

FINAL RESOLUTION
(AvalonBay Communities, Inc. Project)

A regular meeting of the City of Yonkers Industrial Development Agency was convened on October 26, 2016.

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

Resolution No. 10/2016 - 35

RESOLUTION OF THE CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY (i) ACKNOWLEDGING THE PUBLIC HEARING HELD WITH RESPECT TO THE AVALONBAY COMMUNITIES, INC. PROJECT (AS MORE FULLY DESCRIBED BELOW), (ii) APPOINTING AVALONBAY COMMUNITIES, INC. AS ITS AGENT TO UNDERTAKE THE PROJECT, AND (iii) AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGENT AGREEMENT, LEASE AGREEMENT, LEASEBACK AGREEMENT, TAX AGREEMENT, TAX AGREEMENT MORTGAGE AND RELATED DOCUMENTS WITH RESPECT TO THE PROJECT

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 83 of the Laws of 1982 of the State of New York, as amended (hereinafter collectively called the "Act"), the **CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY** (the "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, **AVALONBAY COMMUNITIES, INC.**, for itself or on behalf of an entity to be formed (the "Company") previously submitted an application (the "Application" to the Agency requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) the acquisition of a leasehold interest in three parcels of land located at 78-91, 80-94 and 37-145 Alexander Street, City of Yonkers, New York, commonly known as the "ATI site", the Sun East site" and the "Sun West site" (the "Land"); (ii) the construction of (a) on the Sun East site (the eastern side of Alexander Street), a five-story approximately 128-unit residential building with approximately 352 parking spaces, (b) on the Sun West site, a four-story approximately 239-unit residential building over one story of parking containing approximately 275 parking spaces, and (c) on the ATI site, a five-story approximately 242-unit residential building over a parking garage with approximately 279 parking spaces (the "Building Improvements"); (iii) the continuation of the Hudson River esplanade along the Hudson River to the west of the Sun West and ATI sites (the "Esplanade Improvements"; and, together with the Building Improvements, the "Improvements"); and (iv) the acquisition and installation in and around the Improvements of certain items of equipment and other tangible personal property (the "Equipment", and collectively with the Land and the Improvements, the "Facility"); and

WHEREAS, on September 29, 2016, the Agency adopted a resolution (the "Initial Resolution") with respect to the Project (i) accepting the Application of the Company, (ii) making a determination pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and the regulations adopted pursuant thereto at 6 N.Y.C.R.R. Part 617, as amended (collectively referred to as "SEQRA"), (iii) determining that the Project constitutes a "commercial facility" as defined in the Act, and (iv) directing that a public hearing be held and that an agent agreement (the "Agent Agreement"), lease agreement (the "Lease Agreement"), leaseback agreement (the "Leaseback Agreement"), tax agreement (the "Tax Agreement") and tax agreement mortgage (the "Tax Agreement Mortgage") and related documents be negotiated; and

WHEREAS, the Agency is contemplating providing Financial Assistance to the Company in the form of (i) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, and (ii) a partial real property tax abatement structured through the Tax Agreement (the "Financial Assistance"); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on Wednesday, October 19, 2016, at 5:30 p.m., local time, in the Mayor's Reception Room, 2nd Floor, Yonkers City Hall, Yonkers, New York 10701, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. A copy of the Minutes of the Public Hearing together with the Notice of Public Hearing published and forwarded to the affected taxing jurisdictions ten (10) days prior to said Public Hearing are attached hereto as Exhibit A; and

WHEREAS, the Agent Agreement, Lease Agreement, Leaseback Agreement, Tax Agreement, Tax Agreement Mortgage and related documents with respect to the Project are being negotiated and will be presented to the President, Executive Director or Secretary of the Agency for execution upon approval of this resolution.

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

Section 1. The public hearing held by the Agency on October 19, 2016, concerning the Project and the Financial Assistance was duly held in accordance with the Act, including, but not limited to, the giving of at least ten (10) days published notice of the Public Hearing (such notice also provided to the Chief Executive Officer of each affected tax jurisdiction), affording interested parties a reasonable opportunity, both orally and in writing, to present their views with respect to the Project.

Section 2. Subject to the Company executing an Agent Agreement (in a form to be approved by Counsel to the Agency and/or Transaction Counsel) and the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition,

construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; *provided, however*, the Agent Agreement shall expire on **October 31, 2017** (*unless extended for good cause by the President and/or Executive Director of the Agency*) if the Lease Agreement, Leaseback Agreement, Tax Agreement and Tax Agreement Mortgage contemplated have not been executed and delivered.

Section 3. Based upon the representation and warranties made by the Company in its Application for Financial Assistance, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount up to **\$67,605,633.80** which result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed **\$6,000,000.00**. The Agency agrees to consider any requests by the Company for increase to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

Section 4. Pursuant to Section 875(3) of the New York General Municipal Law, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any sales and use tax exemption benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the sales and use tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project. As a condition precedent of receiving sales and use tax exemption benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must (i) cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

Section 5. The Chairman, Vice Chairman, President, Secretary, Executive Director and/or the CFO of the Agency are hereby authorized, on behalf of the Agency, to execute and

deliver the Agent Agreement, Lease Agreement, Leaseback Agreement, Tax Agreement, Tax Agreement Mortgage and related documents with such changes as shall be approved by the Chairman, Vice Chairman, President, Secretary, Executive Director and/or the CFO upon execution; provided, the rental payments under the Leaseback 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.

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 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 7. These Resolutions shall take effect immediately upon adoption.

	<i>Yea</i>	<i>Nay</i>	<i>Abstain</i>	<i>Absent</i>
Mayor Mike Spano	[✓]	[]	[]	[]
Martin Ball, Sr.	[✓]	[]	[]	[]
Deputy Mayor Susan Gerry	[✓]	[]	[]	[]
Melissa Nacerino	[]	[]	[]	[x]
Hon. Cecile D. Singer	[✓]	[]	[]	[]
Peter Kischak	[✓]	[]	[]	[]
Robert Maccariello	[]	[]	[]	[x]

The Resolutions were thereupon duly adopted.

Resolution No.10/2016-35
Authorizing Resolution: AvalonBay Communities Inc.
October 26, 2016

CERTIFICATION
(AvalonBay Communities, Inc. Project)

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

I, SUSAN GERRY, the undersigned Secretary of the City of Yonkers Industrial Development Agency DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the City of Yonkers Industrial Development Agency (the "Agency"), including the resolution contained therein, held October 26, 2016, 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 resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

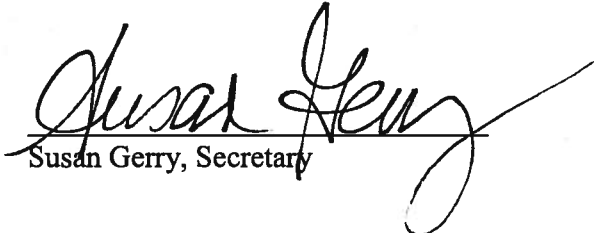
I FURTHER CERTIFY, that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this ~~18~~ day of ~~October~~, 2016.

18
November


Susan Gerry, Secretary

[SEAL]

Resolution No.10/2016-35
Authorizing Resolution: AvalonBay Communities Inc.
October 26, 2016

EXHIBIT A

[Notice Documents]

Attached hereto