace period for the payment of a sum of money, Company shall make the payment on or before the date on which the payment becomes due and payable. Company shall deliver evidence of the payment to Mortgagee within ten (10) days after receipt of a written request from Mortgagee for evidence of the payment.

39. Agency Executing at the Direction of Mortgagor. The Mortgagor directs the Agency to execute and deliver this Mortgage to the Mortgagee, and further agrees to indemnify the Agency (and its members, officers, directors, agents, servants and employees) for all fees and costs incurred in connection with the execution, delivery, recording, performing and enforcing of this Mortgage (and any ancillary documents executed in connection herewith), including but not limited to reasonable attorney's fees.

40. Hold Harmless. The Mortgagor acknowledges and reiterates the provisions and obligations of the Mortgagor pursuant to Sections 8.2 and 11.11 of the Agency Lease as if fully set forth herein and hereby agrees that such provisions shall be applicable to this Mortgage.

41. No Recourse; Special Obligation. (1) The obligations and agreements of the Agency contained herein and in any other instrument or document executed in connection herewith, and any instrument or document supplemental hereto, shall be deemed the obligations and agreements of the Agency and not of any member, officer, agent or employee of the Agency in his individual capacity; and the members, officers, agents and employees of the Agency shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby. The obligations and agreements of the Agency contained herein shall not constitute or give rise to an obligation of the State New York or of the County of Oswego, and neither the State of New York nor the County of Oswego shall be liable hereon or thereon. Further, such obligations and agreements shall not constitute or give rise to a general obligation of the Agency, but rather shall constitute limited obligations of the Agency, payable solely from the revenues of the Agency derived, and to be derived from, the lease, sale, or other disposition of the Project Facility, other
than revenues derived from or constituting Unassigned Rights (as those terms are defined in the Agency Lease). No order or decree of specific performance with respect to any of the obligations of the Agency hereunder shall be sought or enforced against the Agency unless:

(a) The party seeking such order or decree shall first have requested the Agency in writing to take the action sought in such order or decree of specific performance, and thirty (30) days shall have elapsed from the date of receipt of such request, and the Agency shall have refused to comply with such request (or if compliance therewith would reasonably be expected to take longer than thirty (30) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period; and

(b) If the Agency refuses to comply with such request and the Agency’s refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Agency an amount or undertaking sufficient to cover such reasonable fees and expenses; and

(c) If the Agency refuses to comply with such request and the Agency’s refusal to comply is based on its reasonable expectation that it or any of its members, officers, agents or employees shall be subject to potential liability, the party seeking such order or decree shall (1) agree to indemnify and hold harmless the Agency and its members, officers, agents and employees against any liability incurred as a result of its compliance with such demand; and (2) if requested by the Agency, furnish to the Agency satisfactory security to protect the Agency and its members, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request.

Any failure to provide notice, indemnity, or security to the Agency pursuant to this Section shall not alter the full force and effect of any Event of Default under the Agency Lease.

(d) For purposes of this Section, the Company shall not be deemed to constitute an employee, agent or servant of the Agency or a person under the Agency’s control or supervision.

42. Agency Miscellaneous Provision. (1) The Mortgagor and the Mortgagee hereto, by accepting this Mortgage, acknowledge that the Agency is executing this Mortgage solely to subject its interest in the Mortgaged Property, if any, to this Mortgage. Notwithstanding anything herein to the contrary, the Mortgagee acknowledges and agrees that their sole recourse against the Agency for any default hereunder shall be with respect to the Agency’s interest in the Mortgaged Property. (2) Mortgagee and Mortgagor acknowledge and agree that the Agency shall not be considered to be a mortgagor or guarantor hereunder and there shall be no joint and several liability between the Mortgagor and the Agency.

43. Offsets, Counterclaims and Defenses. Any assignee of this Mortgage, the Note or any other Loan Document shall take the same free and clear of all offsets, counterclaims or defenses of any nature whatsoever which Mortgagor may
have against any assignor of this Mortgage, the Note or any other Loan Document and the Debt and no such offset, counterclaim or defense shall be interposed or asserted by Mortgagor in any action or proceeding brought by any such assignee upon this Mortgage, the Note or any other Loan Document and/or the Debt and any such right to interpose or assert any such offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Mortgagor.

MORTGAGOR HEREBY, AND MORTGAGEE BY ITS ACCEPTANCE HEREOF, EACH WAIVES THE RIGHT OF A JURY TRIAL IN EACH AND EVERY ACTION ON THIS MORTGAGE OR ANY OF THE OTHER LOAN DOCUMENTS, IT BEING ACKNOWLEDGED AND AGREED THAT ANY ISSUES OF FACT IN ANY SUCH ACTION ARE MORE APPROPRIATELY DETERMINED BY A JUDGE SITTING WITHOUT A JURY; FURTHER, MORTGAGOR HEREBY CONSENTS AND SUBJECTS ITSELF TO THE JURISDICTION OF COURTS OF THE STATE OF NEW YORK AND, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, TO THE VENUE OF SUCH COURTS IN THE COUNTY IN WHICH THE MORTGAGED PROPERTY IS LOCATED.

PROVIDED, THAT THE CONDITION OF THIS MORTGAGE IS SUCH that if Mortgagor shall pay all of the indebtedness secured hereby, then thereupon this Mortgage shall be released of record by Mortgagee, at the cost and expense of Mortgagor, and thereafter the Mortgage shall be void. The foregoing shall not affect the covenants, agreements, indemnifications and warranties in this Mortgage which expressly survive the release hereof, which shall remain in full force and effect.
IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly executed and delivered as of the date first above written.

ARMORY BOYS LLC

By: Jeffrey A. Appel, Managing Member

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: William M. Ryan, Chairman

STATE OF NEW YORK )
COUNTY OF ONONDAGA ) ss:

On the 5th day of October in the year 2017 before me, the undersigned, a notary public in and for said state, personally appeared JEFFREY A. APPEL personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

HEATHER L. SUNSER
Notary Public, State of New York
No. 01SU9605141
Qualified in Onondaga County Commission Expires October 9, 2017

STATE OF NEW YORK )
COUNTY OF ONONDAGA ) ss:

On the ___ day of October in the year 2017 before me, the undersigned, a notary public in and for said state, personally appeared WILLIAM M. RYAN personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

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IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly executed and delivered as of the date first above written.

ARMORY BOYS LLC

By: ________________________________

Jeffrey A. Appel, Managing Member

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: ________________________________

William M. Ryan, Chairman

STATE OF NEW YORK                )
COUNTY OF ONONDAGA               ) ss:

On the 5th day of October in the year 2017 before me, the undersigned, a notary public in and for said state, personally appeared JEFFREY A. APPEL personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

________________________________________
Notary Public

STATE OF NEW YORK                )
COUNTY OF ONONDAGA               ) ss:

On the 5th day of October in the year 2017 before me, the undersigned, a notary public in and for said state, personally appeared WILLIAM M. RYAN personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

________________________________________
Notary Public

- 33 -
120-124 Walton Street and 229-237 West Fayette Street, Syracuse, NY Onondaga County

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, being part of Lot Nos. 1, 2, 30, 31, 40 and 41 of Block No. 105-D, Syracuse, New York, according to a Map made by B.F. Green and filed in the Onondaga County Clerk’s Office on October 11, 1850 and bounded and described as follows:

Beginning at a point in the southerly line of West Fayette Street, said point being N. 89° 44' 00" W., 208.855 feet distant, measured along said street line from the westerly line of South Clinton Street, said point being where the centerline of the west wall of the so-called Tallman and Palmer Store, now or formerly known as No. 225 West Fayette Street, intersects the south line of West Fayette Street; thence southwardly along the center of said wall and the same continued about 115.0 feet to a point in range with the north face of the north wall of the six story brick building erected by E.F. Holden on Walton Street; thence westwardly along said range line about 27/100 of a foot to the northeasterly corner of said six story building; thence southwardly along the east face of the brick wall of said building about 90.0 feet to a point in the north line of Walton Street, said point being N. 89° 45' 00" W., 208.856 feet distant, measured along the said northerly line of Walton Street, from the westerly line of South Clinton Street; thence N. 00° 13' 20" W., 110.08 feet to a point; thence N. 89° 44' 00" W., 54 of a foot to a point; thence N. 00° 16' 00" E., 95.0 feet to a point in the southerly line of West Fayette Street; thence S. 89° 44' 00" E., 65.045 feet along said street line to the place of beginning.

ALSO, ALL THAT TRACT OR PARCEL OF LAND, situate lying and being under the waters of the old channel of Onondaga Creek (now filled in), situate in the City of Syracuse, County of Onondaga and State of New York, said tract or parcel being all of the old channel of Onondaga Creek lying within the premises describe above.
AFFIDAVIT RE: MORTGAGE TAX EXEMPTION

STATE OF NEW YORK  )
COUNTY OF ONONDAGA ) SS.

WILLIAM M. RYAN, being duly sworn, deposes and says:

He is Chairman of the City of Syracuse Industrial Development Agency (the “Agency”).

The Agency is an industrial development agency duly established under Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “State”), as amended, and Chapter 641 of the Laws of 1979 of the State (collectively, the “Act”), and it is a corporate governmental agency constituting a public benefit corporation of the State.

On or about August 15, 2017 the Agency adopted a resolution at the request of Armory Boys LLC (the “Applicant” and/or “Company”) agreeing to undertake a project (the “Project”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Original Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

In addition to the foregoing, the Agency is also taking an interest in certain property adjacent to the Project Facility located at 120-124 Walton Street, Syracuse, New York (the “Adjacent Land” and together with the Original Land, the “Land”).

The Company and the Agency are mortgaging their respective interests in the improved real property described on Exhibit “A” to Empower Federal Credit Union (the “Mortgagee”), pursuant to a certain Mortgage dated October 5, 2017 in the amount of $1,550,000 (the “Mortgage”). The Mortgage is pledged to secure a note given by the Company to the Mortgagee.

Pursuant to Article 18-A of the New York General Municipal Law, as amended from time to time (the “Act”), the Agency is regarded as performing a governmental function and is
generally not required to pay taxes or assessments upon any property acquired by it or under its jurisdiction, control or supervision or upon its activities.

Deponent submits that no mortgage tax, other than as may be required in Section 874(1) of the Act and Section 252(2) of the Tax Law of the State of New York with respect to the portion of the tax allocable to the Central New York Regional Transportation District, should be imposed upon the Mortgage, insomuch as the Mortgage is being executed and delivered under the State authority creating the Agency, insomuch as the use by the Agency of its powers to secure the payment of principal and interest on the loan is deemed by Article 18-A public purpose essential to the public interest, and insomuch as both the New York State Department of Taxation and Finance and Counsel to the New York State Department of Taxation and Finance have expressed their opinion that the recording of similar documents by similar agencies organized under Article 18-A of the New York General Municipal Law are operations of said agencies entitled to exemption from the mortgage recording tax.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: William M. Ryan, Chairman

Subscribed and sworn to before me this 31st day of October, 2017.

Lori L. McHorse
Notary Public

Lori L. McHorse
Notary Public, State of New York
Qualified in Onondaga Co. No. 51HC2060497
EXHIBIT A

LEGAL DESCRIPTION

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, being part of Lot Nos. 1, 2, 30, 31, 40 and 41 of Block No. 105-D, Syracuse, New York, according to a Map made by B.F. Green and filed in the Onondaga County Clerk’s Office on October 11, 1850 and bounded and described as follows:

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ALSO, ALL THAT TRACT OR PARCEL OF LAND, situate lying and being under the waters of the old channel of Onondaga Creek (now filled in), situate in the City of Syracuse, County of Onondaga and State of New York, said tract or parcel being all of the old channel of Onondaga Creek lying within the premises describe above.
Onondaga County Clerk Recording Cover Sheet

Received From: CHICAGO TITLE

Return To: BARCLAY DAMON
PICK UP BOX

Method Returned: MAIL

First DEBTOR
ARMORY BOYS LLC

First SECURED PARTY
EMPOWER FEDERAL CREDIT UNION

Index Type: Ucc
File Num: 2017-00000758

Type of Instrument: Ucc1
Type of Transaction: Ucc Liens
Recording Fee: $40.00
Recording Pages: 4

Recorded Information

State of New York
County of Onondaga
I hereby certify that the within and foregoing was recorded in the Clerk's office for Onondaga County, New York

On (Recorded Date): 10/12/2017
At (Recorded Time): 10:18:04 AM

Lisa Dell, County Clerk

This sheet constitutes the Clerks endorsement required by Section 319 of Real Property Law of the State of New York
All air conditioning, electrical, plumbing and heating units, fixtures, systems and equipment, now or hereafter attached to and used in connection with the operation of the building on said premises more particularly described in Schedule “A” attached hereto, together with any and all replacements and/or additions thereto. All of debtor’s accounts receivable, inventory and all other assets, including, but not limited to, equipment and machinery.

All Debtor’s rents, issues and profits accruing to Debtor from the Premises described in Schedule “A” attached.
**UCC FINANCING STATEMENT ADDENDUM**

**FOLLOW INSTRUCTIONS (front and back) CAREFULLY**

### 9. NAME OF FIRST DEBTOR (11a or 11b) ON RELATED FINANCING STATEMENT

<table>
<thead>
<tr>
<th>ORGANIZATION'S NAME</th>
<th>FIRST NAME</th>
<th>MIDDLE NAME</th>
<th>SUFFIX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armory Boys LLC</td>
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</tbody>
</table>

### 10. MISCELLANEOUS:

**THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY**

### 11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME: Insert only one name (11a or 11b); do not abbreviate or combine names

<table>
<thead>
<tr>
<th>ORGANIZATION'S NAME</th>
<th>FIRST NAME</th>
<th>MIDDLE NAME</th>
<th>SUFFIX</th>
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<tbody>
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</table>

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<thead>
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<th>SUFFIX</th>
</tr>
</thead>
<tbody>
<tr>
<td>OR</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

### 11a. TYPE OF ORGANIZATION

**NONE**

### 11f. JURISDICTION OF ORGANIZATION

**OR**

### 11g. ORGANIZATIONAL ID #, if any

**NONE**

### 12. ADDITIONAL SECURED PARTY'S OR ASSIGNOR'S NAME: Insert only one name (12a or 12b)

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<thead>
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<th>MIDDLE NAME</th>
<th>SUFFIX</th>
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<tr>
<td>OR</td>
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<th>SUFFIX</th>
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<tr>
<td>OR</td>
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</tr>
</tbody>
</table>

### 12a. ORGANIZATION'S NAME

**NONE**

### 12f. INDIVIDUAL'S LAST NAME

**NONE**

### 12g. MAILING ADDRESS

**NONE**

### 12h. CITY

**NONE**

### 12i. STATE

**NONE**

### 12j. POSTAL CODE

**NONE**

### 12k. COUNTRY

**NONE**

### 13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ all-extracted collateral, or is filed as a ☑ future filing.

**future filing**

### 14. Description of real estate:

120-124 Walton Street and 229-237 Fayette Street, Syracuse, New York as more particularly described on Schedule "A" attached hereto and made part hereof.

### 15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

**none**

### 16. Additional collateral description

**none**

### 17. Check only if applicable and check only one box.

**Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate**

### 18. Check only if applicable and check only one box.

**Debtor is a TRANSMITTING UTILITY**

**Filed in connection with a Manufactured Home Transaction — effective 30 years**

**Filed in connection with a Public Finance Transaction — effective 30 years**

---

FILING OFFICE COPY — UCC FINANCING STATEMENT ADDENDUM (FORM UCC1Ad) (REV. 05/22/02)
SCHEDULE A

120-124 Walton Street and 229-237 West Fayette Street, Syracuse, NY Onondaga County

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Syracuse, County of Onondaga and State of New York, being part of Lot Nos. 1, 2, 30, 31, 40 and 41 of Block No. 105-D, Syracuse, New York, according to a Map made by B.F. Green and filed in the Onondaga County Clerk's Office on October 11, 1850 and bounded and described as follows:

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ALSO, ALL THAT TRACT OR PARCEL OF LAND, situate lying and being under the waters of the old channel of Onondaga Creek (now filled in), situate in the City of Syracuse, County of Onondaga and State of New York, said tract or parcel being all of the old channel of Onondaga Creek lying within the premises describe above.
Attached is the acknowledgment copy of your recently submitted filing. This filing consists of a total of 3 pages; however, only the first page of the filed document is returned as part of this acknowledgment. This document has been filed with the New York State Department of State, Uniform Commercial Code Division.

The Financing Statement has been assigned Filing Number: 201710100498418, Filing Date: 10/10/2017 and is currently reflected in our automated database as follows:

**Debtor’s Name & Address**

ARMORY BOYS LLC
175 EAST 7TH STREET
OSWEGO NY 13126

**Secured Party’s Name & Address**

EMPOWER FEDERAL CREDIT UNION
1 MEMBER WAY
SYRACUSE NY 13212

This filing will lapse on 10/10/2022, unless continued. We encourage filers to take full advantage of the six-month window of opportunity in which to file a Financing Statement Amendment (Continuation). Submission of your documents at the onset of the six-month window will allow ample time to rectify potential filing errors and help to assure timely recording of your filing.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 473-2492, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 023579
## UCC Financing Statement

**FOLLOW INSTRUCTIONS (front and back) CAREFULLY**

**A. NAME & PHONE OF CONTACT AT FILER [optional]**

Heather L. Sustr, Esq.  
-315-425-2796

**B. SEND ACKNOWLEDGMENT TO**

Barclay Damon, LLP  
Barclay Damon Tower  
125 East Jefferson Street  
Syracuse, NY 13202

---

### 1. DEBTOR'S EXACT FULL LEGAL NAME

<table>
<thead>
<tr>
<th>OR</th>
<th>Armory Boys LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a. ORGANIZATION'S NAME</td>
<td>INSERT NAME</td>
</tr>
<tr>
<td>1b. MAILING ADDRESS</td>
<td>175 East 7th Street</td>
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<td>1c. CITY</td>
<td>Oswego</td>
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<tr>
<td>1d. STATE</td>
<td>NY</td>
</tr>
<tr>
<td>1e. POSTAL CODE</td>
<td>13126</td>
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<td>1f. COUNTRY</td>
<td>USA</td>
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</table>

**Not Applicable**

### 2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME

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<tr>
<th>OR</th>
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<tr>
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<td>2b. MAILING ADDRESS</td>
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### 3. SECURED PARTY'S NAME

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<td>3e. Suffix</td>
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<td>3g. State</td>
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</tr>
<tr>
<td>3h. Postal Code</td>
<td>13212</td>
</tr>
<tr>
<td>3i. Country</td>
<td>USA</td>
</tr>
</tbody>
</table>

### 4. This FINANCING STATEMENT covers the following collateral:

All air conditioning, electrical, plumbing and heating units, fixtures, systems and equipment, now or hereafter attached to and used in connection with the operation of the building on said premises more particularly described in Schedule "A" attached hereto, together with any and all replacements and/or additions thereto. All of debtor's accounts receivable, inventory and all other assets, including, but not limited to, equipment and machinery.

