

GRIFFISS LOCAL DEVELOPMENT CORPORATION

and

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Oneida County Industrial Development Agency
2004 Real Estate Transfer
(Griffiss Local Development Corporation VII Facility)
(Parcels F3A and F3B)

County of Oneida

and

City of Rome

and

Rome City School District

Tax Account Number: Part of CTM 243.000-1-1

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS AGREEMENT, dated as of April 1, 2004, is by and between **GRIFFISS LOCAL DEVELOPMENT CORPORATION**, a not-for-profit local development corporation duly organized and validly existing under the laws of the State of New York, having its principal office at 153 Brooks Road, Rome, New York 13441 (the "Company") 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 153 Brooks Road, Rome, New York 13441-4105 (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 24 of the Consolidated Laws of New York, as amended, (the "Enabling Act"), and Chapter 372 of the 1970 Laws 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 Agency has agreed to acquire title to certain industrial development facilities (the "Facility" as defined in the Lease Agreement as hereinafter defined) from the United States of America, acting by and through the Secretary of the Air Force (the "Air Force"); and

WHEREAS, the Agency has agreed to accept title to 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 Agency has agreed to lease the Facility to the Company pursuant to a Lease Agreement dated as of April 1, 2004 between the Agency and the Company (the "Lease Agreement") such that title will remain in the Agency throughout the Lease Term (as such term is defined in the Lease Agreement); and

WHEREAS, the Facility will be exempt from, among other things, 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 or the occupancy thereof by the Company (the "Exempt Taxes")

commencing on the first date of the Exemption Term, as that date is established by the parties and as described herein, because the Facility is, or will be, under the jurisdiction, supervision and/or control of the Agency and used for a purpose within the meaning of the applicable Constitutional and statutory provisions, including the Enabling Act, provided, however, such exemption will not extend to special assessments or ad valorem levies; and

WHEREAS, the Company 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") (each year measured by the twelve month period commencing with July 27, 2004 and thereafter commencing on the last Tuesday of the following July, herein referred to as an "Exemption Year"); and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into an agreement making provision for payments-in-lieu-of-taxes and such assessments by the Company to the City of Rome 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 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 no taxes in lieu of the Exempt Taxes (the "PILOT Payments") during each Exemption Year.

(b) A default under the Memorandum of Understanding, dated as of January 12, 1999 (the "Memorandum of Understanding"), as the same may be amended from time to time, by and among the Company, the Agency, the City of Rome, the Town of Floyd and Oneida County, shall constitute a default under this PILOT Agreement.

3. The Company 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 Facility was owned by the Company and not by the Agency.

4. 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 Lease Agreement.

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 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 (if such difference is a positive number). 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 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 because of which, or in lieu of which, the Company is obligated to make a payment hereunder, as if and to the same extent as if the Company were the owner of 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 Company were the owner of 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.

8. All amounts payable by the Company 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 received or upon refusal of receipt by United States registered or certified mail, postage prepaid, return receipt requested, to the Agency or the Company, as the case may be, addressed as follows:

If to the Agency:

Oneida County Industrial Development Agency
153 Brooks Road
Rome, New York 13441-4105
Attn: Robert R. Calli, Chairman

With a copy to:

Kernan & Kernan, P.C.
258 Genesee Street, Suite 600
Utica, New York 13502-4691
Attn: Michael H. Stephens, Esq.

If to the Company:

Griffiss Local Development Corporation
153 Brooks Road
Rome, New York 13441-1405
Attn: Steven J. DiMeo, Executive Vice President

With a copy to:

Joseph E. Saunders, Esq.
Saunders Kahler & Locke, L.L.P.
185 Genesee Street, Suite 1400
Utica, New York 13501

provided, that the Agency or the Company may, by notice given hereunder to the other, 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.

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____

Robert R. Calli
Its Chairman

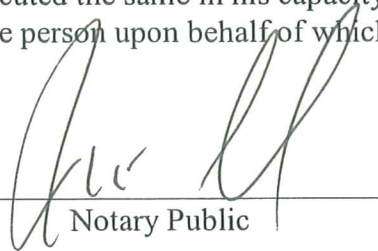
GRIFFISS LOCAL DEVELOPMENT
CORPORATION

By: _____

Steven J. DiMeo
Its Executive Vice President

STATE OF NEW YORK)
) SS:
COUNTY OF ONEIDA)

On the 29th day of April 2004 before me, the undersigned a notary public in and for said state, personally appeared **Robert R. Calli**, 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.

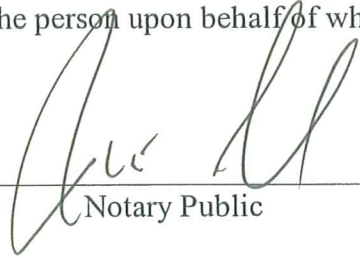


Notary Public

JOSEPH E. SAUNDERS
NOTARY PUBLIC, State of New York
Appointed in Oneida County
My Commission Expires Nov. 30, 2005

STATE OF NEW YORK)
) SS:
COUNTY OF ONEIDA)

On the 29th day of April 2004 before me, the undersigned a notary public in and for said state, personally appeared **Steven J. DiMeo**, 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.



