AUTHORIZING RESOLUTION

A meeting of the **JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the "**Agency**") was convened in public session at 21205 Little Tree Drive, in the City of Watertown, Jefferson County, New York on December 3, 2015 at 8:30 a.m., local time.

The meeting was called to order by the Chairperson and, upon being called, the following members of the Agency were:

PRESENT: David J. Converse
Michelle D. Pfaff
John Jennings
Donald DiMonda
Scott Gray

ABSENT: W. Edward Walldroff

FOLLOWING PERSONS WERE ALSO PRESENT: Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, F. Marshall Weir, Jay Matteson, W. James Heary, Esq., Dan Estal, Kent Burto, Richard Duvall, and Ted Booker from the Watertown Daily Times

The following resolution was offered by Ms. Pfaff, seconded by Mr. DiMonda, to wit;

Resolution No.:12.03.2015.04

RESOLUTION TO EXTEND A CERTAIN LEASE AGREEMENT BETWEEN THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("AGENCY") AND THE WATERTOWN INDUSTRIAL CENTER LOCAL DEVELOPMENT CORPORATION ("COMPANY").

WHEREAS, the parties entered into a Lease Agreement as of September 21, 1995 which Lease Agreement expires on December 31, 2015; and

WHEREAS, the parties desire to enter into an extension to that Lease Agreement for a period of three (3) months ending March 31, 2016; and

WHEREAS, in order for the Agency to enter into such extension of the Lease Agreement, it will need letters from authorized representatives of the Affected Taxing Jurisdictions agreeing to the Lease extension (Jefferson County, City of Watertown and the Watertown City School District); and

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

Section 1 The Agency hereby finds and determines that:

(A) The Agency may enter into an extension of the Lease Agreement to March 31, 2016 only upon receipt by the Agency of letters of agreement from the Affected Taxing Jurisdictions.

(B) The Chief Executive Officer of the Agency or any other Officer of the Agency has authority and is empowered to execute and deliver such an extension to the aforesaid Lease Agreement.

Section 2 This Resolution shall take effect immediately.

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

David J. Converse	VOTING YEA
Michelle D. Pfaff	VOTING YEA
Scott A. Gray	VOTING YEA
John Jennings	VOTING YEA
Donald DiMonda	VOTING YEA
W. Edward Walldroff	VOTING ABSENT
Vacant	VOTING ---------

The foregoing Resolution was thereupon declared and duly adopted.

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

I, the undersigned, **Donald C. Alexander**, Chief Executive Officer of the Jefferson County Industrial Development Agency, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the special meeting of the Jefferson County Industrial Development Agency (the "Agency"), including the resolution contained therein, held on the 3rd day of December, 2015, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the Open Meetings Law, constituting Chapter 511 of the Laws of the 1976 of the State of New York, that all members of said Agency had due notice of said meeting and that the meeting was in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this 4th day of December, 2015.

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: [redacted]
Donald C. Alexander, CEO

Board of Supervisors of the County of Jefferson

Resolution No. 48

Authorizing Payment In Lieu of Taxes Agreement
Relative to New York Air Brake Corporation/Knorr
Brake Holding Corporation Project in the
City of Watertown (Watertown Industrial Center)

By Supervisor William Tuberson
Chairman, Finance and Rules Committee

Whereas, New York Air Brake Corporation (Company) and Knorr Brake Holding Corporation (Parent Company) have recently acquired certain property located on Starbuck Avenue in the City of Watertown comprising approximately 70 acres of land and certain improvements thereon consisting of manufacturing facilities known as "Buildings 'A', 'B', 'C' and 'D', and

Whereas, In connection with the redevelopment of said land and facilities by the Watertown Industrial Center Local Development Corporation and the Jefferson County Industrial Development Agency, the Company has transferred title to said real property to the Jefferson County Industrial Development Agency, and

Whereas, In conjunction with the City of Watertown and the Watertown City School District the County has discussed providing a series of development incentives in the form of a Payment In Lieu of Tax Agreement to be transacted through the Jefferson County Industrial Development Agency.