All Debtor's rents, issues and profits accruing to Debtor from the Premises described in Schedule "A" attached.

---

**FILING OFFICE COPY — UCC FINANCING STATEMENT [FORM UCC1] (REV. 05/22/02)**

**FILING NUMBER: 201710100498418**
120-124 Walton Street and 229-237 West Fayette Street, Syracuse, NY Onondaga County

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STATE OF NEW YORK  
COUNTY OF OSWEGO  

Jeffrey A. Appel, being duly sworn, deposes and states:

1. That he is upwards of 21 years of age;

2. That he is the Managing Member of Armory Boys LLC the owners of property located at 120-124 Walton Street and 229-237 West Fayette Street City of Syracuse, New York 13202 by Deed recorded in the Onondaga County Clerk’s Office on May 8, 2017 in Book 5424 of deeds at page 39.

3. That he has examined the attached survey; which survey is to the property described in the Deed;

The attached is an accurate and unaltered copy of the original survey prepared by Ianuzi & Romans, LLS and dated May 23, 2007 and recertified September 24, 2009.

4. That the property is improved by a masonry commercial building which has been in existence at least two (2) years;

5. That there have been no changes to the improvements shown on said survey, and that there has not been any dispute with any abutting owner in respect to the location of the boundary lines;

6. That Deponent makes this Affidavit to induce Empower Federal Credit Union to grant Deponent a mortgage on said property, Caraccioli & Associates, PLLC to certify title to said property, and Chicago Title Insurance Company to issue a title insurance policy on said property; and Deponents understand that said entities will rely on this Affidavit in doing such acts.

Subscribed and sworn to be before me
This 5th day of October, 2017.

Jeffrey A. Appel, Managing Member

Theresa M. Clark  
NOTARY PUBLIC
GENERAL CERTIFICATE OF THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

This certificate is made in connection with the execution by the City of Syracuse Industrial Development Agency (the “Agency”) of the Project Agreement, the Company Lease, the Agency Lease, the Mortgage and any other document now or hereafter executed by the Agency (collectively, the “Agency Documents”) with respect to a project (the “Project”) undertaken at the request of Armory Boys LLC (the “Company”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

The Land and the Facility are connected to an adjacent building located at 120-124 Walton Street, Syracuse, New York (the land and building collectively referred to as the “Adjacent Building”) which is also owned by the Company. The Mortgagee is requiring the Company grant a Mortgage on both the Project Facility as well as the Adjacent Building as collateral for the Note. in order to accommodate the Mortgagee’s collateral requirements, the Agency has agreed to extend its interest to the Adjacent Building solely for purposes of the Mortgage.

Capitalized terms used herein which are not otherwise defined herein and which are defined in the Agency Lease Agreement dated as of October 1, 2017 (the “Agency Lease”), between the Agency and the Company, and shall have the meanings ascribed to such terms in the Agency Lease except that, for purposes of this certificate: (A) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this certificate and not as of any future date; and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate and not as of any future date or to any successor or assign.
I, the undersigned Chairman of the Agency, Do Hereby Certify:

1. I am an officer of the Agency and am duly authorized to execute and deliver this certificate in the name of the Agency.

2. The Agency is an industrial development agency duly established under Title 1 of Article 18-A of the General Municipal Law of the State of New York (the "State"), as amended (the "Enabling Act") and Chapter 641 of the Laws of 1979 of the State (said Chapter with the Enabling Act, the "Act") (a certified copy of Chapter 641 of the Laws of 1979 of the State is attached hereto as Exhibit "A"), and it is a corporate governmental agency constituting a public benefit corporation of the State.

3. The Act empowers the Agency, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip, sell and dispose of land and any building or other improvement, and all real and personal property, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, recreation or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the City of Syracuse and the State and to improve their standard of living. The Act further authorizes the Agency to lease any and all of its facilities on such terms and conditions as it deems advisable, to acquire, construct, lease, improve, and equip one or more projects as defined in the Act, to mortgage any or all of its facilities and to pledge the revenues and receipts from the sale or transfer of its facilities.

4. The Agency has full legal power and authority to own its property, conduct its business and execute, deliver, and perform its obligations under the Agency Documents and has taken all actions and obtained all approvals required in connection therewith by the Act and any other applicable laws and regulations, and no legislation has been enacted affecting the powers or authority of the Agency to execute and deliver the Agency Documents, affecting the financing of the Project, or affecting the validity thereof or of the Agency Documents, or contesting the existence and powers of the Agency or the appointment of the members and officers of the Agency to their respective offices.

5. Pursuant to the Act, the governing body of the City of Syracuse, New York, for whose benefit the Agency was established, duly filed or caused to be filed within six (6) months after the effective date of Chapter 641 of the Laws of 1979 of the State in the office of the Secretary of State of the State the Certificate of Establishment of the Agency pursuant to Section 926 of the New York General Municipal Law. The Certificate of Establishment of the Agency described in the preceding sentence also named the members and officers of the Agency as appointed by the Mayor of the City of Syracuse. Attached hereto as Exhibit "B" are certified copies of said Certificates of Establishment and copies of the Certificates of Appointment relating to all of the current members of the Agency, who are:
6. Attached hereto as Exhibit “C” is a true, correct and complete copy of the by-laws of the Agency, together with all amendments thereto or modifications thereof; and said by-laws as so amended and modified are in full force and effect in accordance with their terms as of the date of this certificate.

7. That a resolution determining that the acquisition, construction, equipping and completion of the Project constitutes a Project and describing the financial assistance in connection therewith and authorizing a public hearing (the “Public Hearing Resolution”) was adopted by the Agency on July 18, 2017 and remains in full force and effect and has not been rescinded, repealed or modified. A copy of the Public Hearing Resolution is attached hereto at Exhibit “D.”

8. Attached hereto as Exhibit “E” is proof of publication of a notice of the public hearing with respect to the Project (the “Public Hearing Notice”), required pursuant to Section 859-a of the Act and held on August 15, 2017, and proof of mailing of notice thereof pursuant to Section 859-a of the Act to the chief executive officers of the affected tax jurisdictions (as defined in Section 854(16) of the Act) on August 1, 2017.

9. That a resolution classifying the Project as an Unlisted Action pursuant to SEQRA, declaring the Agency lead agency for purposes of an uncoordinated review thereunder and determining that the Project will not have a significant effect on the environment (the “SEQRA Resolution”) was adopted by the Agency on August 15, 2017 and remains in full force and effect and has not been rescinded, repealed or modified. A copy of the SEQRA Resolution is attached hereto at Exhibit “F.”

10. That a resolution approving the undertaking of the acquisition, reconstruction, renovation, equipping and completion of a mixed-use commercial facility, appointing the Company as agent of the Agency for the purpose of the acquisition, reconstruction, renovation, equipping and completion of the Project, and authorizing the execution and delivery of an agreement between the Agency and the Company (the “Inducement Resolution”) was adopted by the Agency on August 15, 2017 and remains in full force and effect and has not been rescinded, repealed or modified. A copy of the Inducement Resolution is attached hereto at Exhibit “G.”

11. That a resolution authorizing the execution and delivery of certain documents by the Agency in connection with the Project was adopted by the Agency on August 15, 2017 (the “Final Approving Resolution”) and remains in full force and effect and has not been rescinded, repealed or modified. A copy of the Final Approving Resolution is attached hereto at Exhibit “H.”
12. The execution, delivery and performance of all Agency Documents, certificates and documents required to be executed, delivered and performed by the Agency in order to carry out, give effect to and consummate the transactions contemplated by the Agency Documents have been duly authorized by all necessary action of the Agency, and the Agency Documents have been duly authorized, executed and delivered. The Agency Documents are in full force and effect on and as of the date hereof, and no authority or proceeding for the execution, delivery or performance of the Agency Documents has been materially amended, repealed, revoked or rescinded; and no event or circumstance has occurred or exists which constitutes, or with the giving of notice or the passage of time would constitute, a default on the part of the Agency under the Agency Documents.

13. The execution, delivery, and performance of the Agency Documents, the consummation of the transactions therein contemplated and compliance with the provisions of each do not and will not: (a) violate the Act or the by-laws of the Agency; (b) require consent (which has not heretofore been received) under or result in a breach or default of any credit agreement, purchase agreement, indenture, deed of trust, commitment, guaranty, lease, or other agreement or instrument to which the Agency is a party or by which the Agency may be bound or affected; or (c) conflict with or violate any existing law, rule, regulation, judgment, order, writ, injunction, or decree of any government, governmental instrumentality, or court, domestic or foreign, having jurisdiction over the Agency or any of its Property.

14. The Agency has not received written notice that any event of default has occurred and is continuing, or that any event has occurred which with the lapse of time or the giving of notice or both would constitute an event of default by any party to the Agency Documents.

15. There is no action, suit, proceeding or investigation at law or in equity, before or by any court, public board or body of the United States of America or the State of New York, pending or, to the best of my knowledge, threatened against or affecting the Agency (or to my knowledge any basis therefor): (a) wherein an unfavorable decision or finding would adversely affect (i) the Inducement Resolution, the Final Approving Resolution, the Company Lease, the Agency Lease or the other Agency Documents; or (ii) the existence or organization of the Agency; or (iii) restrain or enjoin the financing, acquisition or construction of the Project or the performance by the Agency of the Agency Documents; or (b) in any manner questioning the proceedings or authority of the financing of the Project, or affecting the validity thereof or of the Agency Documents, or contesting the existence and powers of the Agency or the appointment of the directors and officers of the Agency to their respective offices.

16. October 5, 2017 has been duly designated as the date for the Closing.

17. The Agency has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date.

18. In accordance with the Act, the Agency has determined:

(a) to assist the Company’s acquisition, reconstruction, renovation, equipping and completion of the Project Facility;
(b) to grant the Financial Assistance to the Company;

(c) to designate the Company as the Agency’s agent for the acquisition, reconstruction, renovation, equipping and completion of the Project Facility and to authorize the Company to appoint additional agents;

(d) that the Project will promote employment opportunities and prevent economic deterioration in the City by the preservation and/or the creation of both full and part-time jobs; and

(e) to pledge its interest in the Company Lease and the Agency Lease (except the Agency’s Unassigned Rights) to the Mortgagee and grant the Mortgagee a security interest in the Agency’s leasehold interest in the Project Facility.

19. That I did officially cause all certificates necessary for the financing and included in the official transcript of closing, to be executed, as required, in the name of the Agency by the signing of each of such certificates with the signature of the (Vice) Chairman of the Agency.

20. That I did officially cause the following Agency Documents to be executed in the name of the Agency by the signing of each of such Agency Documents with the signature of the William M. Ryan, Chairman of the Agency:

(a) a Project Agreement between the Agency and the Company;

(b) a Company Lease from the Company to the Agency pursuant to which the Company agrees to lease the Land, the Facility and the Adjacent Building to the Agency;

(b) an Agency Lease from the Agency to the Company pursuant to which the Agency agrees to sublease the Project Facility and the Adjacent Building to the Company; and

(c) the Mortgage pursuant to which the Mortgagee has been granted a security interest in the Project Facility and the Adjacent Building.

21. No member, officer or employee of the Agency having power to: (i) negotiate, prepare, authorize or approve any of the Agency Documents; (ii) audit bills or claims under any of the Agency Documents; or (iii) appoint an officer or employee who has any of the powers or duties set forth in (i) or (ii):

(c) directly or indirectly owns any stock of the Company;

(b) is a partner, director or employee of the Company;

© is related to the Company within the meaning of Section 800.3(a) of the New York General Municipal Law.
No member, officer, or employee of the Agency has publicly disclosed, in a writing included as part of the official minutes of the Agency, any Interest (as defined in Section 800.3 of the New York General Municipal Law), direct or indirect, in the Developer.

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WITNESS, as of the 5th day of October, 2017.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: ____________________________
    William M. Ryan, Chairman
EXHIBIT “A”

CHAPTER 641 OF THE LAWS OF 1979
OF THE STATE OF NEW YORK
AN ACT to amend the general municipal law, in relation to creating and establishing for the city of Syracuse industrial development agency and, providing for its functions and duties

Became a law July 11, 1979, with the approval of the Governor. Passed on Home Rule request pursuant to Article IX, section 2 (b) (2) of the Constitution, by a majority vote, three-fifths being present.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The general municipal law is amended by adding a new section nine hundred twenty-six to read as follows:
§ 926. City of Syracuse industrial development agency. (a) For the benefit of the city of Syracuse and the inhabitants thereof, an industrial development agency, to be known as the CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY, is hereby established for the accomplishment of any or all of the purposes specified in title one of article eighteen-A of this chapter. It shall constitute a body corporate and politic, and be perpetual in duration. It shall consist of five members who shall be appointed by the mayor of the city of Syracuse and its chairman shall be designated by such mayor. It shall have the powers and duties now or hereafter conferred by title one of article eighteen-A of this chapter upon industrial development agencies. It shall organize in a manner prescribed by and be subject to the provisions of title one of article eighteen-A of this chapter. The agency, its members, officers and employees, and its operations and activities shall in all respects be governed by the provisions of title one of article eighteen-A of this chapter.

(b) The city shall have the power to make, or contract to make grants or loans, including but not limited to grants or loans of money, to the agency in such amounts, upon such terms and conditions and for such period or periods of time as in the judgment of the city and the agency are necessary or appropriate for the accomplishment of any of the purposes of the agency.

§ 2. This act shall take effect immediately.
EXHIBIT “B”

AGENCY’S CERTIFICATE OF ESTABLISHMENT
AND
CERTIFICATES OF APPOINTMENT OF CURRENT MEMBERS
CERTIFICATE OF THE CITY OF SYRACUSE
INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law, Lee Alexander, Mayor of the City of Syracuse, certifies as follows:

1) The name of the industrial development agency herein is the City of Syracuse Industrial Development Agency.

2) Chapter 641 of the Laws of 1979, the special act of the New York State Legislature establishing the City of Syracuse Industrial Development Agency, was adopted by the New York State Legislature on June 16, 1979 and signed by the Governor on July 26, 1979.

3) The names of the Chairman and the Members, respectively, of the City of Syracuse Industrial Development Agency and their terms of office are as follows:

   (a) Frank L. Canino Chairman
       David M. Garber Member
       David S. Michel Member
       Erwin G. Schultz Member
       Irwin L. Davis Member

   (b) The term of office of the Chairman and of the Members of the City of Syracuse Industrial Development Agency is at the pleasure of the Mayor and continues until a successor is appointed and has qualified.

4) The facts establishing the need for the creation of a City of Syracuse Industrial Development Agency are as follows:

   Expansion of its industrial-commercial base is essential to the City of Syracuse, especially in a time of mounting economic pressures. To achieve this goal of expansion, the City has designed a comprehensive economic development program, requiring an Industrial Development Agency.

   The existing potential for economic development will be augmented by the financial incentives of an Industrial Development Agency. Various City agencies and departments, such as the Department of Community Development and the Office of Federal and State Aid Coordination will interface with the Syracuse Industrial Development Agency to strengthen the business and industrial climate of the community.

   Access to the Department of Community Development will make available to the Syracuse Industrial Development Agency an array of staff assistance, technical expertise, and various other development services. The City's Office of Federal and State Aid Coordination will provide assistance to it in locating, analyzing, and obtaining various forms of federal and state assistance and participation.

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED JUL 2 1979

State of New York
County of Onondaga

[Signature]
The Syracuse Industrial Development Agency, in combination with, and utilizing these and other resources, will greatly enhance the City's ability to compete for, and successfully attract, the commercial and industrial enterprises necessary for continued economic health and growth.

July 20, 1979

Lee Alexander
Mayor

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JUL 20 1979

Smith F. Stinson
Secretary of State
CERTIFICATE OF APPOINTMENT TO THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Stephanie A. Miner, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a Member and officer of the City of Syracuse Industrial Development Agency:

Mr. William Ryan - Member/Chairman

The following Member and Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Member or Officer of said Agency:

Mr. Irwin Davis - Member/Chairman

No Member or Officer of the City of Syracuse Industrial development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of January 15, 2010.

Stephanie A. Miner
Mayor, City of Syracuse

203 CITY HALL • SYRACUSE, N.Y. 13202-1473 • (315) 448-8005 • FAX: (315) 448-8067
WEB PAGE: www.syracuse.ny.us
CERTIFICATE OF APPOINTMENT TO THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law of the State of New York,
Stephanie A. Miner, Mayor of the City of Syracuse, hereby certifies the appointment of
the following person as a Member of the City of Syracuse Industrial Development
Agency:

M. Catherine Richardson - Member/Vice Chair

No Member or Officer of the City of Syracuse Industrial development Agency shall
receive any compensation for the discharge of their duties as Member or Officer of the
Agency, but shall be entitled to necessary expenses incurred in the discharge of their
duties as such Member or Officer.

The appointment herein set forth shall be effective as of February 12, 2010.

Stephanie A. Miner
Mayor, City of Syracuse
OFFICE OF THE MAYOR

Stephanie A. Miner, Mayor

CERTIFICATE OF APPOINTMENT TO THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Stephanie A. Miner, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a Member of the City of Syracuse Industrial Development Agency:

Mr. Donald Schoenwald - Member

The following Member and Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Member or Officer of said Agency:

Mr. Kenneth Mokrzycki - Member

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of March 1, 2011.

