

Inducement Resolution
Housing Visions Consultants, Inc. (Canal Village LLC)

RESOLUTION OF THE ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD THE ISSUANCE OF TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BONDS IN AN AMOUNT SUFFICIENT TO FINANCE CERTAIN COSTS OF THE HOUSING VISIONS CONSULTANTS, INC. ON BEHALF OF CANAL VILLAGE, LLC, TO BE FORMED FACILITY, APPOINTING HOUSING VISIONS CONSULTANTS, INC. ON BEHALF OF CANAL VILLAGE, LLC, TO BE FORMED, THE PRINCIPALS OF HOUSING VISIONS CONSULTANTS, INC. ON BEHALF OF CANAL VILLAGE, LLC, TO BE FORMED AND/OR AN ENTITY FORMED OR TO BE FORMED ON BEHALF OF ANY OF THE FOREGOING AS AGENT OF THE ISSUER FOR THE PURPOSE OF ACQUIRING, DEMOLISHING, CONSTRUCTING AND EQUIPPING THE FACILITY, OR, IN THE ALTERNATIVE, IN CONNECTION WITH A SALE-LEASEBACK OR LEASE-LEASEBACK TRANSACTION FOR SUCH FACILITY, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT AND MAKING CERTAIN FINDINGS AND DETERMINATIONS WITH RESPECT TO THE FACILITY.

WHEREAS, Housing Visions Consultants, Inc. on behalf of Canal Village, LLC (to be formed), on behalf of itself and/or the principals of Housing Visions Consultants, Inc., Canal Village, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Oneida County Industrial Development Agency (the "Issuer") to enter into a transaction in which the Issuer will assist in the acquisition of residential housing units located at 410 – 416 S. James Street, 418 S. James Street, 420 S. James Street, 403 West Street, 426 S. James Street, 428 – 430 S. James Street, 432 S. James Street, 434 S. James Street, 436 S. James Street, 427 S. James Street, 431A S. James Street, 442 S. James Street, 444 S. James Street (the "Existing Improvements") situated on a 1.7± acre parcel of land in the City of Rome, Oneida County, New York (the "Land"), demolition of the Existing Improvements, construction of 32 two- and three- story new residential units (the "Improvements") and acquisition and installation of machinery and equipment in the Improvements (the "Equipment") (the Land, the Existing Improvements, the Improvements and the Equipment being collectively referred to as the "Facility"), all to be used by the Company in connection with the development of quality affordable housing for low and moderate income families through the New York State Division of Housing and Community Renewal Low Income Housing Tax credit program, including the following as they relate to the acquisition, construction and equipping of such buildings, whether or not any materials or supplies described below are incorporated into or become an integral part of such buildings: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, demolition, construction and equipping, and (ii) purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, demolition, construction and equipping and (iii) all purchases, leases, rentals and uses of equipment, machinery, and other tangible personal property (including installation costs with respect thereto), installed or placed in, upon or under such building (the "Facility"); or, in the alternative, to enter into a sale-leaseback transaction or lease-leaseback transaction in connection with the Facility; and

WHEREAS, the Facility will be leased back to the Company pursuant to a lease agreement or leaseback agreement between the Agency and the Company (the "Leaseback Agreement") and pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 372 of the Laws of 1970 of the State of New York, as may be amended from time to time (collectively, the "Act"); and

WHEREAS, the Facility constitutes a "non-industrial facility" under the Act; and

WHEREAS, the Act authorizes and empowers the Issuer to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Issuer contemplates that it will provide financial assistance to the Facility, consistent with the policies of the Issuer, in the form of abatements of real property tax for a period of fifteen (15) years, exemption from mortgage recording tax, and exemption from sales and use taxes on materials and/or equipment used or incorporated in the Facility, to be more particularly described in a Final Authorizing Resolution to be adopted by the Issuer prior to the closing of the transactions described herein; and

WHEREAS, prior to the closing of a sale-leaseback or lease-leaseback transaction, and the granting of any tax benefits, a public hearing (the "Hearing") will be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Issuer, or the location or nature of the Facility, can be heard; and