Now, Therefore, Be It Resolved, That Jefferson County enter into a Payment In Lieu of Taxes Agreement with the Company, Parent Company, Jefferson County Industrial Development Agency, City of Watertown and Watertown City School District, the substantive terms of which are outlined in Attachment A, and be it further

Resolved, That the Chairman of the Board of Supervisors be and is hereby authorized and directed to execute such an agreement on behalf of Jefferson County.

Seconded by Supervisors [redacted]

State of New York
COUNTY OF JEFFERSON } ss.:

I, the undersigned, Clerk of the Board of Supervisors of the County of Jefferson, New York, do hereby certify that I have compared the foregoing copy of Resolution No. 48 of the Board of Supervisors of said County of Jefferson with the original thereof on file in my office and duly adopted by said Board at a meeting of said Board on the 7th day of February, 19 95 and that the same is a true and correct copy of such Resolution and of the whole thereof.

In testimony whereof, I have hereunto set my hand and affixed the seal of said County this 8th day of February, 19 95

[redacted]
Clerk of the Board of Supervisors

AUTHORIZING RESOLUTION

A meeting of the **JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the "**Agency**") was convened in public session at the offices of the Agency, 800 Starbuck Avenue, in the City of Watertown, Jefferson County, New York on March 3, 2016 at 8:30 a.m., local time.

The meeting was called to order by the Chairperson and, upon being called, the following members of the Agency were:

PRESENT: David Converse, Robert E. Aliasso, Jr., Donald DiMonda, Jeremiah Maxon, Michelle Pfaff (via phone), W. Edward Walldroff

ABSENT: John Jennings

FOLLOWING PERSONS WERE ALSO PRESENT: Donald Alexander, David Zembiec, Lyle Eaton, Peggy Sampson, F. Marshall Weir, Joseph Russell, Esq., Lance Evans, Francis Tom Iorizzo, and Ted Booker from the Watertown Daily Times

The following resolution was offered by Mr. Aliasso seconded by Mr. DiMonda, to wit;

Resolution No.:03.03.2016.04

RESOLUTION OF THE JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAKING OFFICIAL ACTION TOWARD THE CONTINUATION OF A CERTAIN LEASE AGREEMENT BETWEEN THE AGENCY AND THE WATERTOWN INDUSTRIAL CENTER LOCAL DEVELOPMENT CORPORATION DATED SEPTEMBER 21, 1995 BY EXTENDING SUCH LEASE AGREEMENT FOR AN ADDITIONAL PERIOD OF TEN (10) YEARS BY AMENDMENT TO THE LEASE AGREEMENT ON LAND LOCATED AT 800 STARBUCK AVENUE, WATERTOWN, NEW YORK.

WHEREAS, Jefferson County Industrial Development Agency (the "**Agency**') is authorized and empowered by 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 77 of the 1974 Laws of New York, as amended, constituting Section 902 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "**Act**") to promote, develop, encourage and assist in the acquiring, constructing, renovating,

improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, pursuant to an application, including a cost benefits analysis (the "**Application**"), the Watertown Industrial Center Local Development Corporation (the "**Company**") requested the Agency extend its current Lease dated September 21, 1995, with the Agency for an additional period of ten (10) years ending March 31, 2026. The Project was defined in the original Authorizing Resolution and is further defined in the PILOT Agreement; and

WHEREAS, the Agency will be granting certain "financial assistance" (within the meaning of Section 854(14) of the Act) abatement of real property taxes for that portion of the Project consisting of real property, pursuant to the Agency's Uniform Tax Exemption Policy adopted in accordance with Section 874 of the Act (collectively, the "**Financial Assistance**"); and

WHEREAS, the Chief Executive Officer of the Agency has (A) caused notice of a public hearing of the Agency to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project (the "**Public Hearing**") to be mailed on November 4, 2015 to the chief executive officer of the County, City and School District in which the Project is to be located, (B) caused notice of the Public Hearing to be published on November 5, 2015 in the Watertown Daily Times, a newspaper of general circulation available to residents of the County of Jefferson, (C) conducted the Public Hearing on November 16, 2015 at 10:00 o'clock a.m., local time at the offices of the Agency, 800 Starbuck Avenue, Watertown, New York, 13601(D) prepared a report of the Public Hearing which fairly summarized the views presented at said Public Hearing and distributed same to the members of the Agency; and

