

WHEREAS, the Land has been exempt from real property taxes, general property taxes, general school district taxes, general assessments, service charges or other governmental charges of a similar nature levied and/or assessed upon the Facility commencing July 25, 2005 (the "Exempt Taxes"), because the Agency has owned the Land, and the Land is being used for a purpose within the meaning of the applicable Constitutional and statutory provisions, including the Enabling Act, provided, however, such exemption does not extend to special assessments or ad valorem levies; and

WHEREAS, the Company understands that it, as sublessee of the Facility leased by the Agency, will, in fact, have Exempt Taxes to pay under the provisions of the Lease Agreement from the Construction PILOT Payment Period Commencement Date (as that date is determined by the parties and described herein) through the term of the Leaseback Agreement; and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into this agreement making provision for payments-in-lieu-of-taxes and such assessments by the Company to the Agency, such PILOT Payments to be collected and allocated by the Agency in accordance with the Agreement Approving PILOT Terms and Allocating PILOT Payments dated as of August 27, 2018 (the "PILOT Allocation Agreement") by and among the City of Rome (the "City"), Oneida County, Rome City School District and appropriate special districts (hereinafter each a "Affected Tax Jurisdiction" and collectively the "Affected Tax Jurisdictions" more particularly set forth on Schedule A attached hereto and made a part hereof) and RIDC; and

WHEREAS, the Guarantor is entering into this Agreement to unconditionally guaranty all payments to be made by the Company hereunder.

NOW, THEREFORE, to provide for certain payments to the Agency, to be allocated in accordance with the PILOT Allocation Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

A. Definitions. Capitalized terms used in this Agreement not otherwise defined herein shall have the meaning set forth in Section 1 of the PILOT Allocation Agreement. For purposes of this Agreement, the following terms shall have the meaning set forth opposite them:

*"Adjusted Current Combined Tax Rate"* means, with respect to any given PILOT Year of the Permanent PILOT Payment Period in question, the Initial Current Combined Tax Rate times the Tax Rate Adjustment Factor in each successive PILOT Year up to and including the PILOT Year in question. By way of illustration, if the Initial Current Combined Tax Rate were \$60.26906250 and the PILOT Year in question were PILOT Year 5, the Adjusted Current Combined Tax Rate for such PILOT Year 5 would be \$65.23717150, calculated as follows:

PILOT Year	Application of Tax Rate Adjustment Factor	Adjusted Current Combined Tax Rate
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2	\$60.26906250 x 1.02=	\$61.47444375
3	\$61.47444375 x 1.02=	\$62.70393263
4	\$62.70393263 x 1.02=	\$63.95801128
5	\$63.95801128 x 1.02=	\$65.23717151

*“Adjusted PILOT Value”* means the PILOT Value times the PILOT Value Adjustment Factor.

*“Aggregate Annual PILOT Payment Allocation”* means, with respect to the PILOT Year in question, the aggregate amount of all PILOT Payments allocated to an Affected Tax Jurisdiction under all of the PILOT Agreements. The Aggregate Annual PILOT Payment Allocation of such an Affected Tax Jurisdiction for the PILOT Year in question shall be aggregate amount of all PILOT Payments allocated to such Affected Tax Jurisdiction out of the Affected Tax Jurisdictions’ Funds established under all of the PILOT Agreements.

*“Applicable Square Footage”* means the gross square footage of a building or space within a building, as the case may be, to be taken into account for purposes of calculating the PILOT Payments for that building. The Agency shall determine the Applicable Square Footage for each different type of New Facility in the manner described in this Agreement.

*“Completion Date”* means, with respect to each New Facility, the earlier of (a) the taxable status date that such New Facility is reflected on the annual assessment roll or property record card as having a Certificate of Occupancy, or (b) the date that is one (1) year after the Construction Commencement Date for such New Facility.

*“Construction Commencement Date”* means the applicable taxable status date of the City following the date of the issuance of a building permit for the Facility.

*“Construction PILOT Payment Period”* means the period of time (not to exceed one (1) year) beginning on the Construction PILOT Payment Period Commencement Date and continuing through and including the date immediately preceding the Permanent PILOT Payment Period Commencement Date.