Stephanie A. Miner
Mayor, City of Syracuse
Pursuant to Article 18-A of the General Municipal Law of the State of New York, Stephanie A. Miner, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a Member of the City of Syracuse Industrial Development Agency:

Mr. Steve Thompson - Member/Secretary

The following Member and Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Member or Officer of said Agency:

Mr. John Gamage - Member/Secretary

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of January 6, 2014.
OFFICE OF THE MAYOR

Stephanie A. Miner, Mayor

CERTIFICATE OF APPOINTMENT TO THE
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Pursuant to Article 18-A of the General Municipal Law of the State of New York, Stephanie A. Miner, Mayor of the City of Syracuse, hereby certifies the appointment of the following person as a Member of the City of Syracuse Industrial Development Agency:

Mr. Kenneth Kinsey - Member

The following Member and Officer of the City of Syracuse Industrial Development Agency shall no longer serve as Member or Officer of said Agency:

Ms. Pamela Hunter - Member

No Member or Officer of the City of Syracuse Industrial Development Agency shall receive any compensation for the discharge of their duties as Member or Officer of the Agency, but shall be entitled to necessary expenses incurred in the discharge of their duties as such Member or Officer.

The appointment herein set forth shall be effective as of January 13, 2016.

Stephanie A. Miner
Mayor, City of Syracuse
EXHIBIT "C"

AGENCY'S BY-LAWS
Article I
THE AGENCY

Section 1. Name
The name of the agency shall be "City of Syracuse Industrial Development Agency", and it shall be referred to in these by-laws as the Agency.

Section 2. Seal
The seal of the Agency shall be in such form as may be determined by the members of the Agency.

Section 3. Office
The principal office of the Agency shall be located in the City of Syracuse, New York, County of Onondaga, and State of New York. The Agency may have such other offices at such other places as the members of the Agency may, from time to time, designate by resolution.

Article II
MEMBERS

Section 1. Members
(a) There shall be five members of the Agency. All references in these by-laws to members shall be references to Members of the Agency. The persons designated in the certificates of appointment filed in the office of the Secretary of State as members of the Agency and their successors in office and such other persons as may, from time to time, be appointed as
Members of the Agency by the Mayor of the City of Syracuse, or by special act of the Legislature, shall constitute all the members.

(b) Members shall hold office at the pleasure of the Mayor and shall continue to hold office until his or her successor is appointed and has qualified. The Mayor may remove any Member at his discretion, with or without cause.

(c) Upon the resignation or removal of a Member, a successor shall be selected by the Mayor.

(d) Members may resign at any time by giving written notice to the Mayor and to the Chairman of the Agency. Unless otherwise specified in the notice the resignation shall take effect upon receipt of the notice by the Chairman or the Mayor. Acceptance of the resignation shall not be necessary to make it effective.

Section 2. Meeting of the Members

(a) The Annual Meeting of the members shall be held on such date or dates as shall be fixed, from time to time, by the Members of the Agency. The first Annual Meeting of Members shall be held on a date within twelve (12) months after the filing of the Certificate of the Agency with the Secretary of State as required by General Municipal Law §856 (1) (a). Each successive Annual Meeting of Members shall be held on a date not more than twelve (12) months following the preceding Annual Meeting of Members.

(b) Regular meetings of the Agency may be held at such time and place as, from time to time, may be determined by the Members.

(c) Upon the written request of the Mayor, the Chairman or two (2) Members of the Agency, the Chairman of the Agency shall call a special meeting of the Members. Special meetings may be held on such date or dates as may be fixed in the call for such special meetings.
The call for a special meeting may be personally delivered to each Member of the Agency or may be mailed to the business or home address of such Member. A waiver of notice may be signed by any Member failing to receive a proper notice.

Section 3. Procedure at Meetings of Members

(a) The Chairman shall preside over the meetings of the Agency. In the absence of the Chairman, the Vice-Chairman shall preside. In the absence of both the Chairman and Vice-Chairman, any Member directed by the Chairman may preside.

(b) At all meetings of Members, a majority of the Members of the Agency shall constitute a quorum for the purpose of transacting business. If less than a quorum is present for any meeting, the Members then present may adjourn the meeting to such other time or until a quorum is present. Except to the extent provided for by law, all actions shall be by a majority of the votes cast, provided that the majority of the votes cast shall be at least equal to a quorum.

(c) When determined by the Agency that a matter pending before it is confidential in nature, it may, upon motion, establish an executive session and exclude any non-member from such session.

(d) Order of business

At all meetings of the Agency, the following shall be the order of business:

(1) Roll Call;
(2) Proof of Notice of Meeting;
(3) Reading and approval of the minutes of the previous meeting;
(4) bills and communications;
(5) Report of the Treasurer;
(6) Reports of Committees;
(7) Unfinished business;
(8) New business;
(9) Adjournment.

The order of business may be altered or suspended at any meeting by the Members of the Agency.

(e) All resolutions shall be in writing and shall be recorded in the journal of the proceedings of the Agency.

Article III

OFFICERS AND PERSONNEL

Section 1. Officers

The officers of the Agency shall be Chairman or Co-Chairman, Vice-Chairman, Secretary and Treasurer and such other offices as may be prescribed, from time to time, by the Agency. The Chairman or Co-Chairman and other officers shall be appointed by the Mayor of the City of Syracuse and may be removed with or without cause at his discretion. Each officer shall be a Member of the Agency during his or her term of office.

Section 2. Chairman or Co-Chairmen

The Chairman shall be chief executive officer of the Agency, and shall serve as an ex officio member of all duly constituted committees, shall supervise the general management and the affairs of the Agency, and shall carry out the orders and resolutions of the Agency. Except as otherwise authorized by resolution of the Agency, the Chairman shall execute (manually and by facsimile signature) all agreements, contracts, deeds, bonds, notes or other evidence of indebtedness and any other instruments of the Agency on behalf of the Agency. The Mayor may from time to time appoint two Co-Chairmen in place of the Chairman. During their term of office the Co-
Chairmen shall share equally the duties, rights, powers and responsibilities of the Chairman. The action of either Co-Chairman or execution (manually or by facsimile signature) by either Co-Chairman of any agreement, contract, deed, bond, note or other evidence of indebtedness or any other instrument of the Agency on behalf of the Agency shall have the same force and effect as such action or execution by the Chairman.

Section 3. Vice-Chairman

The Vice-Chairman shall have all the powers and functions of the Chairman or Co-Chairmen in the absence or disability of the Chairman or Co-Chairmen, as the case may be. The Vice-Chairman shall perform such other duties as the Members of the Agency shall prescribe or as delegated by the Chairman or Co-Chairmen.

Section 4. Secretary

The Secretary shall keep the minutes of the Agency, shall have the custody of the seal of the Agency and shall affix and attest the same to documents when duly authorized by the Agency, shall attest to the giving or serving of all notices of the Agency, shall have charge of such books and papers as the Members of the Agency may order, shall attest to such correspondence as may be assigned, and shall perform all the duties incidental to his office.

Section 5. Treasurer

The Treasurer shall have the care and custody of all the funds and securities of the Agency, shall deposit such funds in the name of the Agency, in such bank or trust company as the members of the Agency may elect, shall sign such instrument as may require the Treasurer's signature, but only with the approval of the Chairman or Co-Chairman, as the case may be, shall at all reasonable times exhibit the books and accounts of the Agency to the Mayor or any Member of
the Agency, and at the end of each fiscal year shall present an annual report setting forth in full the financial condition of the Agency.

Section 6. Additional Personnel

The Agency, with the consent of the Mayor, may appoint an Administrative or Executive Director to supervise the administration of the business and affairs of the Agency, subject to the direction of the Agency. The Agency may, from time to time, employ such other personnel as it deems necessary to execute its powers, duties and functions as prescribed by the New York State Industrial Development Agency Act (General Municipal Law, Article 18-A), as amended, and all other laws of the State of New York applicable thereto.

Section 7. Compensation of Chairman, Co-Chairmen, Members, Officers, and Other Personnel

The Chairman, Co-Chairmen, Members and Officers shall receive no compensation for their services but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of their duties. The compensation of other personnel, including the Administrative Director, shall be determined by the Members of the Agency.

Article IV

AMENDMENTS

Section 1. Amendments to By-Laws

These by-laws may be amended or revised, from time to time, by a two-third (2/3) vote of the Agency, but no such amendment or revision shall be adopted unless written notice of the proposed action shall have been given by mail to each Member and the Mayor at least ten (10) days prior to the date of the meeting at which it is proposed that such action be taken; provided, however,
that this provision and other provisions relating to the appointment, renewal and terms of office of Members and officers may be amended only with the prior written approval of the Mayor.

**Article V**

**MISCELLANEOUS**

**Section 1. Sureties and Bonds**

In case the Agency shall so require, any officer, employee or agent of the Agency shall execute to the Agency a bond in such sum and with such surety or sureties as the Agency may direct, conditioned upon the faithful performance of his or her duties to the Agency and including responsibility for negligence and for the accounting for all property, funds or securities of the Agency which may come into the hands of the officer, employee or agent.

**Section 2. Indemnification**

(a) Upon compliance by a Member or Officer of the Agency (including a former Member or Officer, the estate of a Member or Officer or a judicially appointed personal representative thereof) (referred to in this Section 2 collectively as “Member”) with the provisions of subdivision (i) of this Section 2, the Agency shall provide for the defense of the Member in any civil action or proceeding, state or federal, arising out of any alleged act or omission which occurred or allegedly occurred while the Member was acting within the scope of the public employment or duties of such Member. This duty to provide for a defense shall not arise where such civil action or proceeding is brought by or at the behest of the Agency.

(b) Subject to the conditions set forth in paragraph (a) of this subdivision, the Member shall be entitled to be represented by private counsel of the Member’s choice in any civil action or proceeding whenever the chief legal officer of the Agency or other counsel designated by the...
Agency determines that a conflict of interest exists, or whenever a court, upon appropriate motion or otherwise by a special proceeding, determines that a conflict of interest exists and that the Member is entitled to be represented by counsel of the Member’s choice, provided, however, that the chief legal officer or other counsel designated by the Agency may require, as a condition to payment of the fees and expenses of such representation, that appropriate groups of such Members be represented by the same counsel. Reasonable attorneys’ fees and litigation expenses shall be paid by the Agency to such private counsel from time to time during the pendency of the civil action or proceeding with the approval of a majority of the Members of the Agency eligible to vote thereon.

(c) Any dispute with respect to representation of multiple Members by a single counsel or the amount of litigation expenses or the reasonableness of attorneys’ fees shall be resolved by the court upon motion or by way of a special proceeding.

(d) Where the Member delivers process and a written request for a defense to the Agency under subdivision (i) of this Section 2, the Agency shall take the necessary steps on behalf of the Member to avoid entry of a default judgment pending resolution of any question pertaining to the obligation to provide for a defense.

(e) The Agency shall indemnify and save harmless its Members in the amount of any judgment obtained against such Members in a State or Federal court, or in the amount of any settlement of a claim, provided that the act or omission from which such judgment or claim arose occurred while the Member was acting within the scope of the Member’s public employment or duties; provided further that in the case of a settlement, the duty to indemnify and save harmless shall be conditioned upon the approval of the amount of settlement by a majority of the Members of the Agency eligible to vote thereon.
(f) Except as otherwise provided by law, the duty to indemnify and save harmless prescribed by this Section 2 shall not arise where the injury or damage resulted from intentional wrongdoing or recklessness on the part of the Member seeking indemnification.

(g) Nothing in this subdivision shall authorize the Agency to indemnify or save harmless any Member with respect to punitive or exemplary damages, fines or penalties; provided, however, that the Agency shall indemnify and save harmless its Members in the amount of any costs, attorneys' fees, damages, fines or penalties which may be imposed by reason of an adjudication that the Member, acting within the scope of the Member's public employment or duties, has, without willfulness or intent on the Member's part, violated a prior order, judgment, consent decree or stipulation of settlement entered in any court of the State or of the United States.

(h) Upon entry of a final judgment against the Member, or upon the settlement of the claim, the Member shall serve a copy of such judgment or settlement, personally or by certified or registered mail within thirty (30) days of the date of entry or settlement, upon the Chairman and the chief administrative officer of the Agency; and if not inconsistent with the provisions of this Section 2, the amount of such judgment or settlement shall be paid by the Agency.

(i) The duty to defend or indemnify and save harmless prescribed by this Section 2 shall be conditioned upon: (i) delivery by the Member to the Chairman of the Agency and the chief legal officer of the Agency or to its chief administrative officer of a written request to provide for such Member's defense together with the original or a copy of any summons, complaint, process, notice, demand or pleading within ten (10) days after the Member is served with such document, and (ii) the full cooperation of the Member in the defense of such action or
proceeding and in defense of any action or proceeding against the Agency based upon the same act or omission, and in the prosecution of any appeal.

(j) The benefits of this Section shall inure only to Members as defined in subdivision (a) of this Section 2 and shall not enlarge or diminish the rights of any other party.

(k) This Section 2 shall not in any way affect the obligation of any claimant to give notice to the Agency under Section 10 of the Court of Claims Act, Section 880 of the General Municipal Law, or any other provision of law.

(l) The Agency is hereby authorized and empowered to purchase insurance from any insurance company created by or under the laws of the State, or authorized by law to transact business in the State, against any liability imposed by the provisions of this Section 2, or to act as a self-insurer with respect thereto. The provisions of this Section 2 shall not be construed to impair, alter, limit or modify the rights and obligations of any insurer under any policy of insurance.

(m) All payments made under the terms of this Section 2, whether for insurance or otherwise, shall be deemed to be for a public purpose and shall be audited and paid in the same manner as other public charges.

(n) Except as otherwise specifically provided in this Section 2, the provisions of this Section 2 shall not be construed in any way to impair, alter, limit, modify, abrogate or restrict any immunity to liability available to or conferred upon any Member of the Agency by, in accordance with, or by reason of, any other provision of State or Federal statutory or common law. The benefits under this Section 2 shall supplement, and be available in addition to, defense or indemnification protection conferred by any law or enactment. This Section 2 is intended to confer upon Members of the Agency all of the benefits of Section 18 of the Public Officers Law.
and to impose upon the Agency liability for costs incurred under the provisions hereof and thereof.

Section 3. Fiscal Year

The fiscal year of the Agency shall be fixed by the Members, subject to the applicable law.

Section 4. Powers of the Agency

The Agency shall have all the powers of an Industrial Development Agency authorized by Article 18-A of the General Municipal Law and shall have the power to do all things necessary or convenient to carry out its purposes and exercise the powers authorized herein.
EXHIBIT “D”

PUBLIC HEARING RESOLUTION
RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on July 18, 2017, at 8:30 o'clock a.m. in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

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

PRESENT: William Ryan, M. Catherine Richardson, Steven Thompson, Kenneth Kinsey

EXCUSED: Donald Schoenwald

The following persons were ALSO PRESENT: Staff: Honora Spillane, Judith DeLaney, Susan Katzoff, Esq., Meghan Ryan, Esq., John Vavonese, Debra Ramsey-Burns; Others: Aggie Lane, Richard Engel, Al Gough, Alex Marion, Christopher Bianchi, Robert Smith, Kevin Caraccioli, Esq, Brian Sinsabaugh, Elnore Davis; Media: Rick Moriarty

The following resolution was offered by Steven Thompson and seconded by Kenneth Kinsey:

RESOLUTION DETERMINING THAT THE ACQUISITION, CONSTRUCTION, EQUIPPING AND COMPLETION OF A MIXED-USE COMMERCIAL FACILITY AT THE REQUEST OF THE COMPANY CONSTITUTES A PROJECT; DESCRIBING THE FINANCIAL ASSISTANCE IN CONNECTION THEREWITH; AND AUTHORIZING A PUBLIC HEARING

WHEREAS, the City of Syracuse 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 641 of the Laws of 1979 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, for the purpose of promoting 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
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, by application dated July 5, 2017 (the “Application”), Armory Boys LLC, or an entity to be formed (the “Company”), requested the Agency undertake a project (the “Project”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “SEQRA”), the Agency is required to make a determination with respect to the environmental impact of any “action” (as said quoted term is defined in SEQRA) to be taken by the Agency and the approval of the Project constitutes such an action; and

WHEREAS, the Agency has not yet made a determination under SEQRA; and

WHEREAS, the Agency has not approved undertaking the Project or granting the Financial Assistance; and

WHEREAS, the Project is located in an Empire Zone; and

WHEREAS, the Project will not be used primarily for retail sales; and

WHEREAS, the grant of Financial Assistance to the Project is subject to, among other things, the Agency finding after a public hearing pursuant to Section 859-a of the Act that the Project will serve the public purposes of the Act by promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State or increasing the overall number of permanent, private sector jobs in the State.
NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency, as follows:

(1) Based upon the representations made by the Company to the Agency, the Agency makes the following findings and determinations:

(A) The Project constitutes a “project” within the meaning of the Act; and

(B) The Financial Assistance contemplated with respect to the Project consists of assistance in the form of exemptions from real property taxes, State and local sales and use taxation and mortgage recording tax.

(2) The Agency hereby directs that pursuant to Section 859-a of the Act, a public hearing with respect to the Project and Financial Assistance shall be scheduled with notice thereof published, and such notice, as applicable, shall further be sent to affected tax jurisdictions within which the Project is located.

(3) The Secretary or the Executive Director of the Agency is hereby authorized to and may 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.

(4) A copy of this Resolution shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

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

<table>
<thead>
<tr>
<th></th>
<th>AYE</th>
<th>NAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>William Ryan</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>M. Catherine Richardson</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Steven Thompson</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Kenneth Kinsey</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

The foregoing Resolution was thereupon declared duly adopted.
I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “Agency”) held on July 18, 2017, with the original thereof on file in my office, and that the same (including all exhibits) 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.

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 set my hand and affixed the seal of the Agency this 15th day of August, 2017.

[Signature]

City of Syracuse Industrial Development Agency

Steven P. Thompson, Secretary

(SEAL)
EXHIBIT "E"

NOTICE OF PUBLIC HEARING WITH EVIDENCE OF PUBLICATION AND COPIES OF LETTERS TO AFFECTED TAX JURISDICTIONS PURSUANT TO SECTIONS 859-a OF THE ACT
NOTICE OF PUBLIC HEARING

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 City of Syracuse Industrial Development Agency (the “Agency”) on the 15th day of August, 2017, at 8:30 o’clock a.m., local time, at 233 East Washington Street, Common Council Chambers, City Hall, Syracuse, New York, in connection with the following matter:

Armory Boys LLC, a New York limited liability company, or an entity to be formed (collectively, the “Company”), requested the Agency undertake a project (the “Project”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

The Company shall be the initial owner or operator of the Project Facility.