WHEREAS, since there has been no change in the Project by extending the Lease Agreement for an additional ten (10) years, it is not necessary for the Agency to make a new finding pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "**SEQR Act**") and the regulations (the "**Regulations**") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "**SEQRA**"), and may rely on the SEQRA findings adopted when the Lease was initially approved; and

WHEREAS, the Agency has given due consideration to the Application and to the representations by the Company that the granting by the Agency of the Financial Assistance with respect to the Project will be in an inducement to the Company to continue the Project in Jefferson County, New York; and

WHEREAS, the Company, the Agency, and the respective Taxing Jurisdictions have all agreed on a certain Payment in Lieu of Taxes Agreement and Distribution Schedule to the Taxing Jurisdictions of such payments in lieu of taxes in substantially the form and affect and appears at **Exhibit "A"** to this Resolution; and

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

Section 1 The Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) The Project continues to be a "project", as such term is defined in the Act; and

(C) The continuation of the Lease Agreement for an additional period of ten (10) years will promote and maintain the job opportunities, general prosperity and economic welfare of the citizens of Jefferson County, New York and the State of New York and improve their standard of living; and

(D) It is desirable and in the public interest for the Agency grant to the Company the relief provided by the Payment In Lieu of Taxes Agreement, and to enter into the Agency Documents upon the satisfaction of all conditions thereto.

(E) The Project has not changed since the original Lease Agreement was entered into on September 21, 1995, and therefore does not require a new SEQR determination by the Agency.

Section 2 In consequence of the foregoing, the Agency hereby determines that the granting of the financial assistance by the Agency with respect to the Project, through the granting of various tax exemptions described herein, and set forth on the exhibits attached hereto, will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Jefferson County, New York and the State of New York, and improve their standard of living, and thereby serve the public purposes of the Act.

Section 3 In consequence of the foregoing, and subject to the satisfactions of any conditions as imposed herein or as may be required by the Act, the Agency hereby determines to:

(A) Enter into the Amendment to the Lease Agreement; and

(B) Continue to lease the Project Facility to the Company pursuant to an Amendment to the Lease Agreement; and

(C) Enter into the Payment in Lieu of Tax Agreement in the form and substance as attached hereto; and

(D) Execute and deliver the other Closing Documents upon terms and conditions satisfactory to the Chief Executive Officer; and

(E) Execute and deliver the Closing Documents upon terms and conditions satisfactory to the Chief Executive Officer; and

(F) Grant the Financial Assistance with respect to the Project.

Section 4 The Agency is hereby authorized to continue to lease the Project Facility to the Company pursuant to the Amendment to the Lease Agreement.

Section 5 (A) The Chief Executive Officer of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver the Agency Documents and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in substantially the forms thereof presented to this meeting, with such changes, variations, omissions and insertions thereto as the Chief Executive Officer shall approve, the execution thereof by the Chief Executive Officer to constitute conclusive evidence of such approval.

(B) The Chief Executive Officer of the Agency is hereby further authorized, on behalf of the Agency, to designate any additional Authorized Representatives of the Agency (as defined in and pursuant to the Lease Agreement).

Section 6 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 or provided for by the provisions of the Agency Documents, and to execute and deliver all such additional 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 Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Agency Documents binding upon the Agency.

Section 7 This Resolution shall take effect immediately.

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

Robert E. Aliasso, Jr.	VOTING YEA
David J. Converse	VOTING Abstained
Donald DiMonda	VOTING YEA
John Jennings	VOTING Absent
Jeremiah J. Maxon	VOTING YEA
Michelle D. Pfaff	VOTING Absent
W. Edward Walldroff	VOTING YEA

The foregoing Resolution was thereupon declared and duly adopted.

