

MICHAEL J. BALDWIN AND DIANE H. BALDWIN

and

RESEARCH ASSOCIATES OF SYRACUSE, INC.

and

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Oneida County Industrial Development Agency
2015 Real Estate Lease
(Michael J. Baldwin and Diane H. Baldwin/
Research Associates of Syracuse, Inc. Facility)

Oneida County, City of Rome, Rome City School District

Tax Account No.: 243.000-0001-001.002-2

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of July 1, 2015, is by and among **MICHAEL J. BALDWIN AND DIANE H. BALDWIN**, d/b/a Dart Properties, individuals with an address of 8944 Tibbitts Road, New Hartford, New York 13413 (collectively, the "Company"), **RESEARCH ASSOCIATES OF SYRACUSE, INC.**, a New York corporation having an office at 111 Dart Circle, Rome, New York 13441 (the "Sublessee") and **ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, an industrial development agency and a public benefit corporation of the State of New York having its principal office at 584 Phoenix Drive, Rome, New York 13441 (the "Agency").

W I T N E S S E T H:

WHEREAS, the Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law, Chapter 99 of the Consolidated Laws of New York, as amended, (the "Enabling Act"), and Chapter 372 of the Laws of 1970 of the State of New York, as amended, constituting Section 901 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, reconstructing, improving, maintaining, equipping and furnishing of, among others, industrial facilities for the purpose of promoting, attracting and developing economically sound commerce and industry in order 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, the Sublessee has requested the Agency's assistance to support the growth of and create and retain employment at its existing facility, a 7,400± square foot, single-story building (the "Improvements") situated on a 2.124± acre parcel of land located at 111 Dart Circle, Griffiss Business and Technology Park, City of Rome, Oneida County, New York (the "Land") by assisting with the acquisition and installation of office furniture and equipment in the Improvements (the "Equipment"), all to be used for the purpose of providing cutting-edge Electronic Warfare support to the Pentagon and the US intelligence community (the Land, the Improvements and the Equipment is referred to collectively as the "Facility"); and

WHEREAS, in order to induce the Company to develop the Facility, the Agency is willing to maintain its fee interest in the Land, Improvements and Equipment constituting the Facility and lease said Land, Improvements and Equipment to the Company pursuant to the terms and conditions contained in a Lease Agreement dated as of July 1, 2015 (the "Lease Agreement"); and

WHEREAS, the Company shall further sublease the Facility to the Sublessee upon the terms and conditions contained in a Sub-Sublease Agreement dated as of May 1, 2015 (the "Sublease Agreement") between the Company and the Sublessee; and

WHEREAS, the Agency has agreed to maintain its fee interest in the Facility in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, the Facility is 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 and the Facility will continue to be 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 or the interest therein of the Company and/or the Sublessee or the occupancy thereof by the Company and/or the Sublessee commencing upon execution of this PILOT Agreement (the "Exempt Taxes"), because the Agency owns fee title to the Facility and the Facility is 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 and/or the Sublessee understands that it, as lessee of the Facility leased by the Agency, will, in fact, have Exempt Taxes to pay under the provisions of the Lease Agreement from the first date of the Exemption Term (as that date is determined by the parties and described herein) through the term of the Lease Agreement (the "Exemption Term"); and

WHEREAS, each year of the Exemption Term is more particularly set forth on Schedule B attached hereto (each year being referred to as an "Exemption Year"); 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 City of Rome, or any existing incorporated village or any village which may be incorporated after the date hereof, within which the Facility is or may be, wholly or partially located, Oneida County, Rome City School District and appropriate special districts (hereinafter each a "Taxing Authority" and collectively the "Taxing Authorities") in which any part of the Facility is or is to be located; and

WHEREAS, all defined terms herein as indicated by the capitalization of the first letter thereof and not otherwise defined herein shall have the meanings ascribed to such terms as set forth in the Lease Agreement.

NOW, THEREFORE, to provide for certain payments to the Taxing Authorities, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. The Company shall pay to each Taxing Authority:
 - (a) all taxes or PILOT Payments that are due with respect to the Facility prior to the Exemption Term, no later than the last day during which such payments may be made without penalty; and
 - (b) all special assessments and ad valorem taxes coming due and payable during the term of the Lease Agreement for which the Facility is not exempt, no later than the last day during which such payments may be made without penalty.

2. (a) The Company shall pay to each Taxing Authority as set forth on Schedule A attached hereto and made a part hereof an amount in lieu of the Exempt Taxes (the "PILOT Payments") during each Exemption Year as follows:

Exemption Year 1	\$12,119.61
Exemption Year 2	\$12,362.00
Exemption Year 3	\$12,609.24
Exemption Year 4	\$12,861.43
Exemption Year 5	\$13,118.66
Exemption Year 6	\$26,762.06
Exemption Year 7	\$27,297.30
Exemption Year 8	\$27,843.25
Exemption Year 9	\$28,400.11
Exemption Year 10	\$28,968.12
Exemption Year 11 and thereafter	100% of Exempt Taxes

Such PILOT Payments shall be allocated among the Taxing Authorities in the same proportion as taxes would have been allocated but for the Agency's involvement, unless the Taxing Authorities have consented in writing to a specific allocation. (For the purposes of apportioning the credit, each Taxing Authority shall use the tax rate for the prior Exemption Year).

