

RESOLUTION
(Gray Manufacturing Industries, L.L.C.)

A regular meeting of the City of Hornell Industrial Development Agency was convened on Thursday, March 23, 2017, at 4:00 p.m.

The following resolution was duly offered and seconded, to wit:

Resolution No. 2017 - ____

RESOLUTION OF THE CITY OF HORNELL INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") AUTHORIZING THE AGENCY, WITH RESPECT TO THE GRAY MANUFACTURING INDUSTRIES, L.L.C. PROJECT (AS MORE FULLY DESCRIBED BELOW), TO (i) TRANSFER TITLE TO CERTAIN PROPERTY LOCATED AT 6258 ICE HOUSE ROAD, HORNELL, NEW YORK, AND THE EXISTING IMPROVEMENTS LOCATED THEREON BY QUITCLAIM DEED WITH RESERVATION OF LEASEHOLD ESTATE TO GRAY MANUFACTURING INDUSTRIES, L.L.C; AND (II) EXECUTE AND DELIVER AN AMENDED AND RESTATED PAYMENT-IN-LIEU-OF TAX AGREEMENT AND RELATED DOCUMENTS.

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 670 of the Laws of 1974 of the State of New York, as amended (hereinafter collectively called the "Act"), the **CITY OF HORNELL INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **GRAY MANUFACTURING INDUSTRIES, L.L.C.** (the "Company") previously requested the Agency's assistance with a certain project (the "Project") consisting of (i) the acquisition or retention by the Agency of title to or other interest in a parcel of land and the existing improvements located thereon at 6258 Ice House Road, Hornell, New York (the "Existing Improvements"), (ii) the renovation and upgrading of the Existing Improvements to provide for additional work areas and office space in furtherance of the Company's current manufacturing operations for the supply of components and technical services to the rail transit and locomotive industry, and (iii) the acquisition and installation into and around the Existing Improvements of certain machinery, equipment and other items of tangible personal property (the "Equipment" and together with the Existing Improvements, the "Facility"); and

WHEREAS, on July 27, 2006, the Agency adopted a resolution authorizing the Agency (i) to take or retain title to the Facility, (ii) to appoint the Company to act as its agent to under the Project, (iii) to lease the Facility to the Company pursuant to the terms and conditions of that certain Lease Agreement, dated as of May 1, 2007 (the "Lease Agreement"), and (iv) to provide financial assistance in the form of (a) a sales tax exemption and (b) a partial real property tax

abatement through that certain Payment-in-Lieu-of-Taxes Agreement, dated as of May 1, 2007 (the "PILOT Agreement")

WHEREAS, the Lease Agreement granted the Company the option to purchase the Facility from the Agency (the "Option"), and the Company has exercised the Option to acquire the Agency's title to the Facility, subject to a reservation of the Agency's leasehold estate; and

WHEREAS, based on the Company exercising the Option, the Company has requested that the Agency consider amending the PILOT Agreement and extend the length of the tax benefits period by ten (10) years; and

WHEREAS, pursuant to Article 18-A of the General Municipal Law the Agency desires to adopt a resolution authorizing the sale of the Facility to the Company pursuant to the Option and amending the PILOT Agreement based on the Company exercising the Option.

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

Section 1. The Agency hereby authorizes and approves the sale of, and transfer of title to, the Facility to the Company pursuant to the terms of the Option.

Section 2. The Agency hereby authorizes and approves amending and restating the PILOT Agreement to extend the tax benefits period by ten years.

Section 3. The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to negotiate and execute (A) a deed with reservation of a leasehold estate, and related documents, and (B) the First Amended and Restated PILOT Agreement, the form of which is attached hereto as Exhibit A, and related documents; provided (i) the rental payments under the Lease Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the First Amended and Restated PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 5. These Resolutions shall take effect immediately.

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

	<i>Yea</i>	<i>Nea</i>	<i>Abstain</i>	<i>Absent</i>
Samuel Nasca	[X]	[]	[]	[]
George Prete	[X]	[]	[]	[]
Shawn Hogan	[X]	[]	[]	[]
Joseph Foreman	[]	[]	[]	[X]
David Parmley	[X]	[]	[]	[]

The Resolutions were thereupon duly adopted.