WHEREAS, notice of the Hearing will be given prior to the closing of a sale-leaseback transaction or lease-leaseback transaction, and the granting of any tax benefits, and such notice (together with proof of publication) will be substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the minutes of the Hearing are or will be annexed hereto as Exhibit B; and

WHEREAS, the Issuer has given due consideration to the application of the Company and to representations by the Company that the proposed sale-leaseback transaction or lease-leaseback transaction, is either an inducement to the Company to maintain and expand the Facility in the County or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively, the "SEQR Act" or "SEQRA"), the Issuer constitutes a "State Agency"; and

WHEREAS, to aid the Issuer in determining whether the Facility may have a significant effect upon the environment, the Company has prepared and submitted to the Issuer an Environmental Assessment Form and related documents (the "Questionnaire") with respect to the Facility, a copy of which is on file at the office of the Issuer; and

WHEREAS, the Questionnaire has been reviewed by the Issuer.

NOW, THEREFORE, BE IT RESOLVED by the Oneida County Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1.

Based upon the Environmental Assessment Form completed by the Company and reviewed by the Issuer and other representations and information furnished by the Company regarding the Renovations and the Facility, the Issuer determines that the action relating to the acquisition, construction, renovation, equipping and operation of the Renovations and the Facility are an "unlisted" action, as that term is defined in the State Environmental Quality Review Act ("SEQRA") (Article Eight of the Environmental Conservation Law). The Issuer also determines that the action will not have a "significant effect" on the environment and, therefore, an environmental impact statement will not be

prepared. This determination constitutes a negative declaration for purposes of the SEQRA. Notice of this determination shall be filed to the extent required by the applicable regulations under that Act or as may be deemed advisable by the Chairman or Executive Director of the Issuer or counsel to the Issuer.

- Section 2.
- (a) The acquisition, demolition, construction and equipping of the Facility and the financing thereof by the Issuer, through the lease back of the Facility to the Company by the Issuer pursuant to a sale-leaseback transaction or lease-leaseback transaction, will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the County and the people of the State of New York, improve their standard of living and help prevent economic deterioration in the County, and thereby serve the public purposes of the Act and the same is, therefore, approved;
 - (b) It is desirable and in the public interest for the Issuer to enter into a sale-leaseback transaction or lease-leaseback transaction, for the purpose of financing the costs of the acquisition, demolition, construction and equipping of the Facility, together with necessary incidental expenses in connection therewith as reflected in the Company's application to the Issuer and as amended from time to time prior to the closing of the sale-leaseback or lease-leaseback transaction;
 - (c) Based upon a Development Plan for the targeted area prepared in conjunction with the City of Rome (the "City"), the Facility is part of the overall effort by the City to revitalize a targeted area of the City by providing affordable housing, which in turn will promote employment opportunities and prevent economic deterioration in the area served by the Issuer.

Section 3. The form and substance of a proposed inducement agreement (in substantially the form presented to this meeting) by and between the Issuer and the Company setting forth the undertakings of the Issuer and the Company with respect to the closing of the sale-leaseback or lease-leaseback transaction, and the development of the Facility (the "Agreement") are hereby approved. The Chairman of the Issuer is hereby authorized, on behalf of the Issuer, to execute and deliver the Agreement, with such changes in terms and form as the Chairman shall approve. The execution thereof by the Chairman shall constitute conclusive evidence of such approval.

Section 4. Subject to the conditions set forth in Section 4.02 of the Agreement, the Issuer shall (i) acquire title to or a leasehold interest in the Facility, demolish the Existing Improvements, construct and equip the New Improvements, (ii) lease or leaseback the Facility to the Company, pursuant to an agreement by and between the Issuer and the Company whereby the Company will be obligated, among other things, to make lease payments to the Issuer.