*“Construction PILOT Payment Period Commencement Date”* means January 1 of the first calendar year following the Construction Commencement Date for the Facility.

*“Construction PILOT Payment Period PILOT Year”* means the calendar year occurring during said Construction PILOT Payment Period.

*“Current Combined Tax Rate”* means with respect to any given PILOT Year, the Affected Tax Jurisdictions’ then current combined tax rate per \$1,000 of assessed valuation.

*“Excess SID Credit”* shall have the meaning ascribed to such term in Paragraph E.2. hereof.

*“Initial Current Combined Tax Rate”* means the Current Combined Tax Rate in PILOT Year 1 of the Permanent PILOT Payment Period in question.

*“Manufacturing Building”* means a building which consists primarily of Manufacturing Space.

*“Manufacturing Space”* means space within a building to be used primarily for manufacturing, fabricating, assembling, packaging, processing, treating, warehousing and/or distributing products. Manufacturing Space also shall include administrative office space and/or support space located within a Manufacturing Building.

*“Other Facility”* means a building located on the Land other than a Manufacturing Building. The plural of Other Facility is “Other Facilities”. Other Facilities shall not include standalone Support Facilities.

*“Permanent PILOT Payment Period Commencement Date”* means January 1, 2021.

*“Permanent PILOT Payment Period”* means that period of time of up to twenty (20) years beginning on the Permanent PILOT Payment Period Commencement Date.

*“Permanent PILOT Payment Period PILOT Year”* means (a) each calendar year occurring during said Permanent PILOT Payment Period up to, but not including, the last calendar year (or portion thereof) occurring during said Permanent PILOT Payment Period and (b) the last calendar year (or portion thereof) occurring during said Permanent PILOT Payment Period.

*“PILOT Value Adjustment Factor”* means, with respect to each Permanent PILOT Payment Period PILOT Year, the corresponding percentage figure set forth in Schedule C to this Agreement.

*“PILOT Extension Term”* shall have the meaning ascribed to such term in Paragraph E.3. hereof.

*“PILOT Rate Adjustment Date”* shall have the meaning ascribed to such term in Paragraph D.1. hereof.

*“PILOT Value”* means the value of the Facility determined in the manner described in this Agreement by multiplying the Applicable Square Footage of the Facility times the PILOT Value Per Square Foot Rate.

*“PILOT Value Per Square Foot Rate”* means the value per square foot that shall be used to calculate the PILOT Value for the Facility in the manner described in this Agreement. The PILOT Value Per Square Foot Rates for the Facility are as set forth in Schedule B to this Agreement. The PILOT Value Per Square Foot Rates shall be adjusted on the dates and in the manner described in Paragraph D of this Agreement.

“*PILOT Year*” means the Construction PILOT Payment Period PILOT Year and each Permanent PILOT Payment Period PILOT Year.

“*Proprietary Sublease*” shall have the meaning ascribed to such term in Paragraph B.4. hereof.

“*SID Charges*” means any special ad valorem levies, special assessments or other special district or improvement district or area charges.

“*SID Credit*” shall have the meaning ascribed to such term in Paragraph E.1. hereof.

“*SID Credit Amount*” shall have the meaning ascribed to such term in Paragraph E.1. hereof.

“*SID Taxing Entity*” shall have the meaning ascribed to such term in Paragraph E.1. hereof.

“*Support Facilities*” means standalone utility buildings, gas yards, electrical service buildings, electrical sub-stations, generators and co-gen facilities, guard or security stations, water and wastewater treatment facilities, parking structures, construction management buildings, and similar facilities that support the construction and operation of Manufacturing Buildings. The singular of Support Facilities is “Support Facility”.

“*Tax Rate Adjustment Factor*” means 1.02.

B. Obligation to Make PILOT Payments - General

1. Prior to Construction PILOT Payment Period Commencement Date. No PILOT Payments shall be required prior to the Construction PILOT Payment Period Commencement Date.