EXHIBIT "A" to AUTHORIZING RESOLUTION

PAYMENT IN LIEU OF TAXES AGREEMENT

THIS AGREEMENT, by and between **WATERTOWN INDUSTRIAL CENTER LOCAL DEVELOPMENT CORPORATION,** a New York local development corporation having an address of 800 Starbuck Avenue, Watertown, New York 13601 ("**WICLDC**") and **JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, an Industrial Development Agency and a Public Benefit Corporation of the State of New York having an address of 800 Starbuck Avenue, Watertown, New York 13601 ("**Agency**"),

W I T N E S S E T H :

WHEREAS, the Agency was created by Chapter 369 of the Laws of 1971 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**"); and

WHEREAS, the Agency acquired by Deed the WICLDC's facilities known as buildings A, B, C, and D (the "**Facility**") located at 800 Starbuck Avenue, City of Watertown, Jefferson County, New York.; and

WHEREAS, the Agency leased the Facility to the WICLDC pursuant to a Lease Agreement dated September 21, 1995; and

WHEREAS, the parties hereto pursuant to an amendment (the "**Amendment**") to the Lease Agreement wish to extend the term of the Lease to March 31, 2026; and

WHEREAS, the WICLDC sub-leases portions of the Facility primarily to start-up or small businesses engaged in manufacturing or commercial business at a reduced rent thereby giving these businesses an opportunity to get started and grow (the "**Project**"). At the present time, these businesses employ over 187 people.

WHEREAS, pursuant to section 874(1) of the Act, and Section 412(a) of the Real Property Tax Law of the State of New York, the Agency is exempt from the payment of taxes and assessments imposed upon real property and improvements owned by it other than special ad valorem levies, special assessments and service charges against real property located in Jefferson County which are or may be imposed for special improvements or special district improvements; and

WHEREAS, by Resolution dated _____, 2016, the Agency authorized the Amendment; and

WHEREAS, the Taxing Jurisdictions, which are, collectively, the City of Watertown ("**City**"), Jefferson County ("**County**") and the Watertown City School District ("**School**"), have the following taxable years: the County January 1 to December 31, the City and the School July 1 to June 30; and

WHEREAS, the Agency and the WICLDC deem it necessary and proper to enter into this agreement making provision for payments in lieu of taxes to the respective Taxing Jurisdictions which the Facility is to be located; and

WHEREAS, it is the intent that the calculated PILOT payments be equal to 100% of the amount of taxes that would be due on the occupied portions of the buildings as if not exempt and that the vacant portions of the building would be 100% tax exempt;

NOW, THEREFORE, in consideration of the covenants herein contained, it is mutually agreed as follows:

1. For the purpose of payments to be made pursuant to this Agreement, they shall begin on July 1, 2016 (the "**Commencement Date**").

2. Commencing on the Commencement Date and for the period set forth below, or until the earlier termination of the Lease Agreement as amended, the WICLDC agrees to pay in lieu of all real estate taxes which would be levied upon the Facility during such tax years as if the Facility were owned by the WICLDC and not by the Agency, the amounts determined according to the following formula:

PILOT = EA x ATR

WHERE

PILOT = Amount of payment in lieu of taxes due to the Taxing Jurisdictions for the applicable tax year.

EA = Effective Assessment is the sum of the values of the three Component Building Uses minus the value attributed to the unoccupied portions.

ATR = Actual Tax Rate for the respective Taxing Jurisdictions for the applicable year.

Component Building Uses = Office Space, Flex Space and Subpar

Office Space = Areas with a higher level of finish or used as an office open to the public. This will not include offices ancillary to Flex Space that is not separately leasable and whose area is less than 10% of the parent Flex Space.

Flex Space = Areas in a condition and configuration making them usable with minimal or no improvement. All space determined not to be Office Space or Subpar will be considered Flex Space.

Subpar = Areas that require major improvement and/or reconfiguration to be leasable. Space that is actively used with plans for imminent major improvement or replacement may be considered Subpar.

The per square foot value for each Component Building Use, is calculated using the average value of all the space comprising said component, and is subject to change each year based upon major construction/demolitions, market changes and changes to the City's level of assessment.