Section 5. The Company is herewith and hereby appointed the agent of Issuer to acquire, demolish, construct and equip the Facility. The Company is hereby empowered to delegate its status as agent of the Issuer to agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company may choose in order to acquire, demolish, construct and equip the Facility. The terms and conditions for the appointment of the Company as agent of the Issuer for the purposes described in this resolution are set forth in the form of the attached letter addressed to the Company, marked as Exhibit C to this resolution. The form of such letter is incorporated herein by reference and is

approved and adopted by the Issuer, and the Chairman or Executive Director of the Issuer or any other duly authorized official of the Issuer are authorized to execute and deliver such letter to the company. The Issuer hereby appoints the agents, subagents, contractors, subcontractors, materialmen, vendors and suppliers of the Company as agents of the Issuer solely for purposes of making sales or leases of goods, services, and supplies to the Facility, and any such transaction between any agent, subagent, contractor, subcontractor, materialmen, vendor or supplier, and the Company, as agent of the Issuer shall be deemed to be on behalf of the Issuer and for the benefit of the Facility. The Company shall indemnify the Issuer with respect to any transaction of any kind between and among the agents, subagents, contractors, subcontractors, materialmen, vendors and/or suppliers and the Company, as agent of the Issuer.

Section 6.

The law firm of Bond, Schoeneck & King, PLLC is appointed Transaction Counsel and Agency Counsel in connection with the sale-leaseback transaction or lease-leaseback transaction.

Section 7.

Transaction Counsel/Agency Counsel is hereby authorized to work with counsel to the Company and others to prepare, for submission to the Issuer, all documents necessary to effect the authorization, issuance and sale of the Bonds, if any.

Section 8.

The Chairman of the Issuer is hereby authorized and directed to distribute copies of this resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 9.

This resolution shall take effect immediately.

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

I, the undersigned Secretary of the Oneida County Industrial Development Agency DO HEREBY CERTIFY THAT:

I have compared the foregoing copy of a resolution of the Oneida County Industrial Development Agency (the "Issuer"), with the original thereof on file in the office of the Issuer, and that the same is a true and correct copy of such resolution and of the proceedings of the Issuer in connection with such matter.

Such resolution was passed at a meeting of the Issuer duly convened in public session on January 11, 2008 at eight o'clock a.m., local time, at Rome, New York which the following members were:

Members Present: F. Betrus
 N. Brown
 M. Fitzgerald
 D. Grow
 M. Valentine

Staff Present: F. Arcuri
 J. Castilla
 R. Duchow
 S. DiMeo
 J. Karam
 S. Papale

Others Present: Bob Comis, Sherrill City Manager
 Todd Schaal, VVS School Board Vice Chairman
 Joe Shay, Mayor of Sherrill
 Dick Sheeran, Vernon Town Councilman
 Norman Reed, VVS School Superintendent
 Mike Hennessy, County Legislator
 L. Ruberto, BS&K
 M. Stephens, Agency Counsel

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

Ferris Betrus voting aye;
Natalie Brown voting aye;
Michael Fitzgerald voting aye;
David Grow voting aye; and
Michael Valentine voting aye.

and, therefore, the resolution was declared duly adopted.

The Agreement and the Application are in substantially the form presented to and approved at such meeting.

I FURTHER CERTIFY that (i) all members of the Issuer had due notice of said meeting, (ii) pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public and public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, I have hereunto set my hand this 21 day of Jan 2008
2008.



Shawna Papale, Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York State General Municipal Law, will be held by the Oneida County Industrial Development Agency (the "Issuer") on the ___ day of February 2008 at 9 o'clock a.m., local time, at 153 Brooks Road, Rome, New York 13441 in connection with the following matters:

Housing Visions Consultants, Inc. on behalf of Canal Village, LLC (to be formed), on behalf of itself and/or the principals of Housing Visions Consultants, Inc., Canal Village, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Oneida County Industrial Development Agency (the "Issuer") to enter into a transaction in which the Issuer will assist in the acquisition of residential housing units located at 410 – 416 S. James Street, 418 S. James Street, 420 S. James Street, 403 West Street, 426 S. James Street, 428 – 430 S. James Street, 432 S. James Street, 434 S. James Street, 436 S. James Street, 427 S. James Street, 431A S. James Street, 442 S. James Street, 444 S. James Street (the "Existing Improvements") situated on a 1.7± acre parcel of land in the City of Rome, Oneida County, New York (the "Land"), demolition of the Existing Improvements, construction of 32 two- and three- story new residential units (the "Improvements") and acquisition and installation of machinery and equipment in the Improvements (the "Equipment") (the Land, the Existing Improvements, the Improvements and the Equipment being collectively referred to as the "Facility"), all to be used by the Company in connection with the development of quality affordable housing for low and moderate income families through the New York State Division of Housing and Community Renewal Low Income Housing Tax credit program (the Land, the Existing Improvements, the Improvements and the Equipment referred to collectively as the "Facility"). The Facility will be initially owned, operated and/or managed by the Company.