2. Duration of PILOT Payments Beginning on the Construction PILOT Payment Period Commencement Date and continuing thereafter for up to twenty one (21) years, the Company shall pay the Agency annual PILOT Payments with respect to the Facility, in the amounts determined as described in this Agreement. Upon the expiration or termination of the Permanent PILOT Payment Period, the Facility shall become subject to real property taxation or the Company shall be required to make PILOT Payments in an amount equal to 100% of real property taxes that would be due if the Agency had no interest in the Facility.

3. Payments During Construction PILOT Payment Period. PILOT Payments during the Construction PILOT Payment Period shall equal the payment amount calculated in the manner described in Paragraph C below, based on the expected nature and use of the Facility as described in the Plans and Specifications for the Facility, multiplied by the percentage of completion as of the taxable status date used by the City for its annual assessment rolls. The

Company shall certify the percentage of completion based on construction requisitions and other construction documents by written statement to the Agency (with a copy to the City Assessor) submitted no later than December 15 and June 15 until the Completion Date.

4. Exempt Uses. Notwithstanding anything herein to the contrary, in any year in which the Facility, or portion thereof, is leased or occupied by education or other tax-exempt organizations described in New York Real Property Tax Law Section 420-a, and is not used for non-exempt uses, no PILOT Payment shall be required for the Facility, or portion thereof. If, however, the Facility is leased or occupied by education or other tax-exempt organization described in New York Real Property Tax Law Section 420-a and is being subleased to a proprietary or taxable entity having exclusive use and/or possession of the Facility or portion thereof (a "Proprietary Sublease"), then PILOT Payments shall be required for the Facility, or portion thereof that is the subject of a Proprietary Sublease.

C. Calculation of Annual PILOT Payment due during Permanent PILOT Payment Period.

1. Classification and Measurement of the Facility for PILOT Purposes. During the Permanent PILOT Payment Period, the PILOT Payments for the Facility shall be based on the classification of the building as a Manufacturing Building, a Support Facility or as an Other Facility. The Agency shall classify the Facility, and determine the appropriate measurement of the Applicable Square Footage of the Facility, based on Plans and Specifications and other information provided by the Company.

2. Formula for Calculating PILOT Payments. Subject to the specific terms described herein, during the Permanent PILOT Payment Period the annual PILOT Payment for the Facility shall be calculated as follows:

Applicable Square Footage x PILOT Value Per Square Foot Rate = PILOT Value

PILOT Value x the PILOT Adjustment Factor = Adjusted PILOT Value

Adjusted PILOT Value ÷ 1,000 x the lesser of (a) the Current Combined Tax Rate or (b) the Adjusted Current Combined Tax Rate = PILOT Payment

3. PILOT Value of Manufacturing Building. The Applicable Square Footage of a Manufacturing Building shall be comprised of the entire gross square footage in that building (measured floor by floor). The PILOT Value of a Manufacturing Building shall equal the gross square footage of such Manufacturing Building multiplied by the PILOT Value Per Square Foot Rate for a Manufacturing Space set forth in Column A of Schedule B.

4. PILOT Value of Other Facilities. If one or more Other Facilities are constructed on the Land, the PILOT Value of such facility or facilities shall be determined by the Agency in its reasonable discretion based on comparable data from sources deemed to be reflective of the industry.

5. Support Facilities. Notwithstanding anything herein to the contrary, no separate PILOT Value shall be assigned to Support Facilities, which Support Facilities shall be assigned a separate tax parcel identification number by the City on the annual assessment rolls. The value of Support Facilities is included in the PILOT Value of the other buildings and improvements located on the Land.