Anything herein to the contrary, notwithstanding, this Agreement shall terminate on the date on which the Lease Agreement shall terminate and the Agency shall convey to the Company its fee interest in the Facility pursuant to the Lease Agreement. The benefits under this Agreement are subject to the terms and conditions of a certain Job Creation and Recapture Agreement dated as of July 1, 2015.

(b) Anything herein to the contrary, notwithstanding, upon the failure of the Company and/or the Sublessee 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, the Company and/or the Sublessee shall henceforth pay as PILOT Payments one hundred (100%) percent of the Exempt Taxes together with interest at the rate of nine (9%) percent per annum on any delinquent PILOT Payments together with expenses of collection, including but not limited to, payment of attorneys' fees; 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.

3. The Company and/or the Sublessee will make PILOT Payments to each Taxing Authority hereunder for each Exemption Year by making the required payment to such Taxing Authority no later than the last day during which such Exempt Taxes could otherwise be made without penalty as if the Agency did not own the Facility.

4. The PILOT Payments to be made by the Company and/or the Sublessee 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 Lease Agreement if the Agency did not own the Facility.

5. 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 and/or the Sublessee 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 and/or the Sublessee are intended to be in lieu of all Exempt Taxes, it is agreed that said payments shall not, as to any Exemption 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.

6. This Agreement shall be binding upon the successors and assigns of the parties.

7. It is the intent of the parties that the Company will have all the rights and remedies of a taxpayer with respect to any real property or other tax, service charge, special benefit, ad valorem levy, assessment or special assessment or service charge because of which, or in lieu of which, the Company and/or the Sublessee is obligated to make a payment hereunder, as if and to the same extent as if the Agency did not own the Facility. It is the further intent of the parties that the Company will have all of the rights and remedies of a taxpayer as if and to the same extent as if the Agency did not own the Facility with respect to any proposed assessment or change in assessment concerning the property, or any portion thereof, whether through an assessor, board of assessment review, court of law, or otherwise and likewise will be entitled to protest before and be heard by such assessor, board of assessment review, court of law or otherwise and will be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or amount of any taxes that would have been payable but for the provisions hereof. In the event, however, that a court of competent jurisdiction shall enter an order or judgment determining or declaring that, by reason of the Agency's ownership of the Facility, the Company does not have the right to bring a proceeding to review such assessment under the Real Property Tax Law or any other law, then the Company shall have the right to contest such assessment in the name and as the agent of the Agency, and the Agency agrees to cooperate with the Company in all respects in any such proceeding at the sole cost and expense of the Company.

8. All amounts payable by the Company and/or the Sublessee hereunder will be paid to the respective Taxing Authority and will be payable in such lawful money of the United States of America as at the time of payment is legal tender for the payment of public and private debts, including a check payable in such money.

9. (a) If any term or provision hereof should be for any reason held or adjudged to be invalid, illegal or unenforceable by any court of competent jurisdiction, such term or provision will be deemed separate and independent and the remainder hereof will

remain in full force and effect and will not be invalidated, impaired or otherwise affected by such holding or adjudication.

(b) This Agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing executed by the parties hereto.

(c) All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, to the Agency, the Company or the Sublessee, as the case may be, addressed as follows:

To the Agency: Oneida County Industrial Development Agency
584 Phoenix Drive
Rome, New York 13441-4105
Attn.: Chairman

With a Copy To: Bond, Schoeneck & King, PLLC
501 Main Street
Utica, New York 13501
Attn.: Linda E. Romano, Esq.

To the Company: Michael J. Baldwin and Diane H. Baldwin
8944 Tibbitts Road
New Hartford, New York 13413

With a Copy To: McMahon and Grow
301 N. Washington Street #1
Rome, New York 13440
Attn.: David C. Grow, Esq.

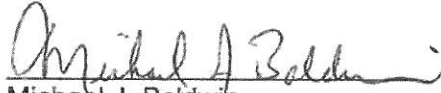
To the Sublessee: Research Associates of Syracuse, Inc.
111 Dart Circle
Rome, New York 13441
Attn.: Brian D. Moore, President


With a Copy To: Law Office of Jeffery T. Lottermoser, Jr., Esq.
23 Oxford Road
New Hartford, New York 13413
Attn.: Jeffery T. Lottermoser Jr., Esq.

provided, that the Agency, the Company or the Sublessee may, by notice given hereunder to the others, designate any further or different addresses to which subsequent notices, certificates or other communications to them shall be sent.


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

IN WITNESS WHEREOF, the parties have executed this **PILOT AGREEMENT**
as of the date first above written.

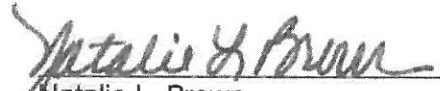

Michael J. Baldwin


Diane H. Baldwin

RESEARCH ASSOCIATES OF
SYRACUSE, INC.