The Issuer will acquire title to or a leasehold interest in the Facility and lease or leaseback the Facility to the Company. At the end of the lease term, the Company will purchase the Facility from the Issuer or the Issuer will terminate its leasehold interest. The Issuer contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording tax, exemptions from sales and use taxes and abatement of real property tax for a period of fifteen (15) years, which represents a deviation from the policies of the Issuer.

A representative of the Issuer will at the above-stated time and place hear and accept written comments from all persons with views in favor of or opposed to either the proposed financial assistance to the Company or the location or nature of the Facility. A copy of the Application for Financial Assistance filed by the Company with the Issuer, including an analysis of the costs and benefits of the proposed Facility, is available for public inspection at the offices of the Issuer, 153 Brooks Road, Rome, New York.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

Dated: January __, 2008

By: _____ /s/ David C. Grow, Chairman

EXHIBIT B

MINUTES OF PUBLIC HEARING
ON _____, 2008

Oneida County Industrial Development Agency
Industrial Development Revenue Bonds
(Housing Visions Consultants, Inc./Canal Village, LLC Facility)

1. David C. Grow, Chairman of the Oneida County Industrial Development Agency (the "Issuer"), called the hearing to order.
2. The Chairman then appointed Shawna Papale, Secretary of the Issuer, to record the minutes of the hearing.
3. The Chairman then described the proposed issuance of the Bonds and the location and nature of the Facility to be financed as follows:

Housing Visions Consultants, Inc. on behalf of Canal Village, LLC (to be formed), on behalf of itself and/or the principals of Housing Visions Consultants, Inc., Canal Village, LLC and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") has applied to the Oneida County Industrial Development Agency (the "Issuer") to enter into a transaction in which the Issuer will assist in the acquisition of residential housing units located at 410 – 416 S. James Street, 418 S. James Street, 420 S. James Street, 403 West Street, 426 S. James Street, 428 – 430 S. James Street, 432 S. James Street, 434 S. James Street, 436 S. James Street, 427 S. James Street, 431A S. James Street, 442 S. James Street, 444 S. James Street (the "Existing Improvements") situated on a 1.7± acre parcel of land in the City of Rome, Oneida County, New York (the "Land"), demolition of the Existing Improvements, construction of 32 two- and three- story new residential units (the "Improvements") and acquisition and installation of machinery and equipment in the Improvements (the "Equipment") (the Land, the Existing Improvements, the Improvements and the Equipment being collectively referred to as the "Facility"), all to be used by the Company in connection with the development of quality affordable housing for low and moderate income families through the New York State Division of Housing and Community Renewal Low Income Housing Tax credit program (the Land, the Existing Improvements, the Improvements and the Equipment referred to collectively as the "Facility"). The Facility will be initially owned, operated and/or managed by the Company.

The Issuer will acquire title to or a leasehold interest in the Facility and lease or leaseback the Facility to the Company. At the end of the lease term, the Company will purchase the Facility from the Issuer or the Issuer will terminate its leasehold interest. The Issuer contemplates that it will provide financial assistance to the Company in the form of exemptions from mortgage recording tax, exemptions from sales and use taxes and abatement of real property tax for a period of fifteen (15) years, which represents a deviation from the policies of the Issuer.

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

I, the undersigned Secretary of the Oneida County Industrial Development Agency, DO
HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the Oneida
County Industrial Development Agency (the "Issuer") on ___ day of _____ 2008 at 9
o'clock a.m., local time, at 153 Brooks Road, Rome, New York with the original thereof on file in the
office of the Issuer, and that the same is a true and correct copy of the minutes in connection with
such matter.