D. [Intentionally Omitted]

E. Special Assessments/Credit for SID Charges.

1. If for any reason the Facility shall be subject to any SID Charges, notwithstanding the provisions of Section 2(b) of the PILOT Allocation Agreement, then the amount of SID Charges assessed against the Facility each year shall be applied as a dollar for dollar credit (the "SID Credit") that shall reduce the PILOT Payments due from the Company with respect to the Facility for the PILOT Year in which the SID Charges are due and payable. An amount equal to the SID Credit (the "SID Credit Amount") shall be subtracted from the Aggregate Annual PILOT Payment Allocation the Affected Tax Jurisdiction that levied the SID Charges (the "SID Taxing Entity"). Once the SID Credit Amount has been subtracted from the Aggregate Annual PILOT Payment Allocation of the SID Taxing Entity in question, the Agency shall then re-allocate said subtracted amount in the manner necessary to place the Affected Tax Jurisdictions (other than the SID Taxing Entity in question) and the Funds (other than the Affected Tax Jurisdictions' Fund) in the same position that they would have been in had there been no SID Credit (or as nearly so as is possible). The provisions of this paragraph will not apply for any SID Charges or assessments requested by the Company.

2. If the SID Credit Amount for any year exceeds the Aggregate Annual PILOT Payment Allocation of the SID Taxing Entity in question, the excess amount (the "Excess SID Credit") shall be carried forward to subsequent years and applied each year to reduce the annual PILOT Payment due from the Company in question, and shall be subtracted from the Aggregate Annual PILOT Payment Allocation of the SID Taxing Entity in question, until the entire amount of the Excess SID Credit has been fully used.

3. If necessary, the term of this PILOT Agreement shall be extended for such period of time necessary for the entire Excess SID Credit to be applied to reduce PILOT Payments due from the Company (the "PILOT Extension Term"). During the PILOT Extension Term, the Company shall make annual PILOT Payments to the Agency in amounts equal to the real property taxes that would be due if the Facility were owned by the Company and the Agency had no interest therein. The PILOT Payments during the PILOT Extension Term shall be allocated pro rata among the Affected Tax Jurisdictions in proportion to the amount of real property taxes that each Affected Tax Jurisdiction would receive if the Facility was subject to normal taxation and will not be subject to the fixed allocation set forth in Section 3 of the PILOT Allocation Agreement. The Excess SID Credit shall be applied to reduce the SID Taxing Entity's

share of PILOT Payments during the PILOT Extension Term until the entire remaining Excess SID Credit has been fully used.

F. Challenges to Assessed Value.

If for any reason the Facility shall be subject to any SID Charges, notwithstanding the provisions of Section 2(B) of the PILOT Allocation Agreement, but excluding SID Charges or assessments requested by the Company and/or common area charges levied, assessed or imposed against or on the Company pursuant to a Declaration, the Company may pursue review of the Facility's assessed value under Article 7 of the New York State Real Property Tax Law or any other law or ordinance then in effect relating to disputes over assessed valuation of real property in the State of New York, and may take any and all other action available to it at law or in equity. If an Article 7 challenge is brought by the Company, the challenge to the assessment may only be utilized to reduce the SID Charges payable by the Company and may not be used to modify or reduce PILOT Payments.

G. Waiver of Right to Other Real Property Tax Exemptions.

The Company will unconditionally and irrevocably waive its right, if any, to apply for and/or receive the benefit of, any other real property tax exemption including, without limitation, any real property tax exemptions that may be available under Section 485-b and Section 485-e of the Real Property Tax Law for so long as this Agreement is in effect.

H. Nonrecourse to RCBRC and RIDC.

Neither the Agency nor the Affected Tax Jurisdictions shall have any remedies against or seek recourse against RCBRC or RIDC and the sole recourse of the Agency and the Affected Taxing Jurisdictions shall be against the Company, and the Agency and the Affected Taxing Jurisdictions shall look only to the Company and to the Guarantor for the complete and sole satisfaction of any remedies for unpaid sums due under this Agreement.

I. [Intentionally Omitted]

J. PILOT Bills and PILOT Payments

1. The Agency shall prepare all PILOT Invoices and shall submit the same to the Company by June 1 of each Exemption Year, which PILOT Invoice shall, upon the Company's written request to the Agency, include the latest assessment notice from the City Assessor's Office as evidence of the Facility's assessed value.