By: 
Brian D. Moore
President


ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Natalie L. Brown
Vice Chairman

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

On the 19 day of July 2015 before me, the undersigned a notary public in and for said state, personally appeared **Michael J. Baldwin**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

LINDA E. ROMANO
Notary Public, State of New York
Appointed in Oneida County
Reg. No. 02RO4946270
Commission Expires Jan. 27, 2017



Notary Public

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

On the 19 day of July 2015 before me, the undersigned a notary public in and for said state, personally appeared **Diane H. Baldwin**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

LINDA E. ROMANO
Notary Public, State of New York
Appointed in Oneida County
Reg. No. 02RO4946270
Commission Expires Jan. 27, 2017




Notary Public

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

On the ¹⁹~~21~~ day of July 2015 before me, the undersigned a notary public in and for said state, personally appeared **Brian D. Moore**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

LINDA E. ROMANO
Notary Public, State of New York
Appointed in Oneida County
Reg. No. 02RO4946270
Commission Expires Jan. 27, 2017

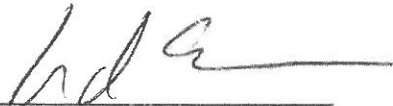


Notary Public

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

On the 21 day of June 2015 before me, the undersigned a notary public in and for said state, personally appeared **Natalie L. Brown**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

LINDA E. ROMANO
Notary Public, State of New York
Appointed in Oneida County
Reg. No. 02RO4946270
Commission Expires Jan. 27, 2017



Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF LAND

ALL TRACT, PIECE, OR PARCEL OF LAND situate in the City of Rome, County of Oneida, and State of New York described as Lot 2 on a map entitled "Property Map Showing Lands to be Conveyed to Michael J. Baldwin and Diane H. Baldwin DBA, Dart Properties, City of Rome, County of Oneida, State of New York" made by Michael P. Waters, P.L.S. No. 50027 dated April 3, 2000 and certified November 29, 2000 and filed in the Oneida County Clerk's Office. Said Lot 2 is more particularly bounded and described as follows:

Beginning at a capped iron pipe set at the intersection of the division line between the herein described parcel on the south and lands designated as Lot 1 on the aforementioned map on the north with the westerly street boundary of Tech Park Drive;

thence along said westerly street boundary the following three (3) courses and distances:

1. South $09^{\circ} 05' 20''$ East, 151.07 feet to a capped iron pipe set at a point of curvature;
2. Southeasterly along a curve to the left having a radius of 230.00 feet, a central angle of $20^{\circ} 30' 13''$, an arc length of 82.31 feet to a capped iron pipe located at a point of reverse curvature;
3. Southwesterly along a curve to the right having a radius of 17.00 feet, a central angle of $56^{\circ} 05' 59''$, an arc length of 16.64 feet to a capped iron pipe set at its intersection with the division line between the herein described parcel on the north and the lands designated as Lot No. 3 on the south;

thence South $88^{\circ} 40' 22''$ West along said division line 486.93 feet to a capped iron pipe set;

thence North $41^{\circ} 06' 29''$ West 59.89 feet to a capped iron pipe set;

thence North $48^{\circ} 53' 31''$ East 250.60 feet to a capped iron pipe set;

thence North $81^{\circ} 17' 38''$ East along the first mentioned division line 289.27 feet to the place of beginning being $92,537.1 \pm$ square feet or 2.124 acres, more or less.

Subject to a 10' wide sanitary sewer easement and 10' wide utility easement as shown on the aforementioned map.

SCHEDULE A

COUNTY OF ONEIDA

Receiver of Taxes
800 Park Avenue
Utica, New York 13501

CITY OF ROME

Receiver of Taxes
Rome City Hall
198 North Washington Street
Rome, New York 13440
Attn.: City Treasurer

ROME CITY SCHOOL DISTRICT

409 Bell Street
Rome, New York 13440
Attn.: David Dreidel, District Treasurer

SCHEDULE B

EXEMPTION YEARS

Exemption Year	County/Town Taxes	School Taxes
Year One	01/01/2016 – 12/31/2016	07/01/2016 – 06/30/2017
Year Two	01/01/2017 – 12/31/2017	07/01/2017 – 06/30/2018
Year Three	01/01/2018 – 12/31/2018	07/01/2018 – 06/30/2019
Year Four	01/01/2019 – 12/31/2019	07/01/2019 – 06/30/2020
Year Five	01/01/2020 – 12/31/2020	07/01/2020 – 06/30/2021
Year Six	01/01/2021 – 12/31/2021	07/01/2021 – 06/30/2022
Year Seven	01/01/2022 – 12/31/2022	07/01/2022 – 06/30/2023
Year Eight	01/01/2023 – 12/31/2023	07/01/2023 – 06/30/2024
Year Nine	01/01/2024 – 12/31/2024	07/01/2024 – 06/30/2025
Year Ten	01/01/2025 – 12/31/2025	07/01/2025 – 06/30/2026

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