I FURTHER CERTIFY that (i) pursuant to Section 147(f) of the Internal Revenue Code of 1986, as
amended, and Title 1 of Article 18-A of the New York General Municipal Law, said hearing was
open to the general public, and public notice of the time and place of said hearing was duly given in
accordance with such Section 147(f) and Title 1 of Article 18-A, (ii) the hearing in all respects was
duly held, and (iii) members of the public had an opportunity to be heard.

IN WITNESS WHEREOF, I have hereunto set my hand as of _____.

Secretary

EXHIBIT C

(To be copied onto IDA letterhead and delivered
to the Company, when appropriate.)

_____, 2008

Betsy Dunlap, Executive Director
Housing Visions Consultants, Inc.
on behalf of Canal Village, LLC
1201 E. Fayette Street
Syracuse NY 13210

RE: Oneida County Industrial Development Agency 2007 Equipment Lease
(Housing Visions Consultants, Inc./Canal Village, LLC Facility)

Dear Ms. Dunlap:

Pursuant to a resolution duly adopted on January 11, 2008, Oneida County Industrial Development Agency (the "Issuer") appointed Housing Visions Consultants, Inc. on behalf of Canal Village, LLC, an entity to be formed, on behalf of itself and/or the principals of Housing Visions Consultants, Inc. Canal Village, LLC, and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") its agent in connection with a transaction in which the Issuer will assist in the the acquisition of residential housing units located at 410 – 416 S. James Street, 418 S. James Street, 420 S. James Street, 403 West Street, 426 S. James Street, 428 – 430 S. James Street, 432 S. James Street, 434 S. James Street, 436 S. James Street, 427 S. James Street, 431A S. James Street, 442 S. James Street, 444 S. James Street (the "Existing Improvements") situated on a 1.7± acre parcel of land in the City of Rome, Oneida County, New York (the "Land"), demolition of the Existing Improvements, construction of 32 two- and three- story new residential units (the "Improvements") and acquisition and installation of equipment in the Improvements (the "Equipment") (the Land, the Existing Improvements, the Improvements and the Equipment being collectively referred to as the "Facility"), all to be used by the Company in connection with the development of quality affordable housing for low and moderate income families through the New York State Division of Housing and Community Renewal Low Income Housing Tax credit program (the Land, the Existing Improvements, the Improvements and the Equipment referred to collectively as the "Facility").

This appointment includes authority to purchase on behalf of the Issuer all materials to be incorporated into and made an integral part of the Facility, and the following activities as they relate to any acquisition, construction, equipping and completion of any buildings, whether or not any materials, equipment or supplies described below are incorporated into or become an integral part of such buildings: (i) all purchases, leases, rentals and other uses of tools, machinery and equipment in connection with the acquisition, demolition, construction and equipping (ii) all purchases, rentals, uses or consumption of supplies, materials and services of every kind and description used in connection with the acquisition, demolition, construction and equipping and (iii) 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, including all repairs and replacements of such property.

The agency appointment includes the power to delegate such agency appointment, in whole or in part, to agents, subagents, contractors, subcontractors, materialmen, suppliers and vendors of the Company and to such other parties as the Company chooses so long as they are engaged, directly or indirectly, in the activities hereinbefore described.

In exercising this agency appointment, the Company, its agents, subagents, contractors and subcontractors, should give the supplier or vendor a copy of this letter to show that the Company, its agents, subagents, contractors and subcontractors are each acting as agent for the Agency. The supplier or vendor should identify the Facility on each bill or invoice as the "**Housing Visions Consultants, Inc./Canal Village, LLC Facility**" and indicate thereon that the Company, its agents, subagents, contractors and subcontractors acted as agent for the Issuer in making the purchase.