The Agency will at the above-stated time and place hear all persons with views with respect to the proposed Financial Assistance to the Company, the proposed owner/operator, the location of the Project Facility and the nature of the Project.

A copy of the application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the office of the Agency located at 201 East Washington Street, 7th Floor, Syracuse, New York.

Dated: August 1, 2017

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
BARCLAY DAMON LLP  
LAUREN A PISTELL  
125 E JEFFERSON ST  
SYRACUSE, NY 13202  

Name: BARCLAY DAMON LLP  
Account Number: 1056027  
INV#: 0008289111  
Sales Rep: Pamela Gallagher

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<td>NOTICE OF PUBLIC HEARING</td>
<td>9999999/Armory Boys</td>
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NOTICE IS HEREBY GIVEN that  
State of New York, County of Onondaga ss. Pamela Gallagher, of the City of Syracuse, in said County, being duly sworn, doth  
depose and says: this person is the Principal Clerk in the office of THE POST-STANDARD, a public newspaper, published in the  
City of Syracuse, Onondaga County, New York and that the notice, is an accurate and true copy of the ad as printed in said  
newspaper, was printed and published in the regular edition and issue of said newspaper on the following days, viz.:  
Post-Standard 08/03/2017

Pamela Gallagher  
Principal Clerk  
An Authorized Designee of the President, Timothy R. Kennedy  
Subscribed and sworn to before me, this 3rd day of August 2017

KAREN M. MILLER BIALCZAK  
Notary Public- State of New York  
No. 01M:16334505  
Qualified in Onondaga County  
My Commission Expires: 12/31/19

FOR QUESTIONS CONCERNING THIS AFFIDAVIT,  
PLEASE CONTACT PAMELA GALLAGHER AT  
(315) 470-2051 OR Legals@Syracuse.com
NOTICE OF PUBLIC HEARING

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 City of Syracuse Industrial Development Agency (the "Agency") on the 15th day of August, 2017, at 8:30 o'clock a.m., local time, at 233 East Washington Street, Common Council Chambers, City Hall, Syracuse, New York, in connection with the following matter: Armory Boys LLC, a New York limited liability company, or an entity to be formed (collectively, the "Company"), requested the Agency undertake a project (the "Project") consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the "Land"); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the "Facility"); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "Equipment" and together with the Land and the Facility, the "Project Facility"); (b) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax, and mortgage recording tax (collectively, the "Financial Assistance"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement. The Company shall be the initial owner or operator of the Project Facility. The Agency will at the above-stated time and place hear all persons with views with respect to the proposed Financial Assistance to the Company, the proposed owner/operator, the location of the Project Facility and the nature of the Project. A copy of the application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the office of the Agency located at 201 East Washington Street, 7th Floor, Syracuse, New York. Dated: August 1, 2017 CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
August 1, 2017

VIA CERTIFIED MAIL
7016 1970 0000 3833 3009

Honorable Stephanie A. Miner
Mayor, City of Syracuse
City Hall
233 East Washington Street
Syracuse, New York 13202

VIA CERTIFIED MAIL
7016 1970 0000 3833 2996

Honorable Joanne M. Mahoney
County Executive, Onondaga County
John Mulroy Civic Center, 14th Floor
421 Montgomery Street
Syracuse, New York 13202

Re: City of Syracuse Industrial Development Agency (the “Agency”)
Armory Boys LLC (the “Company”)
Armory Boys LLC – Piper Phillips Lofts Project

Dear Mayor and County Executive:

Enclosed herewith please find a Notice of Public Hearing in relation to the above-referenced project. The proposed project (the “Project”) consists of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its
designee as an agent of the Agency in connection with the acquisition, construction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

General Municipal Law Section 859-a requires that notice of the Public Hearing be given to the chief executive officer of each affected tax jurisdiction in which the Project is located.

As stated in the notice, the public hearing is scheduled for **August 15, 2017** at 8:30 a.m. in the Common Council Chambers at City Hall.

Very truly yours,

Susan R. Katzoff

SRK/llm
Enclosure

cc: Meghan Ryan, Esq., City of Syracuse, via email (w/Enclosure)
Honora Spillane, City of Syracuse Industrial Development Agency, via email (w/Enclosure)
Judy DeLaney, City of Syracuse Industrial Development Agency, via email (w/Enclosure)
### Certification Receipt

**U.S. Postal Service**

**CERTIFIED MAIL® RECEIPT**

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**OFFICIAL USE**

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**Sent To**

BARCLAY DAMON, LLP
Barclay Damon Tower
125 East Jefferson Street
Syracuse, NY 13202

**Postmark Here**

**A. Boys**

---

**Sender:** Please print your name, address, and ZIP+4 in this box.

BARCLAY DAMON, LLP
Barclay Damon Tower
125 East Jefferson Street
Syracuse, NY 13202

**Attorney:** Lori M. Robbe
Honorable Joanne M. Mahoney  
County Executive, Onondaga County  
John Mulroy Civic Center, 14th Floor  
421 Montgomery Street  
Syracuse, New York 13202

United States Postal Service

*Sender: Please print your name, address, and ZIP+4® in this box*

BARCLAY DAMON, LLP  
Barclay Damon Tower  
125 East Jefferson Street  
Syracuse, NY 13202

Att' to: Lori McRobbie

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT  
Domestic Mail Only  
For delivery information, visit our website at www.usps.com®.
EXHIBIT “F”

SEQRA RESOLUTION
SEQRA RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on August 15, 2017 at 8:30 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

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

PRESENT: William Ryan, M. Catherine Richardson, Esq., Stephen Thompson

EXCUSED: Kenneth Kinsey, Donald Schoenwald, Esq.


The following resolution was offered by M. Catherine Richardson and seconded by Steven Thompson:

RESOLUTION CLASSIFYING A CERTAIN PROJECT AS AN UNLISTED ACTION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT, DECLARING THE AGENCY LEAD AGENCY FOR PURPOSES OF AN UNCOORDINATED REVIEW THEREUNDER AND DETERMINING THAT THE ACTION WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT

WHEREAS, the City of Syracuse 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 641 of the Laws of 1979 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, for the purpose of promoting 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

WHEREAS, Armory Boys LLC, or an entity to be formed (the “Company”), by application dated July 5, 2017 (the “Application”), requested the Agency undertake a project (the “Project”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet...
of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the "Land"); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the "Facility"); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "Equipment" and together with the Land and the Facility, the "Project Facility"); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the "Financial Assistance"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "SEQRA"), the Agency is required to make a determination with respect to the environmental impact of any "action" (as defined by SEQRA) to be taken by the Agency and the Project constitutes such an action; and

WHEREAS, to aid the Agency in determining whether the action described above may have a significant adverse impact upon the environment, an Environmental Assessment Form (the "EAF") was prepared, a copy of which is on file at the office of the Agency; and

WHEREAS, the Agency has examined and reviewed the EAF in order to classify the action and make a determination as to the potential significance of the action pursuant to SEQRA; and

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

(1) Based upon an examination of the materials provided by the Company in furtherance of the Project, the criteria contained in 6 NYCRR §617.7(c), and based further upon the Agency’s knowledge of the action and its environmental effects as the Agency has deemed appropriate, the Agency makes the following findings and determinations pursuant to SEQRA:

(a) The action constitutes an “Unlisted Action” (as said quoted term is defined in SEQRA);

(b) The Agency declares itself “Lead Agency” (as said quoted term is defined in SEQRA) with respect to an uncoordinated review pursuant to SEQRA;
(c) The action is designed to preserve the Facility and ensure its continued viability and will not have a significant effect on the environment, and the Agency hereby issues a negative declaration pursuant to SEQRA, attached hereto as Exhibit “A”, which shall be filed in the office of the Agency in a file that is readily accessible to the public.

(2) 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.

(3) This Resolution shall take effect immediately. The Secretary of the Agency is hereby authorized and directed to distribute copies of this Resolution and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

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

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<thead>
<tr>
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<th>NAY</th>
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</thead>
<tbody>
<tr>
<td>William M. Ryan</td>
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<tr>
<td>M. Catherine Richardson</td>
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<td></td>
</tr>
<tr>
<td>Steven Thompson</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

The foregoing resolution was thereupon declared duly adopted.
STATE OF NEW YORK )
COUNTY OF ONONDAGA )

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, DO HEREBY CERTIFY that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “Agency”) held on August 15, 2017, with the original thereof on file in my office, and that the same (including all exhibits) 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.

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 set my hand and affixed the seal of the Agency this 4TH day of October, 2017.

City of Syracuse Industrial Development Agency

Steven P. Thompson, Secretary

(SEAL)
Appendix B

Short Form Environmental Assessment Form

Instructions for Completing

Part 1 - Project Information. The applicant or Project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification.

Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information. The NYS DEC provides an interactive EAF form at its website http://www.dec.ny.gov/eafmapper/, which may substitute for this form.

Complete all Items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency, attach additional pages as necessary to supplement any item.

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<th>Part 1 - Project and Sponsor Information</th>
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<td>Name of Action or Project:</td>
<td>Piper Phillips Lofts</td>
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<tr>
<td>Project Location (describe, and attach a location map):</td>
<td>229-237 Fayette St W, Syracuse NY 13202</td>
</tr>
<tr>
<td>Brief Description of Proposed Action:</td>
<td>Conversion of office and retail building to residential mixed use.</td>
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<tr>
<th>Name of Applicant or Sponsor:</th>
<th>Armory Boys LLC</th>
</tr>
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<tbody>
<tr>
<td>Telephone:</td>
<td>917-848-0152</td>
</tr>
<tr>
<td>E-Mail:</td>
<td><a href="mailto:jeff@armoryboys.com">jeff@armoryboys.com</a></td>
</tr>
<tr>
<td>Address: 175 East 7th Street, Oswego NY</td>
<td></td>
</tr>
<tr>
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<td>State: NY</td>
</tr>
<tr>
<td>Zip: 13126</td>
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</table>

1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation?  
   If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.  
<table>
<thead>
<tr>
<th>NO</th>
<th>YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

2. Does the proposed action require a permit, approval or funding from any other governmental Agency?  
   If Yes, list agency(s) name and permit or approval:  
<table>
<thead>
<tr>
<th>NO</th>
<th>YES</th>
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<tbody>
<tr>
<td></td>
<td>X</td>
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</tbody>
</table>

3. a. Total acreage of the site of the proposed action?  
   Acres: ____________________________  
   b. Total acreage to be physically disturbed?  
   Acres: ____________________________  
   c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?  
   Acres: ____________________________

4. Check all land uses that occur, adjoining and near the proposed action.  
<table>
<thead>
<tr>
<th>Urban</th>
<th>Rural (non-agriculture)</th>
<th>Industrial</th>
<th>Commercial</th>
<th>Residential (suburban)</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
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<tr>
<td></td>
<td>Forest</td>
<td>Agriculture</td>
<td>Aquatic</td>
<td>Other (specify):</td>
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<tr>
<td></td>
<td>Parkland</td>
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</tbody>
</table>

SIDA Application 12
<table>
<thead>
<tr>
<th>Question</th>
<th>NO</th>
<th>YES</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Is the proposed action,</td>
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<tr>
<td>a. A permitted use under the zoning regulations?</td>
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<tr>
<td>b. Consistent with the adopted comprehensive plan?</td>
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<tr>
<td>6. Is the proposed action consistent with the predominant character of</td>
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<tr>
<td>the existing built or natural landscape?</td>
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<tr>
<td>7. Is the site of the proposed action located in, or does it adjoin, a</td>
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<tr>
<td>state listed Critical Environmental Area?</td>
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<tr>
<td>if Yes, Identify:</td>
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<tr>
<td>8. a. Will the proposed action result in a substantial increase in</td>
<td></td>
<td></td>
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<tr>
<td>traffic above present levels?</td>
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<tr>
<td>b. Are public transportation service(s) available at or near the site</td>
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<tr>
<td>of the proposed action?</td>
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<tr>
<td>c. Are any pedestrian accommodations or bicycle routes available on</td>
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<tr>
<td>or near site of the proposed action?</td>
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<tr>
<td>9. Does the proposed action meet or exceed the state energy code</td>
<td></td>
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<tr>
<td>requirements?</td>
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<tr>
<td>if the proposed action will exceed requirements, describe design</td>
<td></td>
<td></td>
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<tr>
<td>features and technologies:</td>
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<tr>
<td>10. Will the proposed action connect to an existing public/private</td>
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<tr>
<td>water supply?</td>
<td></td>
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<tr>
<td>If No, describe method for providing potable water:</td>
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<tr>
<td>11. Will the proposed action connect to existing wastewater utilities?</td>
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<tr>
<td>If No, describe method for providing wastewater treatment:</td>
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<tr>
<td>12. a. Does the site contain a structure that is listed on either the</td>
<td></td>
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<tr>
<td>State or National Register of Historic Places?</td>
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<tr>
<td>b. Is the proposed action located in an archeological sensitive area?</td>
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<tr>
<td>13. a. Does any portion of the site of the proposed action, or lands</td>
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<tr>
<td>adjoining the proposed action, contain wetlands or other waterbodies</td>
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<tr>
<td>regulated by a federal, state or local agency?</td>
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<tr>
<td>b. Would the proposed action physically alter, or encroach into, any</td>
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<tr>
<td>existing wetland or waterbody?</td>
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<tr>
<td>If Yes, Identify the wetland or waterbody and extent of alterations</td>
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<tr>
<td>in square feet or acres:</td>
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<tr>
<td>14. Identify the typical habitat types that occur on, or are likely to</td>
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<tr>
<td>be found on the project site. Check all that apply:</td>
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<tr>
<td>- Shoreline</td>
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<tr>
<td>- Forest</td>
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<td></td>
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<tr>
<td>- Agricultural/grasslands</td>
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<tr>
<td>- Early mid-successional</td>
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<td></td>
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<tr>
<td>- Wetland</td>
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<td></td>
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<tr>
<td>- Urban</td>
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<td></td>
<td></td>
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<tr>
<td>- Suburban</td>
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<tr>
<td>15. Does the site of the proposed action contain any species of animal,</td>
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<tr>
<td>or associated habitats, listed by the State or Federal government as</td>
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<tr>
<td>threatened or endangered?</td>
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<tr>
<td>16. Is the project site located in the 100-year floodplain?</td>
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<tr>
<td>17. Will the proposed action create storm water discharge, either from</td>
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<tr>
<td>point or non-point sources?</td>
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<tr>
<td>If Yes,</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>a. Will storm water discharges flow to adjacent properties?</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>b. Will storm water discharges be directed to established conveyance</td>
<td></td>
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<tr>
<td>systems (runoff and storm drains)?</td>
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<tr>
<td>If Yes, briefly describe:</td>
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</tr>
</tbody>
</table>

SIDA Application 13
18. Does the proposed action include construction or other activities that result in the impoundment of water or other liquids (e.g. retention pond, waste lagoon, dam)?
   If Yes, explain purpose and size: 

   ![Select Yes or No]

19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility?
   If Yes, describe: 

   ![Select Yes or No]

20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste?
   If Yes, describe: 

   ![Select Yes or No]

I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE

Applicant/sponsor name: Jeffrey Appel, Member
Signature: 
Date: 7/5/2017
Short Environmental Assessment Form
Part 2 - Impact Assessment

Part 2 is to be completed by the Lead Agency.
Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

<table>
<thead>
<tr>
<th>Question</th>
<th>No, or small impact may occur</th>
<th>Moderate to large impact may occur</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>2. Will the proposed action result in a change in the use or intensity of use of land?</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>3. Will the proposed action impair the character or quality of the existing community?</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>4. Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>5. Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>6. Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>7. Will the proposed action impact existing:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. public / private water supplies?</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>b. public / private wastewater treatment utilities?</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>8. Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>9. Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>10. Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>11. Will the proposed action create a hazard to environmental resources or human health?</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>
Short Environmental Assessment Form
Part 3 Determination of Significance

For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

☐ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.

☐ Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.

Syracuse Industrial Development Agency

Name of Lead Agency

William Ryan

Print or Type Name of Responsible Officer in Lead Agency

Signature of Responsible Officer in Lead Agency

Title of Responsible Officer

Signature of Preparer (if different from Responsible Officer)

Date: 8-15-17
EXHIBIT "G"

INDUCEMENT RESOLUTION
INDUCEMENT RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on August 15, 2017 at 8:30 o’clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

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

PRESENT: William Ryan, M. Catherine Richardson, Esq., Stephen Thompson

EXCUSED: Kenneth Kinsey, Donald Schoenwald, Esq.

THE FOLLOWING PERSONS WERE ALSO PRESENT: Staff Present: Honora Spillane, Susan Katzoff, Esq., Judith DeLaney, Debra Ramsey-Burns, John Vavonese; Others Present: Lauryn LaBourde, Ploy Chapman, Mitch Latimer, Tom Iorizzo, Jim Mason, Aggie Lane, Timothy Lynn, Esq., Jeffrey Appel, Methin Chutinthranond, Kevin Caraccioli, Esq.