The component values and the area breakdown for the 2016 tax roll year are as follows:

Component	Office Space	Flex Space	Subpar
Value per Square Foot	$25.45	$7.28	$3.05
Square feet	20,926	85,727	71,279

which results in an assessment of $1,374,000 for 2016, which then must be reduced by the applicable component vacancy rates to result in the Effective Assessment.

Changes to the classification of spaces are at the discretion of the City Assessor in consultation with a representative of the WICLDC.

The WICLDC retains all rights to grieve assessments as afforded by the Real Property Tax Law.

The WICLDC agrees to notify the City Assessor of any construction/demolition, change of use and the level of occupancy as of each December 1st on or before December 15th.

3. This Agreement shall terminate, unless it is terminated sooner pursuant to the Lease Agreement or any other provisions of this Agreement, on March 31, 2026 ("Termination Date") at which time the parties agree that the Lease for the Facility shall terminate and that the Agency will convey back the Facility to the WICLDC.

4. The WICLDC shall pay, or cause to be paid the amounts set forth in Paragraph 1(b) hereof within the grace period, without penalty, applicable to taxes, assessments, special ad valorem levies, special service charges or similar tax equivalents, as the case may be, on similar property subject to taxation by the Taxing Jurisdictions during such respective tax years, subject to any late payment penalties pursuant to §874 of the Act if not made within the grace period. Any failure on the part of the WICLDC to timely make any payments pursuant to this Agreement within ten (10) days following written notice from the Agency shall be an event of default ("Event of Default") under this Agreement and under the Lease Agreement. Upon such Event of Default, the Agency shall have any and/or all of the Remedies on Default set forth in the Lease Agreement. Further, upon such Event of Default, the Payments In Lieu of Tax due under this Agreement shall, upon thirty (30) days written notice from the Agency to the WICLDC, immediately the 100% of Real Property taxes would be due if the Facility was owned by the WICLDC rather than by the Agency.

5. In the event that the Facility is transferred from the Agency to the WICLDC, the Facility shall be immediately subject to taxation pursuant to Sections 302 and 520 of the New York Real Property Tax Law, as amended. However, in no event shall the WICLDC be required to pay both a PILOT payment pursuant to the Agreement and real property taxes for a concurrent tax year or portion thereof. Therefore, should the Facility be conveyed to the WICLDC and thus become taxable pursuant to New York RPTL Section 520, any

payments payable under this Agreement as Payments required in Lieu of Taxes shall be reduced by the amount of any taxes which are required to be paid under RPTL Section 520 for any such concurrent tax year or portion thereof, and should such Payment-in-Lieu-of-Taxes already have been made, the Taxing Jurisdictions shall refund any such amounts owing to WICLDC.

6. Any notice required to be given under this Agreement shall be deemed to have been duly given when delivered and, if delivered by mail, postage prepaid, return receipt requested, addressed to the respective parties hereto at their respective addresses specified below or such other addresses as either party may specify in writing to the other:

If to the Agency: Jefferson County Industrial Development Agency
800 Starbuck Avenue, Suite 800
Watertown, New York 13601
Attn: Donald C. Alexander, CEO

With a copy to: Menter, Rudin & Trivelpiece, P.C.
120 Washington Street, Suite 500
Watertown, New York 13601
Attn: Joseph W. Russell, Esq.

If to the WICLDC: Watertown Industrial Center Local Development Corporation
800 Starbuck Avenue
Watertown, New York 13601
Attn: Donald W. Rutherford, President

With a copy to: Schwerzmann & Wise, P.C.
137 Main Avenue
Watertown, New York 13601
Attn: Keith B. Caughlin, Esq.

7. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

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

9. This Agreement may not be assigned by the WICLDC without the Agency's consent.

10. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original for all purposes and all of which shall constitute collectively a single agreement. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

[Remainder of page intentionally left blank; signature pages to follow]

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement on the date set forth before the signature of its respective representative.

Date: _____, 2016

WATERTOWN INDUSTRIAL CENTER LOCAL DEVELOPMENT CORPORATION

By:_____
Name:
Title:

Date: _____, 2016

JEFFERSON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By:_____
Donald C. Alexander, CEO