You and each of your agents, subagents, contractors and/or subcontractors claiming a sales tax exemption in connection with the Facility must execute a copy of the Contract in Lieu of Exemption Certificate attached hereto, and must complete a New York State Department of Taxation and Finance Form ST-60. Original copies of each Contract in Lieu of Exemption Certificate and completed Form ST-60 must be delivered to the Issuer within five (5) days of the appointment of each of your agents, subagents, contractors or subcontractors. Any agent, subagent, contractor or subcontractors of the Company which delivers completed Form ST-60 to the Issuer will be deemed to be the agent, subagent, contractor or subcontractor of the Agency for purposes of renovating and equipping the Facility. Failure to comply with these requirements may result in loss of sales tax exemptions for the Facility.

The aforesaid appointment of the Company as agent of the Issuer to acquire, renovate and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, or (b) January 11, 2009, provided, however, such appointment may be extended at the discretion of the Issuer, upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Issuer shall not unreasonably withhold its consent to the extension of such appointment.

You should be aware that the New York State General Municipal Law requires you to file an Annual Statement with the New York State Department of Taxation and Finance regarding the value of sales tax exemptions you, your agents, consultants or subcontractors have claimed pursuant to the authority 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 an agent.

If, for some reason, this transaction never closes, you will be liable for payment of the sales tax, if applicable and you are not otherwise exempt, on all materials purchased.

You or your contractor should also present to the supplier or other vendor of materials for the Facility a completed "Contractor Exempt Purchase Certificate" (Form ST-120.1) checking box (a).

Please sign and return a copy of this letter for our files.

Very truly yours,

Betsy Dunlap

_____, 2008

Page 3

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____

Name: Shawna M. Papale

Title: Executive Director

ACCEPTED & AGREED:

HOUSING VISIONS CONSULTANTS, INC.

ON BEHALF OF CANAL VILLAGE, LLC, TO BE FORMED

By: _____

Name: Betsy Dunlap

Title: Executive Director

TO: All Contractors, Subcontractors,
Suppliers and Vendors, etc. of
Housing Visions Consultants, Inc. and/or Canal Village, LLC

Attached please find a "Contract in Lieu of Exemption Certificate" (the "Contract") which will serve as documentation for not charging Housing Visions Consultants, Inc. on behalf of Canal Village, LLC, an entity to be formed (collectively, the "Company") sales or use tax in connection with any purchase, lease, rental or other use of materials, equipment, goods, services or supplies at the facility to be owned or leased by the Oneida County Industrial Development Agency (the "Issuer") and described in Addendum A to the aforesaid Contract (the "Facility").

Also attached is a letter signed by the Issuer appointing the Company as its agent for the purpose of acquiring, constructing and equipping the Facility. This letter authorizes the Company to delegate its authority as agent of the Issuer to its agents, subagents, contractors, subcontractors, materialmen, suppliers, vendors and such other parties as the Company authorizes.

In accordance with the authority granted to the Company by the Issuer, you are hereby appointed as agent of the Issuer for the purpose of making purchases or leases of materials, equipment, goods, services and supplies with respect to the Facility. **Your appointment as agent of the Issuer is contingent upon your completing the attached Form ST-60 and returning it to us and the Form ST-60 then being filed by the Issuer with the New York State Department of Taxation and Finance.**

Very truly yours,

HOUSING VISIONS CONSULTANTS, INC.
ON BEHALF OF CANAL VILLAGE, LLC
an entity to be formed

By: _____
Name: Betsy Dunlap
Title: Executive Director

cc: Oneida County Industrial Development Agency

CONTRACT IN LIEU OF EXEMPTION CERTIFICATE

This Contract is entered into by and between **HOUSING VISIONS CONSULTANTS, INC. ON BEHALF OF CANAL VILLAGE, LLC, an entity to be formed** (collectively, the "Company"), as agent for and on behalf of the Oneida County Industrial Development Agency, a public benefit corporation and a governmental agency of the State of New York (the "Issuer") in connection with the acquisition, demolition, construction and equipping of the facility described in Addendum A hereto (the "Facility") and the contractor or the subcontractor more particularly described on page 2 hereof (the "Contractor").

Pursuant to the authority granted to the Company, as agent of the Issuer, the Contractor is hereby appointed agent of said Issuer for purposes of completing, executing or otherwise carrying out the obligations imposed under this Contract.