The following resolution was offered by Steven Thompson and seconded by M. Catherine Richardson:


WHEREAS, the City of Syracuse 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 641 of the Laws of 1979 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, 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 acquire, lease and sell real property and grant financial assistance in connection
with one or more “projects” (as defined in the Act); and

WHEREAS, Armory Boys LLC, a New York limited liability company authorized to do
business in the State of New York, or an entity to be formed (the “Company”), by application
dated July 5, 2017 (the “Application”), requested the Agency undertake a project (the “Project”)
consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved
real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the
“Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot
building for mixed-use consisting of approximately 4,000 square feet of usable space on the first
floor for retail space and approximately 12,000 square feet comprised of approximately nine (9)
one-bedroom units on the second and third floor; all located on the Land (collectively, the
“Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture,
fixtures and equipment (the “Equipment” and together with the Land and the Facility, the
“Project Facility”); (B) the granting of certain financial assistance in the form of exemptions
from State and local sales and use tax and mortgage recording tax (except as limited by Section
874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the
appointment of the Company or its designee as an agent of the Agency in connection with the
acquisition, reconstruction, equipping and completion of the Project Facility; and (D) the lease of
the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an
interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the
sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Agency adopted a resolution on July 18, 2017, describing the Project
and the proposed financial assistance and authorizing a public hearing (“Public Hearing
Resolution”); and

WHEREAS, the Agency conducted a public hearing with respect to the Project and the
proposed Financial Assistance on August 15, 2017 pursuant to Section 859-a of the Act, notice
of which was originally published on August 3, 2017, in the Post-Standard, a newspaper of
general circulation in the City of Syracuse, New York and given to the chief executive officers of
the affected tax jurisdictions by letters dated August 1, 2017; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State
of New York, as amended, and the regulations of the Department of Environmental Conservation
of the State of New York promulgated thereunder (collectively referred to hereinafter as
“SEQRA”), the Agency is required to make a determination whether the “action” (as said quoted
term is defined in SEQRA) to be taken by the Agency may have a “significant impact on the
environment” (as said quoted term is utilized in SEQRA), and the preliminary agreement of the
Agency to undertake the Project constitutes such an action; and

WHEREAS, by resolution adopted August 15, 2017 (the “SEQRA Resolution”), the Agency determined that the Project constitutes an “Unlisted Action” as defined under SEQRA and will not have a significant adverse effect on the environment and issued a negative declaration; and

WHEREAS, the Agency has considered the policy, purposes and requirements of the Act in making its determinations with respect to taking official action regarding the Project; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that the provision of Financial Assistance: (i) will induce the Company to develop the Project Facility in the City of Syracuse (the “City”); (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or 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, except as may be permitted by the Act; and (iii) the Project will serve the purposes of the Act by advancing job opportunities and the economic welfare of the people of the State and the City and improve their standard of living.

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

Section 1. It is the policy of the State to promote the economic welfare, recreation 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, 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 and projections made by the Company to the Agency, the Agency hereby and makes the following determinations:

(A) Ratifies the findings in its Public Hearing Resolution and SEQRA Resolution;

(B) The Project constitutes a “project” within the meaning of the Act;

(C) The acquisition of a controlling interest in the Project Facility by the Agency and the designation of the Company as the Agency’s agent for completion of the Project will be an inducement to the Company to acquire, construct, reconstruct, renovate, equip and complete the Project Facility in the City, and will serve the purposes of the Act by, among other things, advancing job opportunities, the standard of living and economic welfare of the
inhabitants of the City;

(D) The Project will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or result 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, except as may be permitted by the Act;

(E) The Project is located in a "Highly Distressed Area" as defined in Section 854(18) of the Act.

Section 3. As a condition of the appointment of the Company as the agent of the Agency, and the conference of any approved Financial Assistance, the Company and the Agency shall first execute and deliver a project agreement in substantially the same form used by the Agency in similar transactions (the "Project Agreement"). The Chairman or Vice Chairman of the Agency are each hereby authorized, on behalf of the Agency, to execute and deliver the Project Agreement, with changes in terms and form as shall be consistent with this Resolution and as the Chairman or Vice Chairman shall approve. The execution thereof by the Chairman or Vice Chairman shall constitute conclusive evidence of such approval. Subject to the due execution and delivery by the Company of the Agreement (as defined herein), the Project Agreement, the satisfaction of the conditions of this Resolution, the Agreement, the Project Agreement and the payment by the Company of any attendant fees, the Company and its designees, are appointed the true and lawful agent of the Agency to proceed with the reconstruction, renovation, equipping and completion of the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf. The amount of State and local sales and use tax exemption benefits comprising the Financial Assistance approved herein shall not exceed $60,000.

Section 4. As a further condition to the extension of State and local sales and use tax exemption benefits, and the Company’s appointment as provided herein, the Company agrees to execute an agreement with the Agency setting forth the preliminary undertakings of the Agency and the Company with respect to the Project. The form and substance of the proposed agreement (as set forth as on Exhibit “A” attached hereto and presented at this meeting) (the “Agreement") are hereby approved. The Chairman or Vice Chairman of the Agency are each 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 “A”, with changes in terms and form as shall be consistent with this Resolution and as the Chairman or Vice Chairman shall approve. The execution thereof by the Chairman or Vice Chairman shall constitute conclusive evidence of such approval.

Section 5. Subject to the terms of this Resolution and the execution and delivery of, and the conditions set forth in, the Agreement and the Project Agreement the Agency will: (i) acquire an interest in the Land and Facility pursuant to a lease agreement (the “Lease”) to be
entered into between the Company and the Agency; accept an interest in the Equipment pursuant to a bill of sale from the Company (the "Bill of Sale"); (ii) sublease the Project Facility to the Company pursuant to a sublease agreement (the "Sublease" and with the Lease and the Bill of Sale, the "Lease Documents") to be entered into between the Agency and the Company; (iii) grant the approved Financial Assistance; and (iv) provided that no default shall have occurred and be continuing under the Agreement (as defined herein) and provided the Company has executed and delivered all documents and certificates required by the Agency in conjunction with the Agency's undertaking of the Project, execute and deliver all other certificates and documents necessary or appropriate for the grant of the approved Financial Assistance or requested by the Agency, in form and substance acceptable to the Agency.

Section 6. The terms and conditions of subdivision 3 of Section 875 of the Act are herein incorporated by reference and the Company shall agree to such terms as a condition precedent to receiving or benefiting from an exemption from State and local sales and use tax exemptions benefits.

Section 7. The Company may utilize, and subject to the terms of this Resolution, the Agreement and the Project Agreement, is hereby authorized to appoint, a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, "Additional Agents") to proceed with the reconstruction, renovation, equipping and completion of the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf, provided the Company execute, deliver and comply with the Agreement. The Company shall provide, or cause its Additional Agents to provide, and the Agency shall maintain, records of the amount of State and local sales and use tax exemption benefits provided to the Project and the Company shall, and cause each Additional Agent, to make such records available to the State Commissioner of Taxation and Finance (the "Commissioner") upon request. The Agency shall, within thirty (30) days of providing any State sales and use tax exemption benefits, report to the Commissioner the amount of such benefits for the Project, identifying the Project, along with any such other information and specificity as the Commissioner may prescribe. As a condition precedent to the Company or Project's receipt of, or benefit from, any State or local sales and use tax exemptions, the Company must acknowledge and agree to make, or cause its Additional Agents to make, all records and information regarding State and local sales and use tax exemption benefits realized by the Project available to the Agency or its designee upon request. For purposes of exemption from New York State (the "State") sales and use taxation as part of the Financial Assistance requested, "sales and use taxation" shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the New York State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

Section 8. The Chairman and/or Vice Chairman of the Agency, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and
expenses, to make such other changes, omissions, insertions, revisions, or amendments to the
documents referred herein and to do and cause to be done any such other acts and things, as they
determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the
transactions contemplated by this Resolution and the Agreement.

Section 9. The obligation of the Agency to consummate any transaction
contemplated herein or hereby is subject to and conditioned upon the Agency’s approval of the
Financial Assistance and the Company’s execution and delivery of, among other things, the
Agreement, the Project Agreement and an Environmental Compliance and Indemnification
Agreement in favor of the Agency in form and substance acceptable to the Agency and its
counsel, in the discretion of the Chairman and/or Vice Chairman of the Agency.

Section 10. No covenant, stipulation, obligation or agreement contained in this
resolution or any document referred to herein shall be deemed to be the covenant, stipulation,
obligation or agreement of any member, officer, agent or employee of the Agency in his or her
individual capacity. Neither the members nor officers of the Agency, nor any person executing
any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to
any personal liability or accountability by reason of the execution or delivery thereof.

Section 11. Should the Agency’s participation in the Project, or the appointments
made in accordance herewith, be challenged by any party, in the courts or otherwise, the
Company shall defend, indemnify and hold harmless the Agency and its members, officers and
employees from any and all losses arising from any such challenge including, but not limited to,
the fees and disbursement of the Agency’s counsel. Should any court of competent jurisdiction
determine that the Agency is not authorized under the Act to participate in the Project, this
Resolution shall automatically become null, void and of no further force and effect, and the
Agency shall have no liability to the Company hereunder or otherwise.

Section 12. Barclay Damon LLP, as counsel to the Agency, is hereby authorized to
work with the Company and others to prepare for submission to the Agency, all documents
necessary to effect the grant of Financial Assistance and consummate the Lease Documents.

Section 13. The Secretary and/or the Executive Director of the Agency are hereby
authorized and may distribute copies of this Resolution and do such further things or perform
such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 14. This Resolution shall take effect immediately. 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.
The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

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<thead>
<tr>
<th>AYE</th>
<th>NAY</th>
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</thead>
<tbody>
<tr>
<td>William M. Ryan</td>
<td>X</td>
</tr>
<tr>
<td>M. Catherine Richardson</td>
<td>X</td>
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<tr>
<td>Steven Thompson</td>
<td>X</td>
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</tbody>
</table>

The foregoing Resolution was thereupon declared duly adopted.
I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, DO HEREBY CERTIFY that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the "Agency") held on August 15, 2017, with the original thereof on file in my office, and that the same (including all exhibits) 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.

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 set my hand and affixed the seal of the Agency this 31st day of October, 2017.

City of Syracuse Industrial Development Agency

Steven P. Thompson, Secretary

(SEAL)
AGENCY/COMPANY AGREEMENT

THIS AGREEMENT is between CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY (the “Agency”), with an office at 201 East Washington Street, 7th Floor, Syracuse, New York 13202 and ARMORY BOYS LLC, with a mailing address of 33 Church Street, Montclair, New Jersey 07042 (the “Company”).

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

1.01. The 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, and Chapter 641 of the Laws of 1979 of the State (collectively, the “Act”) to designate an agent for constructing, renovating and equipping “projects” (as defined in the Act).

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 acquire and dispose of interests in real property and to appoint agents for the purpose of completion of projects undertaken by the Agency.

1.03. The Company, by application dated July 5, 2017 (the “Application”), requested the Agency undertake a project (the “Project”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and completion of the
Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

1.03(a). All documents necessary to effectuate the Agency’s undertaking of the Project and the granting of the Financial Assistance between the Agency and the Company, including but not limited to, a project agreement, a company lease, an agency lease, a bill of sale and an environmental compliance and indemnification agreement, shall be collectively referred to herein as the “Lease Documents”.

1.04. The Company hereby represents to the Agency that undertaking the Project, the designation of the Company as the Agency’s agent for the reconstruction, renovation, equipping and completion of the Project Facility, and the use and appointment, as necessary, by the Company of a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, “Additional Agents”): (i) will be an inducement to it to construct, reconstruct, renovate and equip the Project Facility in the City of Syracuse (the “City”); (ii) will not result in the removal of a 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 or in the abandonment of one or more plants or facilities of the Company or of any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) undertaking the Project Facility will promote, create and/or preserve private sector jobs in the State. The Company hereby further represents to the Agency that the Project Facility is not primarily used in making retail sales to customers who personally visit the Facility.

1.05. The Agency has determined that the acquisition of a controlling interest in, and the reconstruction, renovation and equipping of the Project Facility and the subleasing of the same to the Company will promote and further the purposes of the Act.

1.06. On August 15, 2017, the Agency adopted a resolution (the “Inducement Resolution”) agreeing, subject to the satisfaction of all conditions precedent set forth in such Resolution, to designate the Company as the Agency’s agent for the acquisition, reconstruction, renovation and equipping of the Project Facility and determining that the leasing of the same to the Company will promote further purposes of the Act. For purposes of that designation, the Agency authorized as part of the approved Financial Assistance, State and local sales and use tax exemption benefits in an amount not exceed $60,000.

1.07. In the Resolution, subject to the execution of, and compliance with, this Agreement by the Company, the execution and delivery of a project agreement by the Company, and other conditions set forth in the Resolution and herein, the Agency appointed the Company as its agent for the purposes of reconstruction, renovation and equipping the Project Facility, entering into contracts and doing all things requisite and proper for reconstruction, renovation and equipping the Project Facility.
Article 2. Undertakings on the Part of the Agency. Based upon the statement, representations and undertakings of the Company and subject to the conditions set forth herein, the Agency agrees as follows:

2.01. The Agency confirms that it has authorized and designated, pursuant to the terms hereof, the Company as the Agency’s agent for constructing, reconstruction, renovation and equipping the Project Facility.

2.02. The Agency will adopt such proceedings and authorize the execution of such Agency documents as may be necessary or advisable for: (i) acquisition of a controlling interest in the Project Facility; (ii) designation by the Company of Additional Agents for reconstruction, renovation and equipping of the Project Facility subject to the terms hereof; and (iii) the leasing or 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. Nothing contained in this Agreement shall require the Agency to apply its funds to Project costs.

2.04. After satisfying the conditions precedent set forth in the Sections 2.05, 3.06 and 4.02 hereof and in the Inducement Resolution, the Company may proceed with the reconstruction, renovation and equipping of the Project Facility and the utilization of and, as necessary the appointment of, Additional Agents.

2.05. Subject to the execution of the Lease Documents and Section 4.02 hereof, the Company is appointed the true and lawful agent of the Agency: (i) for the reconstruction and equipping of the Project Facility; and (ii) 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, renovation 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.

2.06. The Agency will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof. The Agency may in accordance with Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “SEQRA”), undertake supplemental review of the Project. Such review to be limited to specific significant adverse environmental impacts not addressed or inadequately addressed in the Agency’s review under SEQRA that arise from changes in the proposed Project, newly discovered information or a change in the circumstances related to the Project.

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. (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 of a controlling interest in, and reconstruction, renovation 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), whether such claims or liabilities arise as a result of the Company or Additional Agents acting as agent for the Agency pursuant to this Agreement or otherwise.

(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, renovation 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 Facility, 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 Company shall defend, indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on the non-disclosure of information, if any, requested by the Company in accordance with Section 4.05 hereof.

(e) 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.

(f) The Company shall provide and carry: (i) worker's compensation and disability insurance as required by law; and (ii) comprehensive liability and property insurance with such coverages (including without limitation, owner's protective coverage for the benefit of the Agency, naming the Agency as an additional insured on all policies of coverage regarding the Project; providing the coverage with respect to the Agency be primary and non-contributory; and contractual coverage covering the indemnities herein provided for), with such limits and which such companies as may be approved by the Agency. Upon the request of the Agency, the Company shall provide certificates, endorsements, binders and/or policies of insurance in form satisfactory to the Agency evidencing such insurance.

(g) The Company shall apply and diligently pursue all approvals, permits and...
consents from the State of New York, the City, the City Planning Commission and any other governmental authority which approvals, permits and consents are required under applicable law for the development, reconstruction, renovation and equipping of the Project and any related site improvements. The Company acknowledges and agrees that the Agency’s findings and determinations under SEQRA do not and shall not in and of themselves (except as specifically set forth in SEQRA) satisfy or be deemed to satisfy applicable laws, regulations, rules and procedural requirements applicable to such approvals, permits and consents.

(h) The Company shall complete a Contractor Status Report to be obtained from the City of Syracuse Industrial Development Agency and agrees to utilize, and cause its Additional Agents to utilize, local contractors and suppliers for the reconstruction, renovation, equipping and completion of the Project unless a waiver is received from the Agency in writing. For purposes of this Agency Agreement, the term “Local” shall mean Onondaga, Oswego, Oneida, Madison, Cayuga and Cortland Counties. The Company agrees that such Local contractors shall be provided the opportunity to bid on contracts related to the Project Facility.

3.02. The Company agrees that, as agent for the Agency or otherwise, it will comply at the Company’s sole cost and expense with all the requirements of all federal, state and local laws, rules and regulations of whatever kind and howsoever denominated applicable to the Agency and/or Company with respect to the Project Facility, the acquisition of a controlling interest therein, reconstruction, renovation and equipping thereof, the operation and maintenance of the Project Facility, supplemental review of adverse environmental impacts in accordance with SEQRA and the financing of the Project. Every provision required by law to be inserted herein shall be deemed to be set forth herein as if set forth in full, including, but not limited to, Section 875 of the Act; and upon the request of either party, this Agreement shall be amended to specifically set forth any such provision or provisions.

3.03. The Company agrees that, as agent for the Agency or otherwise, 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 the requirements of Section 220 of the Labor Law of the State of New York, as amended.

3.04. 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.

3.05. 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 or 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.

3.06 The Company shall proceed with the acquisition, reconstruction, renovation, equipping and completion of the Project Facility and advance such funds as may be necessary to
accomplish such purposes. The Company may appoint Additional Agents as agents of the Agency in furtherance thereof. Any appointment of an Additional Agent is conditioned upon the Company first obtaining and providing the Agency the following:

(1) A written, executed agreement, in form and substance acceptable to the Agency, from each Additional Agent which provides for the assumption by the Additional Agent, for itself, certain of the obligations under this Agreement relative to the appointment, work and purchases done and made by each Additional Agent; (ii) a commitment to utilize local contractors and suppliers for the reconstruction, renovation and equipping of the Project ("local" being defined in Section 3.01(h) hereof); (iii) an acknowledgement that the Additional Agent is obligated, to timely provide the Company with the necessary information to permit the Company, pursuant to General Municipal Law §874(8), to timely file an Annual Statement with the Agency and the New York State Department of Taxation and Finance on “Annual Report of Sales and Use Tax Exemptions” (Form ST-340) regarding the value of sales and use tax exemptions the Additional Agent claimed pursuant to the agency conferred on it by the Company with respect to this Project; (iv) an acknowledgment by the Additional Agent that the failure to comply with the foregoing will result in the loss of the exemption; and (v) such other terms and conditions as the Agency deems necessary; and

(2) A completed “IDA Appointment of Project Operator or Agent for Sales Tax Purposes” (Form ST-60) for each Additional Agent appointed within fifteen (15) days of the appointment of each Additional Agent such that the Agency can execute and deliver said form to the State Department of Taxation and Finance within thirty (30) days of appointment of each such Additional Agent.

Failure of the Company to comply with the foregoing shall nullify the appointment of any Additional Agent and may result in the loss of the Company’s exemption with respect to the Project at the sole discretion of the Agency.