2. The Company shall make PILOT Payments to the Agency on or before July 1, for distribution by the Agency in accordance with the terms of the PILOT Allocation Agreement. PILOT Payments that are delinquent under this Agreement shall

be subject to a late penalty of five percent (5%) of the amount due which shall be paid by the Company to the Agency at the time the PILOT Payment is paid, and which the Agency shall pay to the Affected Tax Jurisdictions. For each month, or part thereof, that the PILOT Payment is delinquent beyond the first month, interest shall accrue to and be paid to the Agency on the total amount due plus a late payment penalty in the amount of one percent (1%) per month until the payment is made, which the Agency shall pay to the Affected Tax Jurisdictions.

3. The Guarantor unconditionally guarantees the obligation of the Company to make PILOT Payments required hereunder. Upon the failure of the Company in making any payment when due hereunder, the Agency shall provide written notice to the Company and the Guarantor providing thirty (30) days to cure such default and remit payment to the Agency.

4. Anything herein to the contrary, notwithstanding, upon the failure of the Company or the Guarantor in making any payment when due hereunder and upon failure to cure such default within thirty (30) days of receipt of notice as herein provided, shall constitute an Event of Default under Section 7.1(a)(vi) of the Leaseback Agreement, and the Agency may take any one or all remedial steps afforded it in Section 7.2 of the Leaseback Agreement; provided, however, nothing herein contained shall be deemed to limit any other rights and remedies the Agency may have hereunder or under any other Transaction Document.

5. Anything herein to the contrary, notwithstanding, this Agreement shall terminate on the date on which the Leaseback Agreement shall terminate and the Agency shall terminate its interest in the Facility pursuant to the Leaseback Agreement. The benefits under this Agreement are subject to the terms and conditions of a certain Job Creation and Recapture Agreement by and among the Agency, the Company and the Guarantor dated as of March 16, 2020.

K. The PILOT Payments to be made by the Company pursuant to this Agreement are intended to be in lieu of all Exempt Taxes that would have to be paid on the Facility leased to the Company by the Leaseback Agreement if the Agency did not own a fee or leasehold interest in the Facility.

L. If by reason of a change in the Constitution or laws of the State of New York, or an interpretation of the Constitution or the laws of the State of New York by the Court of Appeals (or such lower court from which the time to appeal has expired) of the State of New York, or for any other reason, the Company is required to pay any tax which the payments specified herein are intended to be in lieu of, the Company may deduct the aggregate of any such payments made by it from the amount herein agreed to be paid in lieu of such taxes and need only pay the difference. Furthermore, inasmuch as the PILOT Payments herein agreed to be made by the Company are intended to be in lieu of all Exempt Taxes, it is agreed that said payments shall not, as to any PILOT Year, be in an amount greater than would be payable for such year for such Exempt Taxes, in the aggregate, by a private corporation on account of its ownership of the Facility.



**SCHEDULE B**

**PILOT Value  
Per Square Foot Rates**

	A	B
<b>PILOT Year of Construction PILOT Payment Period</b>	<b>Manufacturing (GSF Space)</b>	<b>Other Facil- ities</b>
<b>1</b>	<b>\$50</b>	
<b>PILOT Year of Permanent PILOT Payment Period</b>		
<b>1</b>	<b>\$50</b>	*
<b>2</b>	<b>\$50</b>	*
<b>3</b>	<b>\$50</b>	*
<b>4</b>	<b>\$50</b>	*
<b>5</b>	<b>\$50</b>	*
<b>6</b>	<b>\$50</b>	*
<b>7</b>	<b>\$50</b>	*
<b>8</b>	<b>\$50</b>	*
<b>9</b>	<b>\$50</b>	*
<b>10</b>	<b>\$50</b>	*
<b>11</b>	<b>\$50</b>	*
<b>12</b>	<b>\$50</b>	*
<b>13</b>	<b>\$50</b>	*
<b>14</b>	<b>\$50</b>	*
<b>15</b>	<b>\$50</b>	*
<b>16</b>	<b>\$50</b>	*
<b>17</b>	<b>\$50</b>	*
<b>18</b>	<b>\$50</b>	*
<b>19</b>	<b>\$50</b>	*
<b>20</b>	<b>\$50</b>	*

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\* The PILOT Value Per Square Foot Rate of Other Facilities shall be determined based on comparable data from sources deemed reflective of the industry.