The Contractor acknowledges that the Issuer has acquired or will acquire title to or a leasehold interest in the Facility and the Issuer is a public benefit corporation and governmental entity of the State of New York. By reason of such status, Issuer and its agents acting on its behalf are exempt from payment of all New York State and local sales and use taxes on the purchase or lease of all materials, equipment, goods, services and supplies incorporated into and made an integral component part of any structure, building or real property which becomes the property of Issuer, and all equipment, machinery and other tangible personal property (including installation costs with respect thereto) which becomes the property of Issuer or in which the Issuer has a leasehold interest. In addition, Issuer and its agents acting on its behalf are exempt from all sales and use taxes arising out of or connected with the following, as they relate to performance under this Contract: (i) purchases, leases, rentals and other uses of tools, machinery and equipment, and (ii) purchases, leases, rentals, uses or consumption of supplies, goods, materials and services of every kind and description; provided, however, that exemption from sales and use tax with respect to clauses (i) and (ii) above shall apply only if the Contractor is then acting as agent for Issuer under the terms of this Contract.

Pursuant to these exemptions from sales and use taxes, the Contractor shall not include such taxes in its contract price, bid, or reimbursable costs, as the case may be. If the Contractor does not comply with the requirements for sales and use tax exemptions, as described above, then it shall be responsible for and pay any and all applicable New York State sales and use taxes, and no portion thereof shall be charged or billed to the Issuer or the Company directly or indirectly, the intent of this Contract being that neither Issuer nor the Company shall be liable for any of the sales or use taxes described above. This Contract may be accepted by the Contractor in lieu of an exemption certificate, and the Contractor shall retain a copy hereof to substantiate the sales and use tax exemption.

The aforesaid appointment of the Company as agent of the Issuer to acquire, construct and equip the Facility shall expire at the earlier of (a) the completion of such activities and improvements, or (b) January 11, 2009, provided, however, such appointment may be extended at the discretion of the Agency, upon the written request of the Company if such activities and improvements are not completed by such time, and further provided that the Agency shall not unreasonably withhold its consent to the extension of such appointment.

The Issuer shall have the right to assign this Contract to the Company by written notice to the Contractor and without written consent of the Contractor, in which case Issuer shall be relieved of all obligations hereunder. In the event of such assignment, all applicable sales and use taxes shall be

added to the purchase price and paid to the Contractor pursuant to a change order. All of the above provisions with respect to exemptions for New York State sales and use taxes shall apply to all subcontractors and other parties in privity of contract with the Company, Issuer or the Contractor pursuant to the terms of this Contract.

OWNER:

Insert name of Contractor or
Subcontractor

By _____
Name: _____
Title: _____

DATE: _____

Address of Contractor or
Subcontractor

HOUSING VISIONS CONSULTANTS, INC.
ON BEHALF OF CANAL VILLAGE, LLC
An entity to be formed
as agent for and on behalf of the Oneida
County Industrial Development Agency

By _____
Name: _____
Title: _____

DATE: _____

cc: Oneida County Industrial Development Agency

ADDENDUM A

DESCRIPTION OF THE FACILITY

The "Facility" consists of the acquisition of residential housing units located at 410 – 416 S. James Street, 418 S. James Street, 420 S. James Street, 403 West Street, 426 S. James Street, 428 – 430 S. James Street, 432 S. James Street, 434 S. James Street, 436 S. James Street, 427 S. James Street, 431A S. James Street, 442 S. James Street, 444 S. James Street (the "Existing Improvements") situated on a 1.7± acre parcel of land in the City of Rome, Oneida County, New York (the "Land"), demolition of the Existing Improvements, construction of 32 two- and three- story new residential units (the "Improvements") and acquisition and installation of equipment in the Improvements (the "Equipment") (the Land, the Existing Improvements, the Improvements and the Equipment being collectively referred to as the "Facility"), all to be used by the Company in connection with the development of quality affordable housing for low and moderate income families through the New York State Division of Housing and Community Renewal Low Income Housing Tax credit program.