The Company acknowledges that the assumption by the Additional Agent in accordance with Section 3.06(1) above, does not relieve the Company of its obligations under those provisions or any other provisions of this Agreement with respect to the Project.

3.07 The Company ratifies and confirms its obligations to pay an annual administrative reporting fee in accordance with the Agency’s fee schedule to cover administrative and reporting requirements to comply with New York State reporting regulations on Agency assisted projects.

**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 4.04 hereof, shall remain in effect until the Lease Documents become effective. It is the intent of the Agency and the Company that, except as to those provisions that survive, this Agreement be superseded in its entirety by the Lease Documents.

4.02. (a) It is understood and agreed by the Agency and the Company that the grant
of Financial Assistance and the execution of the Lease Documents and related documents are subject to: (i) payment by the Company of the Agency’s fee and Agency’s counsel fees; (ii) obtaining all necessary governmental approvals, permits and consents of any kind required in connection with the Project Facility; (iii) approval by the members of the Agency; (iv) approval by the Company; and (v) 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; and

(b) the Company, by executing this agreement, acknowledges and agrees to make, or cause its Additional Agents, to make, all records and information regarding State and local sales and use tax exemption benefits given to the Project as part of the Financial Assistance available to the Agency upon request, including but not limited to the Form ST-340 for itself and each Additional Agent; and

(c) the Company, by executing this Agreement, acknowledges and agrees to the terms and conditions of Section 875(3) of the Act as if such section were fully set forth herein and further agrees to cause all of its Additional Agents to acknowledge, agree and consent to same. Without limiting the scope of the foregoing the Company acknowledges that pursuant to Section 875(3) of the Act, and in accordance with the Agency’s Recapture of Benefits Policy, the Agency shall, and in some instances may, recover, recapture, receive or otherwise obtain from the Company some or all of the Financial Assistance (the “Recapture Amount”) including, but not limited to: (1) (a) that portion of the State and local sales and use tax exemption to which the Company was not entitled, which is in excess of the amount of the State and local sales and use tax exemption authorized by the Agency or which is for property or services not authorized by the Agency; or (b) the full amount of such State and local sales and use tax exemption, if the Company fails to comply with a material term or condition regarding the use of the property or services as represented to the Agency in its Application or otherwise; or (c) the full amount of such State and local sales and use tax exemption in the event the Company fails to execute and deliver the Lease Documents in accordance herewith or fails to complete the Project; and (2) any interest or penalties thereon imposed by the Agency or by operation of law or by judicial order or otherwise; and (d) the failure of the Company to promptly pay such Recapture Amount to the Agency will be grounds for the Commissioner to collect sales and use taxes from the Company under Article 28 of the State Tax Law, together with interest and penalties. In addition to the foregoing, the Company acknowledges and agrees that for purposes of exemption from New York State (the “State”) sales and use taxation as part of the Financial Assistance requested, “sales and use taxation” shall mean sales and compensating use taxes imposed by article twenty-eight or twenty-eight-A of the New York State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight. In addition to the foregoing, the Agency may recapture other benefits comprising the Financial Assistance in accordance with the Agency’s Recapture Policy (a copy of which is on the Agency’s website).

4.03. The Company agrees that it will, within thirty (30) days of a written request for same, regardless of whether or not this matter closes or the Project Facility is completed: (i) reimburse the Agency for all reasonable and necessary expenses, including without limitation
the fees and expenses of counsel to the Agency arising from, out of or in connection with the
Project, and/or any documents executed in connection therewith, including, but not limited to any
claims or actions taken by the Agency against the Company, Additional Agents or third parties;
and (ii) 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, including but not limited to, any obligations related to Additional Agents.

4.04. If for any reason the Lease Documents are not executed and delivered by the
Company and the Agency on or before August 15, 2018, the provisions of this Agreement (other
than the provisions of Articles 1.04, 2.02, 2.04, 3.01, 3.02, 3.03, 3.05, 3.06, 4.02, 4.03, 4.04, 4.05
and 4.06, 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 incurred by
the Agency in connection with the acquisition, reconstruction, renovation and equipping of the
Project Facility;

(b) The Company shall assume and be responsible for any contracts for
the 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 and counsel for the Agency incurred in connection with the Project Facility and will
pay the fees of counsel for the Agency for legal services relating to the Project Facility, Additional Agents or the proposed financing thereof.

4.05. The Company acknowledges that Section 875(7) of the New York General
Municipal Law ("GML") requires the Agency to post on its website all resolutions and
agreements relating to the Company’s appointment as an agent of the Agency or otherwise
related to the Project, including this Agreement; and Article 6 of the New York Public
Officers Law declares that all records in the possession of the Agency (with certain limited
exceptions) are open to public inspection and copying. If the Company feels that there are
elements of the Project or information about the Company in the Agency’s possession
which are in the nature of trade secrets or information, the nature of which is such that if
disclosed to the public or otherwise widely disseminated would cause substantial injury to
the Company’s competitive position, the Company must identify such elements in writing,
supply same to the Agency: (i) with respect to this Agreement, prior to or
contemporaneously with the execution hereof; and (ii) with respect to all other agreements
executed in connection with the Project, on or before the Closing Date, and request that
such elements be kept confidential in accordance with Article 6 of the Public Officers Law. Failure to do so will result in the posting by the Agency of all information in accordance with Section 875 of the GML.

4.06 That every controversy, dispute or claim arising out of or relating to this
Agreement shall be governed by the laws of the State of New York, without regard to its conflict-of-laws provisions that if applied might require the application of the laws of another jurisdiction; and that the Company irrevocably and expressly submits to the exclusive personal jurisdiction of the Supreme Court of the State of New York and the United States District Court for the Northern District of New York, to the exclusion of all other courts, for the purposes of litigating every controversy, dispute or claim arising out of or relating to this Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the 15th day of August, 2017.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: ________________________________
    William M. Ryan, Chairman

ARMORY BOYS LLC

By: ________________________________
Name: ______________________________
Title: ______________________________
EXHIBIT “H”

FINAL APPROVING RESOLUTION
FINAL APPROVING RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on August 15, 2017 at 8:30 o’clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

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

PRESENT: William Ryan, M. Catherine Richardson, Esq., Stephen Thompson

EXCUSED: Kenneth Kinsey, Donald Schoenwald, Esq.


The following resolution was offered by M. Catherine Richardson and seconded by Steven Thompson:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A COMMERCIAL PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY

WHEREAS, the City of Syracuse 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 641 of the Laws of 1979 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, for the purpose of promoting 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

WHEREAS, Armory Boys LLC, or an entity to be formed (the “Company”), by application dated July 5, 2017 (the “Application”), requested the Agency undertake a project (the “Project”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one- bedroom units on the second and third floor; all located on the Land (collectively, the
“Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (except as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on August 15, 2017 pursuant to Section 859-a of the Act, notice of which was originally published on August 3, 2017, in the Post-Standard, a newspaper of general circulation in the City of Syracuse, New York and given to the chief executive officers of the affected tax jurisdictions by letters dated August 1, 2017; and

WHEREAS, pursuant to Article 8 of the State Environmental Conservation Law, as amended and the regulations promulgated thereunder (collectively “SEQRA”), the Agency is required to make a determination with respect to the environmental impact of any “action” (as defined by SEQRA) to be taken by the Agency and the approval of the Project and grant of Financial Assistance constitute such an action; and

WHEREAS, the Agency adopted a resolution on August 15, 2017 (the “SEQRA Resolution”) entitled:

RESOLUTION CLASSIFYING A CERTAIN PROJECT AS AN UNLISTED ACTION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT AND DETERMINING THAT THE ACTION WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT

which resolution is in full force and effect and has not been amended or modified; and

WHEREAS, the Agency adopted a resolution on August 15, 2017 (the “Inducement Resolution”) entitled:

AUTHORIZING THE EXECUTION AND DELIVERY OF
AN AGREEMENT BETWEEN THE AGENCY AND THE
COMPANY

which resolution is in full force and effect and has not been amended or modified; and

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

Section 1. Based upon the representations made by the Company to the Agency and
after consideration of the comments received at the public hearing, if any, the Agency hereby
ratifies all of its prior resolutions adopted in conjunction with the Project, including but not
limited to the SEQRA Resolution, the Inducement Resolution and all other action with respect to
the Project and Financial Assistance taken by the Agency, and makes the following findings and
determinations:

(a) The acquisition of a controlling interest in the Project Facility by the
Agency, the granting of the Financial Assistance and the designation of the Company as the
Agency’s agent for completion of the Project will be an inducement to, and permit, the Company
to develop and operate the Project Facility in the City of Syracuse, thus serving the public
purposes of Article 18-A of the General Municipal Law of New York State by promoting and
preserving the job opportunities, general prosperity, health and economic welfare of the
inhabitants of the City of Syracuse (the “City”) in furtherance of the purposes of the Act.

(b) The Project will not result in the removal of a commercial, industrial or
manufacturing plant or facility of the Company or any other proposed occupant of the Project
Facility from one area of the State to another area of the State or result 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, except as may be permitted by the Act.

(c) The commitment of the Agency to provide Financial Assistance to the
Company will enable and induce the Company to construct, renovate, equip and complete the
Project Facility.

(d) The acquisition, reconstruction, renovation, equipping and completion of
the Project Facility and the attendant promotion of the local economy will advance the job
opportunities, health, prosperity and economic welfare of the people of the City and the granting
of the Financial Assistance is a necessary component to the financing of the Project.

(e) The Project Facility constitutes a “project” within the meaning of the Act.

(f) The Project is located in a “Highly Distressed Area” as defined in Section
854(18) of the Act.

3
It is desirable and in the public interest for the Agency to grant Financial Assistance in connection with the Project.

Section 2. It is the policy of the State to promote the economic welfare, recreation 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. The Project will serve the public purposes of Article 18-A of the General Municipal Law of the State of New York by advancing job opportunities and promoting economic development.

Section 3. 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 4. Subject to the conditions set forth in this and prior resolutions adopted by the Agency, the Project Agreement, and the Agreement (each as defined in the Inducement Resolution), the Agency will: (A) acquire a controlling interest in the Project Facility; (B) lease the Land and Facility from the Company pursuant to a lease agreement between the Agency and the Company (the “Company Lease”); acquire an interest in the Equipment pursuant to a bill of sale from the Company (the “Bill of Sale”); and sublease the Project Facility to the Company pursuant to a sublease agreement (the “Agency Lease”); (C) secure the Company’s borrowings with respect to the Project Facility by joining in one or more construction or permanent mortgages on the Project Facility in favor of the Company’s lenders(s); (D) provide the approved Financial Assistance; and (E) execute and deliver any other documents necessary to effectuate the actions contemplated by and consistent with this Resolution upon the advice of counsel to the Agency.

Section 5. The Chairman, Vice Chairman and any authorized representative of the Agency, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified in Section 4 of this Resolution as well as the Lease Documents (as defined in the Inducement Resolution) and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Section 4 of this Resolution and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution.

Section 6. The Agency’s participation in any of the documents referenced herein and in the Inducement Resolution, or the granting of the approved Financial Assistance, is contingent upon counsel for the Agency’s review and the Chairman or Vice Chairman’s approval of, all documents requested or required by the Agency in connection with the Project Facility, as well as the Company’s execution of the Agreement (as defined in the Inducement Resolution)
and all other documents required by the Agency to effectuate the intent of this Resolution and as required in similar transactions.

**Section 7.** No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. *Neither* the members nor officers of the Agency, nor any person executing *any* documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

**Section 8.** Barclay Damon LLP, as counsel to the Agency, is hereby authorized to work with the Company and others to prepare, for submission to the Chairman and/or Vice Chairman, all documents necessary to effect the undertaking of the Project and the grant of Financial Assistance in connection with the Project.

**Section 9.** The approvals provided for herein are contingent upon the Company’s payment of all of the Agency’s fees and costs, including but not limited to attorneys fees.

**Section 10.** The Secretary and/or Executive Director of the Agency is hereby authorized to distribute copies of this Resolution and do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

**Section 11.** This Resolution shall take effect immediately. 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.

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

<table>
<thead>
<tr>
<th></th>
<th>AYE</th>
<th>NAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>William M. Ryan</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>M. Catherine Richardson</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Steven Thompson</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

The foregoing Resolution was thereupon declared duly adopted.
STATE OF NEW YORK  )
COUNTY OF ONONDAGA  )

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, DO HEREBY CERTIFY that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the "Agency") held on August 15, 2017, with the original thereof on file in my office, and that the same (including all exhibits) 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.

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 set my hand and affixed the seal of the Agency this 4th day of October, 2017.

City of Syracuse Industrial Development Agency

Steven P. Thompson, Secretary

(S E A L)
WILLIAM M. RYAN, being duly sworn, deposes and says:

He is Chairman of the City of Syracuse Industrial Development Agency (the “Agency”).

The Agency is an industrial development agency duly established under Title I of Article 18-A of the General Municipal Law of the State of New York (the “State”), as amended, and Chapter 641 of the Laws of 1979 of the State (collectively, the “Act”), and it is a corporate governmental agency constituting a public benefit corporation of the State.

On or about August 15, 2017 the Agency adopted a resolution at the request of Armory Boys LLC (the “Applicant” and/or “Company”) agreeing to undertake a project (the “Project”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Original Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

In addition to the foregoing, the Agency is also taking an interest in certain property adjacent to the Project Facility located at 120-124 Walton Street, Syracuse, New York (the “Adjacent Land” and together with the Original Land, the “Land”).

The Company and the Agency are mortgageing their respective interests in the improved real property described on Exhibit “A” to: Empower Federal Credit Union (the “Mortgagee”), pursuant to a certain Mortgage dated October 5, 2017 in the amount of $1,550,000 (the “Mortgage”). The Mortgage is pledged to secure a note given by the Company to the Mortgagee.

Pursuant to Article 18-A of the New York General Municipal Law, as amended from time to time (the “Act”), the Agency is regarded as performing a governmental function and is
generally not required to pay taxes or assessments upon any property acquired by it or under its jurisdiction, control or supervision or upon its activities.

Deponent submits that no mortgage tax, other than as may be required in Section 874(1) of the Act and Section 252(2) of the Tax Law of the State of New York with respect to the portion of the tax allocable to the Central New York Regional Transportation District, should be imposed upon the Mortgage, insomuch as the Mortgage is being executed and delivered under the State authority creating the Agency, insomuch as the use by the Agency of its powers to secure the payment of principal and interest on the loan is deemed by Article 18-A public purpose essential to the public interest, and insomuch as both the New York State Department of Taxation and Finance and Counsel to the New York State Department of Taxation and Finance have expressed their opinion that the recording of similar documents by similar agencies organized under Article 18-A of the New York General Municipal Law are operations of said agencies entitled to exemption from the mortgage recording tax.
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

By: William M. Ryan, Chairman

Subscribed and sworn to before me this 51st day of October, 2017.

LORI L. McROBBIE
Notary Public

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC3055591
Commission Expires on Feb. 12, 2019
GENERAL CERTIFICATE OF

ARMORY BOYS LLC

This certificate is made in connection with the execution by Armory Boys LLC, a New York State limited liability company (the “Company”) of the Project Agreement, the Company Lease, the Agency Lease, the Mortgage, the Environmental Compliance and Indemnification Agreement and any other document now or hereafter executed by the Company in connection with the City of Syracuse Industrial Development Agency (the “Agency”) agreeing, at the Company’s request, to undertake a project (the “Project”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

The Land and the Facility are connected to an adjacent building located at 120-124 Walton Street, Syracuse, New York (the land and building collectively referred to as the “Adjacent Building”) which is also owned by the Company. The Mortgagee is requiring the Company grant a Mortgage on both the Project Facility as well as the Adjacent Building as collateral for the Note.

The Project Facility and the Adjacent Building is owned by the Company. The Company will lease the Land, the Facility and the Adjacent Building to the Agency pursuant to a Company Lease Agreement dated as of October 1, 2017 (the “Company Lease”) and transfer its interest in the Equipment to the Agency pursuant to a bill of sale dated as of October 1, 2017 (the “Bill of Sale”) and the Agency will sublease the Project Facility and the Adjacent Building back to the Company pursuant to an Agency Lease Agreement dated as of October 1, 2017 (the “Agency Lease”).

Capitalized terms used herein which are not otherwise defined herein shall have the meanings ascribed to such terms in the Agency Lease, except that, for purposes of this certificate: (A) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this Certificate and not as of any future date; and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate and not as of any future date or to any successor or assign.
The undersigned does hereby certify as follows:

1. Attached hereto as Exhibit “A” is a true, correct and complete copy of the Articles of Organization of the Company and any amendments thereto filed with the New York State Secretary of State with proof of publication thereof attached thereto, which Articles (including any amendments) are in full force and effect on the date hereof.

2. Attached hereto as Exhibit “B” is a true, correct and complete copy of the Company’s Operating Agreement, and any amendments thereto, and such Operating Agreement, as may have been amended, is in full force and effect on the date hereof.

3. The Company is, and at all times will be, a limited liability company, formed on March 2, 2017, duly organized, validly existing and in good standing under the laws of the State and authorized and licensed under the laws of the State to transact business as a limited liability company for the purpose of owning, constructing, equipping and operating the Project Facility in the State. Given the recent formation, no good standing certificate is being provided herewith.

4. The Company has full legal right, power and authority to execute and deliver the Company Documents and to consummate the transactions on the part of the Company contemplated by the Company Documents. The Company Documents have been duly authorized, executed, and delivered by a Member on behalf of the Company and are in full force and effect as of the date hereof. Attached hereto as Exhibit “C” is a true, correct and complete copy of the authorizing resolution of the Managing Member of the Company (the “Resolution”) in respect of the execution, delivery and performance of the Company Documents.

5. The Company understands and agrees that, unless a written waiver is first obtained from the Agency, the Company and its Additional Agents shall utilize local labor, contractors and suppliers for the construction, renovation, reconstruction and equipping of the Project Facility. The term “local” shall mean Onondaga, Oswego, Madison, Cayuga, Oneida and Cortland Counties. The Company further understands and agrees that failure to comply with these local labor requirements may result in the revocation or recapture of benefits provided/approved to the Project by the Agency. In furtherance thereof, Appendix I to the Agency’s Application entitled “Local Access Agreement” has been completed and is attached hereto as Exhibit “D”.

6. The Company understands and agrees that it is the preference of the Agency that the Company provide opportunities for the purchase of goods and services from: (i) business enterprises located in the City; (ii) certified minority and or women-owned business enterprises; and (iii) business enterprises that employ residents of the City. The Company further understands and acknowledges that consideration will be given by the Agency to the Company’s efforts to comply, and compliance, with this objective at any time an extension of benefits is sought or involvement by the Agency with the Project is requested by the Company.
7. All consents, approvals, authorizations or orders of, notices to, or filings, registrations or declarations with, any court or governmental authority, board, agency, commission or body having jurisdiction which are required on behalf of the Company or for the execution and delivery by the Company of the Company Documents or the consummation on the part of the Company of the transactions contemplated thereby have been obtained.

8. After performing due diligence, there is no legal action, suit, proceeding, inquiry or investigation at law or in equity (before or by any court, agency, arbitrator, public board or body or other entity or person) pending or threatened against or affecting the Company or, to the knowledge of the Company, any basis therefor: (i) in any way affecting the organization, existence or good standing of the Company; (ii) contesting or materially affecting the validity or enforceability of the Company Documents; (iii) contesting the powers of the Company or its authority with respect to the Company Documents; (iv) contesting the authority of the Company to act on behalf of the Company or the authority of the representatives of the Company to act on behalf of the Company; (v) wherein an unfavorable decision, ruling or finding would have a material adverse effect on: (A) the financial condition or operations of the Company; or (B) the consummation on the part of the Company of the transactions contemplated by any Company Documents.

9. The execution and delivery by the Company of the Company Documents and the consummation by the Company of the transactions contemplated thereby are not prohibited by, do not violate any provision of, and will not result in a breach of or default under: (i) the organizational documents of the Company; (ii) any applicable law, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental body or other requirement to which the Company is subject; or (iii) any contract, agreement, mortgage, lease, guaranty, commitment or other obligation or instrument to which the Company is a party or by which the Company or its properties is bound.

10. All information concerning the Project Facility, the Adjacent Building and the Company submitted to the Agency and any Mortgagee by the Company is true and correct in all material respects and does not omit to state a material fact necessary to make the statements therein not misleading.

11. Assuming the valid authorization, execution and delivery of the Agency Lease and the other Company Documents by the other parties thereto, the Agency Lease and the other Company Documents are the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors’ rights generally or by the exercise of judicial discretion in accordance with general principles of equity. No default by the Company or, to the best of knowledge of the undersigned, no event of default on the part of any other party to the Company Documents has occurred or is continuing and no event has occurred which, with the giving of notice or passage of time or both, would be such an event of default. The Company has duly authorized the taking of and has taken
all actions necessary to carry out and give effect to the transactions contemplated to be performed on its part by the Company Documents.

12. All permits (including building permits), licenses and authorizations necessary for the construction, ownership and operation of the Project in the manner contemplated by each of the Company Documents have been obtained or will be obtained, and said construction, ownership and operation will not, to the best knowledge of the Company, conflict with any zoning or similar ordinance applicable to the Project. To the best of the Company's knowledge, the Project conforms to all material environmental regulations.

13. There is no Event of Default or default on the part of the Company under the Project Agreement, the Company Lease, the Agency Lease, the Mortgage, the Environmental Compliance and Indemnification Agreement or any other Company Document, and no event has occurred and is continuing which, after notice or passage of time or both, would give rise to a default under any thereof.

14. The Project Agreement, the Company Lease, the Agency Lease, the Mortgage, the Environmental Compliance and Indemnification Agreement and the other Company Documents are in full force and effect and the Company has not assigned or pledged any of its rights under these documents.

15. The Company acknowledges and restates all of the obligations, representations and covenants in Sections 2.2, 8.12, 11.12 and 11.14 of the Agency Lease and incorporates same herein by reference as if fully set forth herein.

16. The Company further acknowledges its obligation under Section 8.5 of the Agency Lease to provide the additional information as set forth therein and agrees to same.

17. The authorized representatives of the Company who, pursuant to the Resolution, are authorized to execute the Company Documents and the office held by each person are as set forth below. The signature set opposite the name of such officer, if any, is a genuine specimen of such officer's signature:

<table>
<thead>
<tr>
<th>Name</th>
<th>Signature</th>
<th>Office/Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeffrey A. Appel</td>
<td></td>
<td>Managing Member</td>
</tr>
</tbody>
</table>

18. The Company represents and warrants that it has no employees and therefore is not now required to carry worker's compensation insurance. The Company represents and acknowledges that in the event it hires any employees in the future, it has an obligation pursuant to the Agency Lease, dated as of October 1, 2017 by and between the Company and the Agency, to obtain worker’s compensation insurance and provide proof of same to the Agency.
IN WITNESS WHEREOF, I have set my hand and signature as officer of the Company as of October 1, 2017.

ARMORY BOYS LLC

By: [Signature]

Jeffrey A. Appel, Managing Member
STATE OF NEW YORK
DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is true copy of said original.

WITNESS my hand and official seal of the Department of State, at the City of Albany, on March 02, 2017.

Brendan W. Fitzgerald
Executive Deputy Secretary of State
ARTICLES OF ORGANIZATION
OF
ARMORY BOYS LLC
Under Section 203 of the Limited Liability Company Law

FIRST: The name of the limited liability company is:

ARMORY BOYS LLC

SECOND: The county, within this state, in which the office of the limited liability company is to be located is ONONDAGA.

THIRD: The Secretary of State is designated as agent of the limited liability company upon whom process against it may be served. The address within or without this state to which the Secretary of State shall mail a copy of any process against the limited liability company served upon him or her is:

c/o Caraccioli & Associates, PLLC
175 East Seventh Street
Oswego, NY 13126

I certify that I have read the above statements, I am authorized to sign these Articles of Organization, that the above statements are true and correct to the best of my knowledge and belief and that my signature typed below constitutes my signature.

Kevin C. Caraccioli, Authorized Representative (signature)

KEVIN C. CARACCIOLI, ESQ., ORGANIZER
Caraccioli & Associates, PLLC
175 East Seventh Street
Oswego, NY 13126

Filed by:
Kevin C. Caraccioli, Esq.
Caraccioli & Associates, PLLC
175 East Seventh Street
Oswego, NY 13126

FILED WITH THE NYS DEPARTMENT OF STATE ON: 03/02/2017
FILE NUMBER: 170302010347; DOS ID: 5095128
The limited liability company is required to file a Biennial Statement with the Department of State every two years pursuant to Limited Liability Company Law Section 301. Notification that the Biennial Statement is due will only be made via email. Please go to www.email.ebiennial.dos.ny.gov to provide an email address to receive an email notification when the Biennial Statement is due.

Authentication Number: 1703020346 To verify the authenticity of this document you may access the Division of Corporation’s Document Authentication Website at http://ecorp.dos.ny.gov
EXHIBIT "B"
OPERATING AGREEMENT
ARMORY BOYS LLC
OPERATING AGREEMENT

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT (this "Agreement"), of ARMORY BOYS LLC, a New York limited liability company (the "Company"), dated as of May 5, 2017, has been executed by Jeffrey A. Appel, John J. Caraccioli, and Richard Grabowsky, (collectively the "Members") as the members of the Company.

ARTICLE ONE
General Provisions

1.1 Articles of Organization. The Company’s certificate of formation (the "Certificate of Formation"), as dated and filed on March 2, 2017, is hereby re-affirmed by the Members.

1.2 Name. The name of the Company formed hereby is “Armory Boys LLC”.

1.3 Purpose. The purposes of the Company are to engage in any lawful act or activities for which limited liability companies may be formed under the New York Limited Liability Company Law (the “Act”).

ARTICLE TWO
Membership Interests; Capital Contribution

2.1 Membership Interests. The Members shall possess one hundred percent (100%) of the membership interests in the Company (the “Membership Interests”) as more fully set out in Schedule A attached to and made a part of this Agreement.

2.2 Capital Contribution. The Members agree to contribute to the capital of the Company sufficient funds to enable the Company to commence operation of its business and, at its discretion, from time to time thereafter as it deems advisable.

ARTICLE THREE
Distributions

The amount and timing of any distributions of Company funds shall be determined by the Members in their sole discretion by a majority vote of all Members.
ARTICLE FOUR

Member Not Liable for Company Losses

Except as expressly provided under the Act, the Members shall have no personal liability for the losses, debts, claims, expenses or encumbrances of or against the Company or its property.

ARTICLE FIVE

Management

5.1 Management. The day-to-day business, operations and affairs of the Company shall be managed by the Members. Jeffrey A. Appel is hereby appointed as the managing member of the Company. The Members may appoint another person or entity to manage all or any portion of the day-to-day operation and management of the Company, which such person or entity shall have the powers expressly appointed to it by the Members.

5.2 Other Activities of the Members. The Members shall be entitled to engage in and/or possess any interest in other businesses and investment ventures or transactions, of any nature or description, independently or with others, whether existing as of the date hereof or hereafter coming into existence or directly competitive with the business of the Company.

ARTICLE SIX

Transfers of Membership Interests

The Members may transfer the whole or any part of their Membership Interest at their sole discretion at any time.

ARTICLE SEVEN

Substituted Member

7.1 Substitutions. The Members shall have the right to substitute a purchaser, assignee, transeree, donee, heir, legatee, distributee or other recipient of their Membership Interest in their place. Any such purchaser, assignee, transeree, donee, heir, legatee, distributee or other recipient of Member's Membership Interest (whether voluntary or by operation of law) shall be admitted to the Company as a substituted Member.

7.2 Requirements of Substitutions. Each substituted Member, as a condition to its admission as a Member, shall execute and acknowledge such instruments, in form and substance satisfactory to the majority of Members as the Members deem necessary or desirable to effectuate such admission and to confirm the agreement of the substituted Member to be bound by all the terms and provisions of this Agreement.
ARTICLE EIGHT

Term; Dissolution; Liquidation.

8.1 Term; Dissolution Prior to Expiration of Term. The Company shall have perpetual existence; provided, however, that the Company shall terminate and dissolve upon the happening of any of the following events:

(i) the consent of the Members; or

(ii) A decree of judicial dissolution under the Act.

8.2 Liquidation and Distribution of Assets. Upon dissolution of the Company, the Member shall proceed to sell or liquidate the assets of the Company within a reasonable time and, after paying or making provision for all liabilities to creditors of the Company, shall distribute the Company’s cash and other assets to the Members in accordance with their respective membership interests.

8.3 Termination. The Company shall terminate when (i) the Articles of Organization has been cancelled and (ii) all property owned by the Company has been disposed of and the assets, after payment of or provision for all liabilities to the Company’s creditors, have been distributed to the Member as provided in Section 8.2.

ARTICLE NINE

Books and Records

9.1 Fiscal Year. The Company’s fiscal year shall be determined by the Members.

9.2 Books of Account. Complete and accurate books of account shall be kept by the Company.

ARTICLE TEN

Exculpation; Indemnification and Expenses

10.1 Exculpation. The Members shall not be liable to the Company for any act or omission based upon errors of judgment or other fault in connection with the business of the Company.

10.2 Indemnification and Expenses. The Company shall indemnify the Members and shall advance expenses to the Members, to the fullest extent provided in the Act.
ARTICLE ELEVEN

Other Actions

The Members shall execute and deliver such additional documents and instruments, and shall perform such additional acts, as may be necessary or appropriate to carry out the terms of this Agreement.

ARTICLE TWELVE

Miscellaneous

12.1  *Entire Agreement; Amendment.* This Agreement, together with the Articles of Organization, contains a complete statement of the arrangements by the Members with respect to the Company, and supersedes all prior agreements and understandings with respect to the Company. This Agreement may be amended only by a writing signed by all of the Members.

12.2  *Governing Law.* This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York applicable to agreements made and to be performed entirely within such state.

12.3  *Successors and Assigns.* This Agreement shall be binding upon and inure to the benefit of the parties hereto and their legal representatives, successors and permitted assigns.

12.4  *Severability.* If any provision of this Agreement or application thereof to any person or circumstances is held invalid, such invalidity shall not affect any other provisions or applications of this Agreement that can be given effect without the invalid provision or application.

12.5  *Headings.* Headings are supplied in this Agreement for the purpose of convenient reference and do not constitute part of this Agreement.

12.6  *Interpretation.* As used in this Agreement, (i) words used herein regardless of the gender specifically used shall be deemed and construed to include any other gender, masculine, feminine or neuter, as the context shall require, (ii) all terms defined in the singular shall have the same meanings when used in the plural and *vice versa* and (iii) words denoting natural persons shall include corporations, partnerships and other legal entities and *vice versa*, unless the context otherwise requires.
IN WITNESS WHEREOF, the Member, intending to be legally bound hereby, has executed this Agreement as of the date first above written.

By: Jeffrey A. Appel

By: John J. Caraccioli

By: Richard Grabowsky
# ARMORY BOYS LLC

**SCHEDULE A**

**MEMBERSHIP INTERESTS**

<table>
<thead>
<tr>
<th>MEMBER NAME</th>
<th>ADDRESS</th>
<th>MEMBERSHIP INTEREST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeffrey A. Appel</td>
<td>136 Upper Mountain Avenue Montclair, New Jersey 07042</td>
<td>25.5%</td>
</tr>
<tr>
<td>John J. Caraccioli</td>
<td>136 Upper Mountain Avenue Montclair, New Jersey 07042</td>
<td>25.5%</td>
</tr>
<tr>
<td>Richard Grabowsky</td>
<td>33 Church Street Montclair, New Jersey 07042</td>
<td>49%</td>
</tr>
</tbody>
</table>
EXHIBIT “C”

COMPANY RESOLUTION
UNANIMOUS WRITTEN CONSENT

of The MEMBERS of

Armory Boys LLC

The undersigned, being all the Members of Armory Boys LLC ("Company") hereby unanimously consents to the adoptions of the following resolutions:

RESOLVED that the Company is authorized and directed to do the following with respect to a project (the "Project") consisting of:

(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the "Land"); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the "Facility"); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "Equipment" and together with the Land and the Facility, the "Project Facility"); and it is further

RESOLVED that the Company is authorized and directed to enter into a transaction with the City of Syracuse Industrial Development Agency ("IDA" or "Agency") whereby the Company shall be appointed as the agent of the IDA in connection with the acquisition, renovation, reconstruction and equipping of the Project Facility; The Company shall cooperate with the granting by the IDA of certain financial assistance in the form of exemptions from State and local sales and use taxation, and mortgage recording tax (the "Financial Assistance"); and the Company shall enter into certain lease with the IDA whereby the Company shall lease of the Land and Facility to the Agency; the Company shall execute and deliver a bill of sale for the Equipment to the Agency; and the Company shall sublease the Project Facility back from the Agency pursuant to a certain sublease agreement; the Company shall execute and deliver an environmental compliance and indemnification agreement in favor of the Agency, all in accordance with and as more fully set forth and particularized in a resolution of the IDA adopted on August 15, 2017 ("IDA Resolution"); and it is further

RESOLVED that Jeffrey A. Appel, Managing Member, be and hereby is authorized on behalf of the Company to execute and deliver any and all documents or instruments as are necessary and appropriate to carry out the intent and purpose
of these resolutions, the IDA Resolution and/or as may be reasonably required by the IDA or its counsel; and, assuming due execution by any other party to any such document, upon the execution by Jeffrey A. Appel, Managing Member, the document(s) shall be binding upon the Company; and it is further

RESOLVED that Jeffrey A. Appel, Managing Member, may take any action deemed necessary and proper in furtherance of the IDA Resolution and the intent of these resolutions, and that the IDA, its successors, assigns, attorneys or agents may rely upon such actions as being the actions and consent of the Company, and it is further

RESOLVED that the IDA, its successors, assigns, attorneys or agents may rely upon the acts of Jeffrey A. Appel, Managing Member, and any action taken by him shall be deemed an action of and binding upon the Company; and it is further

RESOLVED that all action taken and all instruments executed by any member of the Company prior to the adoption of these resolutions with the Agency and with respect to the Project are hereby ratified by the Company, approved and confirmed as actions of the Company; and it is

RESOLVED that the foregoing Resolutions are made and entered into in full compliance with the Operating Agreement of the Company and this Resolution shall constitute any required authority and/or approval as may be required thereunder; and shall remain in full force and effect and may be relied upon by the IDA, its successor, assigns, attorneys or agents notwithstanding the dissolution or termination of the existence of the Company or any change in the identity of, or any modification or termination of any authority of, any authorized person or Company until a copy of a subsequent Resolution revoking or amending same shall be actually received by the IDA, its successors, attorneys, agents or assigns; and any action taken by any of the foregoing prior to such actual receipt shall be binding upon the Company irrespective of when such Resolutions may have been adopted.

Dated October 5, 2017

ARMORY BOYS LLC

By: [Signature]

Jeffrey A. Appel, Managing Member
EXHIBIT "D"
LOCAL ACCESS AGREEMENT
**City of Syracuse**  
**Industrial Development Agency**  
**Local Access Agreement**

_(the Company) understands and agrees that local labor, contractors and suppliers will be used for the construction, renovation, reconstruction and equipping of the Project unless a written waiver is first received from the Agency, and agrees to provide the information requested below as a way to provide access for local participation._

<table>
<thead>
<tr>
<th>Company General Contractor</th>
<th>Rich &amp; Gardner Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Representative for Contract Bids and Awards</strong></td>
<td><strong>Contact</strong></td>
</tr>
<tr>
<td><strong>Address</strong></td>
<td><strong>Address</strong></td>
</tr>
<tr>
<td><strong>City</strong></td>
<td><strong>ST</strong></td>
</tr>
<tr>
<td><strong>Phone</strong></td>
<td><strong>Fax</strong></td>
</tr>
<tr>
<td><strong>Email</strong></td>
<td><strong>Email</strong></td>
</tr>
<tr>
<td><strong>Project Address</strong></td>
<td><strong>Construction Start Date</strong></td>
</tr>
<tr>
<td><strong>City</strong></td>
<td><strong>ST</strong></td>
</tr>
</tbody>
</table>

**Project Components – Indicate those for which bids will be sought:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Estimated Value</th>
<th>Bid Date</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site work/Demolition</td>
<td>40000</td>
<td>11/1/17</td>
<td><a href="mailto:Mikef@rchgrd.com">Mikef@rchgrd.com</a></td>
</tr>
<tr>
<td>Foundation and footings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Masonry</td>
<td>10000</td>
<td>12/1/17</td>
<td><a href="mailto:Mikef@rchgrd.com">Mikef@rchgrd.com</a></td>
</tr>
<tr>
<td>Metals</td>
<td>5000</td>
<td>12/1/17</td>
<td><a href="mailto:Mikef@rchgrd.com">Mikef@rchgrd.com</a></td>
</tr>
<tr>
<td>Wood/casework</td>
<td>125830</td>
<td>12/1/17</td>
<td><a href="mailto:Mikef@rchgrd.com">Mikef@rchgrd.com</a></td>
</tr>
<tr>
<td>Thermal/moisture proof</td>
<td>18708</td>
<td>12/1/17</td>
<td><a href="mailto:Mikef@rchgrd.com">Mikef@rchgrd.com</a></td>
</tr>
<tr>
<td>Doors, windows, glazing</td>
<td>41088</td>
<td>12/1/17</td>
<td><a href="mailto:Mikef@rchgrd.com">Mikef@rchgrd.com</a></td>
</tr>
<tr>
<td>Finishes</td>
<td>278333</td>
<td>12/1/17</td>
<td><a href="mailto:Mikef@rchgrd.com">Mikef@rchgrd.com</a></td>
</tr>
<tr>
<td>Electrical</td>
<td>114499</td>
<td>10/15/17</td>
<td><a href="mailto:Mikef@rchgrd.com">Mikef@rchgrd.com</a></td>
</tr>
<tr>
<td>HVAC</td>
<td>105000</td>
<td>10/15/17</td>
<td><a href="mailto:Mikef@rchgrd.com">Mikef@rchgrd.com</a></td>
</tr>
<tr>
<td>Plumbing</td>
<td>75000</td>
<td>10/15/17</td>
<td><a href="mailto:Mikef@rchgrd.com">Mikef@rchgrd.com</a></td>
</tr>
<tr>
<td>Specialties</td>
<td>725253</td>
<td>12/1/17</td>
<td><a href="mailto:Mikef@rchgrd.com">Mikef@rchgrd.com</a></td>
</tr>
<tr>
<td>Machinery &amp; Equipment</td>
<td>50000</td>
<td>12/1/17</td>
<td><a href="mailto:Mikef@rchgrd.com">Mikef@rchgrd.com</a></td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paving</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landscaping</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (identify)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
October 5, 2017

City of Syracuse Industrial Development Agency
201 East Washington Street, 7th Floor
Syracuse, New York 13202

Armory Boys LLC
33 Church Street
Montclair, New Jersey 07042

Re: City of Syracuse Industrial Development Agency
Lease/Leaseback Transaction
Armory Boys LLC Project

Ladies and Gentlemen:

We have acted as counsel to the City of Syracuse Industrial Development Agency (the “Agency”) in connection with a project (the “Project”) undertaken by the Agency at the request of Armory Boys LLC (the “Company”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

The Land and the Facility are connected to an adjacent building located at 120-124 Walton Street, Syracuse, New York (the land and building collectively referred to as the “Adjacent Building”) which is also owned by the Company. The Mortgagee is requiring the Company grant a mortgage on both the Project Facility as well as the Adjacent Building as
collateral for the Note. In order to accommodate the Mortgagee’s collateral requirements, the Agency has agreed to extend its interest to the Adjacent Building solely for purposes of the Mortgage with the understanding that all of the State and local sales and use tax exemption benefits will be realized from work done solely on the Project Facility and that there is no increase in the amount of the exemption from mortgage recording tax previously approved.

The Company has also requested that the Agency grant the Financial Assistance to the Project. Capitalized terms used herein which are not otherwise defined shall have the meanings ascribed to them in the Agency Lease.

As counsel to the Agency, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates, and documents as we have deemed necessary or appropriate for the purposes of the opinion expressed below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies, and have assumed the accuracy and truthfulness of the factual information, expectations, conclusions, representations, warranties, covenants and opinions of the Company and its counsel and representatives as set forth in the various documents executed and delivered by them or any of them and identified in the Closing Memorandum in connection with the Project.

We are of the opinion that:

1. The Agency is a duly organized and existing corporate governmental agency constituting a public benefit corporation of the State of New York.

2. The Agency is duly authorized and empowered by law to acquire, construct, reconstruct, renovate and equip the Project, to lease the Land and the Facility from the Company pursuant to the Company Lease; to accept an interest in the Equipment pursuant to the Bill of Sale; to sublease the Project Facility back to the Company pursuant to the Agency Lease and to appoint the Company as its agent for completion of the Project.

3. The Agency Documents have been authorized by and lawfully executed and delivered by the Agency and (assuming the authorization, execution, and delivery by the other respective parties thereto) are valid and legally binding obligations enforceable against the Agency in accordance with their respective terms.

In rendering this opinion, we advise you of the following:

The enforceability of the Agency Documents may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium, or similar law or enactment now or hereafter enacted by the State of New York or the Federal government affecting the enforcement
of creditors' rights generally and the general principles of equity, including limitations on the availability of the remedy of specific performance which is subject to discretion of the court.

This opinion is rendered to the addressees named above and their successors and/or assigns, and may not be relied upon by any other person without our prior, express written consent.

Very truly yours,

BARCLAY DAMON LLP

BARCLAY DAMON LLP
October 5, 2017

Armory Boys LLC
33 Church Street
Montclair, New Jersey 07042

City of Syracuse Industrial Development Agency
City Hall Commons, 7th Floor
201 East Washington Street
Syracuse, New York 13202

Re: City of Syracuse Industrial Development Agency
Lease/Leaseback Transaction
Armory Boys LLC Project

Ladies and Gentlemen:

We have acted as counsel to Armory Boys LLC (the “Company”) in connection with a certain project (the “Project”) undertaken by the City of Syracuse Industrial Development Agency (the “Agency”) at the Company’s request. The Project consists of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

The Land and the Facility are connected to an adjacent building located at 120-124 Walton Street, Syracuse, New York (the land and building collectively referred to as the “Adjacent Building”) which is also owned by the Company. The Mortgagee is requiring the Company grant a mortgage on both the Project Facility as well as the Adjacent Building as collateral for the Note. In order to accommodate the Mortgagee’s collateral requirements, the
Agency has agreed to extend its interest to the Adjacent Building solely for purposes of the Mortgage with the understanding that all of the State and local sales and use tax exemption benefits will be realized from work done solely on the Project Facility and that there is no increase in the amount of the exemption from mortgage recording tax previously approved.

The Agency has acquired an interest in the Project Facility and the Adjacent Building pursuant to that certain Company Lease Agreement dated as of October 1, 2017 (the “Company Lease”) and acquired an interest in the Equipment from the Company pursuant to a bill of sale dated as of October 1, 2017 (the “Bill of Sale”); and the Agency will sublease the Project Facility and the Adjacent Building back to the Company pursuant to an Agency Lease Agreement dated as of October 1, 2017 (the “Agency Lease”). Capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Agency Lease.

In that regard, we have examined the Project Agreement, the Company Lease, the Agency Lease, the Bill of Sale, the Mortgage, the Environmental Compliance and Indemnification Agreement and the other documents identified in the Closing Memorandum and defined in the Agency Lease to which the Company is a party (collectively, the “Company Documents”).

We have also examined corporate documents and records of the Company and made such investigation of law and/or fact that we deem necessary or advisable in order to render this opinion. For purposes of such examination, we have assumed the genuineness of all certificates and the authenticity of all documents submitted to us as original counterparts or as certified or photostatic copies; the genuineness of all signatures of all parties to the Company Documents other than on behalf of the Company; and the due authorization, execution and delivery of the Company Documents by and the enforceability thereof against all parties thereto other than the Company.

As to questions of fact material to our opinion, we have relied upon the representations and warranties made by the Company in the Company Documents and upon one or more certificates of officers of the Company. Whenever the phrase “to the best of our knowledge” is used in this opinion, it refers to actual knowledge of members of this firm obtained from our representation of the Company and inquiries of responsible officers of the Company made in connection with this opinion, but no further investigation or review has been conducted.

Based upon the foregoing, it is our opinion that:

1. The Company is a validly existing New York limited liability company and possesses full legal power and authority to own its property, to conduct its business, to execute and deliver the Company Documents, and to carry out and perform its obligations thereunder.

2. The execution, delivery and performance of the Company Documents have been duly authorized by the Company and the Company Documents have been duly executed and delivered by an Authorized Representative of the Company.
3. The Company Documents constitute the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with their terms, except as enforceability may be limited by applicable bankruptcy and insolvency laws and laws affecting creditors' rights generally and to the extent that the availability of the remedy of specific performance or injunctive relief or other equitable remedies is subject to the discretion of the court before which any proceeding therefor may be brought.

4. To the best of our knowledge, in reliance on the certificates and opinions specified herein, the execution and delivery by the Company of the Company Documents, the execution and compliance with the provisions of each and the consummation of the transactions contemplated therein do not and will not constitute a breach of, or default under the Company’s Articles of Organization, Operating Agreement or any indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which the Company or any of its Property may be bound, for which a valid consent has not been secured; nor is any approval or any action by any governmental authority required in connection with the execution, delivery and performance thereof by the Company.

5. To the best of our knowledge, in reliance on the certificates and opinions specified herein, there is no action, suit, proceeding or investigation at law of in equity before or by any court, public board or body, pending or threatened against, or affecting the Company wherein an unfavorable decision, ruling or finding would in any way adversely affect in a material fashion the validity or enforceability of the Company Documents.

Our examination of law relevant to matters herein is limited to the laws of the State of New York and also the Federal law, where appropriate, and we express no opinion as to matters governed by the laws of any other state or jurisdiction.

This opinion is only for the benefit of and may be relied upon only by the Agency, its successors and assigns. The opinions set forth in this letter are limited to those expressly stated and no other opinion may be inferred nor is any implied. No other use of this opinion may be made without prior written consent. This opinion is given as of the date hereof and we undertake no obligation, and hereby disclaim any obligation, to update or supplement this opinion in response to a subsequent change in the law or future events affecting the documents identified in this letter.

Sincerely,

CARACCIOLI & ASSOCIATES, PLLC

By Kevin C. Caraccioli, Sole Member
CLOSING MEMORANDUM
CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
ARMORY BOYS LLC PROJECT

DATE AND TIME OF CLOSING: October 5, 2017
2:30 p.m.

PLACE OF CLOSING: Barclay Damon LLP
Barclay Damon Tower
125 East Jefferson Street
Syracuse, New York 13202

I. Action Taken Prior to Closing

At the request of Armory Boys LLC (the “Company”), the City of Syracuse Industrial Development Agency (the “Agency”), a public benefit corporation organized under the laws of the State of New York, has undertaken a project (the “Project”) consisting of: (A)(i) the acquisition of an interest in approximately 6,000 square feet of improved real property located at 229-37 West Fayette Street, in the City of Syracuse, New York (the “Land”); (ii) the renovation of an existing three story, approximately 18,000 square foot building for mixed-use consisting of approximately 4,000 square feet of usable space on the first floor for retail space and approximately 12,000 square feet comprised of approximately nine (9) one-bedroom units on the second and third floor; all located on the Land (collectively, the “Facility”); (iii) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the “Equipment” and together with the Land and the Facility, the “Project Facility”); (B) the granting of certain financial assistance in the form of exemptions from State and local sales and use tax and mortgage recording tax (as limited by Section 874 of the General Municipal Law) (collectively the “Financial Assistance”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, reconstruction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

The Company also requested that the Agency appoint the Company as its agent for purposes of completing the Project and the granting of certain Financial Assistance.
The Company is, or will be at the time of closing, the owner of the Project Facility.

The Agency will acquire a leasehold interest in the Land and Facility from the Company pursuant to a Company Lease Agreement dated as of October 1, 2017 (the “Company Lease”), between the Company, as landlord and the Agency, as tenant; and an interest in the Equipment pursuant to a bill of sale from the Company dated as of October 1, 2017 (the “Bill of Sale”). The Agency will sublease the Project Facility back to the Company, pursuant to an Agency Lease Agreement dated as of October 1, 2017 (the “Agency Lease”) between the Agency, as sublessor and the Company, as sublessee. Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in Exhibit “C” to the Agency Lease.

Among the actions taken by the Agency with respect to the Project prior to Closing were the following:

July 5, 2017 The Company submitted an application for financial assistance for the project.

July 18, 2017 A resolution determining that the acquisition, construction, equipping and completion of a mixed-use commercial facility at the request of the Company constitutes a project; describing the financial assistance in connection therewith; and authorizing a public hearing (the “Public Hearing Resolution”).

August 1, 2017 Notice of the Public Hearing was mailed to the chief executive officers of the affected tax jurisdictions pursuant to Section 859-a of the Act.

August 3, 2017 Notice of the Public Hearing was published in the Post-Standard pursuant to Section 859-a of the Act.

August 15, 2017 The Agency conducted the Public Hearing pursuant to Section 859-a of the Act.

August 15, 2017 A resolution classifying a certain project as an Unlisted Action pursuant to SEQRA, declaring the Agency lead agency for purposes of an uncoordinated review thereunder and determining that the action will not have a significant effect on the environment

August 15, 2017 A resolution authorizing the undertaking of the acquisition, reconstruction, renovation, equipping and completion of a mixed-use commercial facility; appointing the Company agent of the Agency for the purpose of the acquisition, reconstruction, equipping and completion of the Project and authorizing the execution and delivery of an agreement between the Agency and the Company (the “Inducement Resolution”).

- 2 -
August 15, 2017

A resolution authorizing the execution and delivery of certain documents by the agency at the request of the Company (the “Final Approving Resolution”).
II. **Action To Be Taken At Closing**

The following documents, or copies thereof, are to be delivered (except as indicated) to the Agency (A), Agency’s Counsel (AC), the Company (C), Company’s Counsel (CC), Lender’s Counsel (LC) as follows:

<table>
<thead>
<tr>
<th>A. Basic Documents</th>
<th>Responsible Party</th>
<th>Signatories</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Project Agreement</td>
<td>AC</td>
<td>C, A</td>
</tr>
<tr>
<td>2. Company Lease Agreement</td>
<td>AC</td>
<td>C, A</td>
</tr>
<tr>
<td>3. Memorandum of Company Lease Agreement with TP-584</td>
<td>AC</td>
<td>C, A</td>
</tr>
<tr>
<td>4. Bill of Sale</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Agency Lease Agreement</td>
<td>AC</td>
<td>C, A</td>
</tr>
<tr>
<td>6. Memorandum of Agency Lease Agreement with Form TP-584</td>
<td>AC</td>
<td>C, A</td>
</tr>
<tr>
<td>7. Company Certification re: Local Labor Policy</td>
<td>AC</td>
<td>C</td>
</tr>
<tr>
<td>8. Certificates of casualty, liability, workers’</td>
<td>AC</td>
<td></td>
</tr>
<tr>
<td>compensation and other required insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Environmental Compliance and Indemnification Agreement</td>
<td>AC</td>
<td>C</td>
</tr>
<tr>
<td>10. Closing Receipt</td>
<td>AC</td>
<td>C, A</td>
</tr>
<tr>
<td>11. Sales Tax Exemption Letter</td>
<td>AC</td>
<td>A</td>
</tr>
<tr>
<td>12. Form ST-60 indicating appointment of the Company to</td>
<td>AC</td>
<td>A</td>
</tr>
<tr>
<td>act as the agent of the Agency</td>
<td></td>
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</tr>
<tr>
<td>13. Mortgage</td>
<td>LC</td>
<td>C, A</td>
</tr>
<tr>
<td>14. UCC-1 Financing Statement(s)</td>
<td>LC</td>
<td></td>
</tr>
<tr>
<td>15. Survey</td>
<td>CC</td>
<td></td>
</tr>
</tbody>
</table>
B. Items To Be Delivered By The Agency

1. General Certificate of the Agency relating to incumbency and signatures of officers, execution and delivery of Agency Documents to which it is a party, no litigation and continued existence, with the following items included as exhibits:

   Exhibit “A” - Chapter 641 of the Laws of 1979 of the State of New York, as amended
   Exhibit “B” - Certificate of Establishment of the Agency and Certificates of appointment of current members
   Exhibit “C” - By-laws
   Exhibit “D” - Public Hearing Resolution
   Exhibit “E” - Notice of Public Hearing with evidence of publication and copies of letters to affected tax jurisdictions
   Exhibit “F” – SEQRA Resolution
   Exhibit “G” – Inducement Resolution
   Exhibit “H” – Final Approving Resolution

2. Mortgage Recording Tax Affidavit
C. **Items To Be Delivered By The Company**

1. General Certificate of the Company relating to capacity and signatures of officers, execution and delivery of the Documents to which it is a party, no litigation and approval, with the following items included as exhibits:

   - Exhibit “A” - Articles of Organization
   - Exhibit “B” - Operating Agreement
   - Exhibit “C” - Company Resolution
   - Exhibit “D” - Local Access Agreement

D. **Opinions of Counsel**

   - Opinion of Barclay Damon, LLP, counsel to the Agency, addressed to the Company and the Agency

   1. Opinion of Caraccioli & Associates, PLLC counsel to the Company, addressed to the Agency and the Company.

   2. AC CC

III. **Action To Be Required Concurrently With Or After Closing**

   Memorandum of Company Lease Agreement, Memorandum of Agency Lease Agreement, Mortgage are to be filed with the Onondaga County Clerk and the UCC-1 Financing Statement(s) are to be filed as appropriate under the Uniform Commercial Code.

IV. **Post-Closing**

   Scan copy of Local Access Agreement to SIDA.

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SCHEDULE "A"

PERSONS APPEARING

For the Agency: City of Syracuse Industrial Development Agency
William M. Ryan, Chairman

For the Company: Armory Boys LLC
Jeffrey Appel, Managing Member

Company Counsel: Caraccoli & Associates, PLLC
Kevin C. Caraccoli, Esq.

For the Lender: Empower Federal Credit Union

Lender's counsel: Barclay Damon LLP
Heather Sunser, Esq.

Agency's Counsel: Barclay Damon LLP
Susan R. Katzoff, Esq.