Notary Public

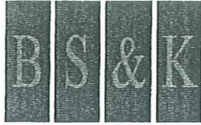
JOSEPH E. SAUNDERS
NOTARY PUBLIC, State of New York
Appointed in Oneida County
My Commission Expires Nov. 30, 2005

SCHEDULE A

Receiver of Taxes
Oneida County
800 Park Avenue
Utica, NY 13501

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

Receiver of Taxes
Rome City School District
112 East Thomas Street
Rome, New York 13440
Attn.: Michelle Boek, Treasurer



BOND, SCHOENECK & KING, PLLC
ATTORNEYS AT LAW ■ NEW YORK FLORIDA KANSAS

May 5, 2004

VIA CERTIFIED MAIL

Joseph Surace, Assessor
City of Rome
198 North Washington Street
Rome NY 13440

*Re: Oneida County Industrial Development Agency
2004 Real Estate Transfer
(Griffiss Local Development Corp. VII Facility) (Parcels F3A and F3B)*

Dear Mr. Surace:

Enclosed you will please find Form RP-412-a (Application for Real Property Tax Exemption) in connection with the above-referenced transaction. Attached to the Application is a copy of the Payment in Lieu of Tax Agreement, which sets forth the terms of the tax abatement that the Agency will grant to the Company effective July 27, 2004.

I direct your attention to the fact that all PILOT bills should be sent directly to the Company.

Should you have any questions on the enclosed, please do not hesitate to contact our offices.

Very truly yours,

BOND, SCHOENECK & KING, PLLC

A handwritten signature in cursive script, appearing to read "Laura S. Ruberto".

Laura S. Ruberto
Paralegal

Enclosures

c: Attached Distribution List (w/enclosures)

Distribution List

Joseph Griffo
Oneida County Executive
800 Park Avenue
Utica, New York 13501

County of Oneida
Receiver of Taxes
800 Park Avenue
Utica, New York 13501

Kathy Pilbeam, Director
Real Property Tax Services
Oneida County
800 Park Avenue
Utica, New York 13501

John Mazzafero, Mayor
City of Rome
Rome City Hall
198 North Washington Street
Rome, New York 13440

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

Office of the Superintendent
Rome City School District
112 East Thomas Street
Rome, New York 13440

Rome City School District
112 East Thomas Street
Rome, New York 13440
Attn.: Michelle Boek, Treasurer

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

7002 0860 0007 4992 2237

OFFICIAL USE

Postage	\$.83
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$4.88

UTICA NY 13504
 MAY 6 2004
 Postmark Here
 USPS

Sent To City of Rome Assessor
 Street, Apt. No.,
 or PO Box No. 198 N Washington St
 City, State, ZIP+4 Rome NY 13440

PS Form 3800, April 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p><u>X A. Jeffalano</u></p> <p>B. Received by (Printed Name) <u>A. Jeffalano</u></p> <p>C. Date of Delivery <u>5/7/04</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p><u>Joseph Surace, Assessor</u> <u>City of Rome</u> <u>198 North Washington St</u> <u>Rome NY 13440</u></p> <p><u>GLDC VII</u></p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p>	<p>7002 0860 0007 4992 2237</p>



NYS BOARD OF REAL PROPERTY SERVICES

RP-412-a (1/95)

INDUSTRIAL DEVELOPMENT AGENCIES
APPLICATION FOR REAL PROPERTY TAX EXEMPTION
(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name Oneida County IDA
Street 153 Brooks Road
City Rome NY 13441-4105
Telephone no. Day (315) 338-0393
Evening () _____
Contact Shawna Papale
Title Secretary

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)

Name Griffiss Local Development Corp.
Street 153 Brooks Road
City Rome NY 13441-4105
Telephone no. Day () (315) 338-0393
Evening () _____
Contact Steven J. DiMeo
Title Executive Vice President

3. DESCRIPTION OF PARCEL

a. Assessment roll description (tax map no./roll year)
Portion of CTM 243.000-1-1

b. Street address former Griffiss AFB

c. City, Town or Village Rome

d. School District Rome City SD

e. County Oneida

f. Current assessment N/A

g. Deed to IDA (date recorded; liber and page)

4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)

a. Brief description (include property use) Former Griffiss AFB, Parcels F3A and F3B, as more particularly described on Schedule A attached hereto and made a part hereof.

b. Type of construction Various buildings

c. Square footage _____

d. Total cost _____

e. Date construction commenced _____

f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA)
July 28, 2014

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION

(Attach copy of the agreement or extract of the terms relating to the project).

a. Formula for payment Company will pay no taxes for ten years, as set forth in the PILOT Agreement, a copy of which is attached hereto.

b. Projected expiration date of agreement July 28, 2014

c. Municipal corporations to which payments will be made

	Yes	No
County _____	<input checked="" type="checkbox"/>	
Town/City _____	<input checked="" type="checkbox"/>	
Village _____		<input checked="" type="checkbox"/>
School District _____	<input checked="" type="checkbox"/>	

d. Person or entity responsible for payment

Name Griffiss Local Devt. Corp.
 Title Steve DiMeo, Exec VP
 Address 153 Brooks Road
Rome NY 13441-4105

e. Is the IDA the owner of the property? ☒ Yes/No (circle one)
 If "No" identify owner and explain IDA rights or interest in an attached statement.

Telephone 315-338-0393

6. Is the property receiving or has the property ever received any other exemption from real property taxation?
 (check one) ☒ Yes ☐ No

If yes, list the statutory exemption reference and assessment roll year on which granted:
 exemption Former Griffiss AFB assessment roll year _____

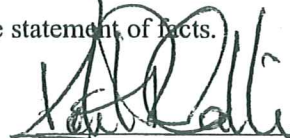
7. A copy of this application, including all attachments, has been mailed or delivered on 5/6/04 (date)
 to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, Robert R. Calli, Chairman of
 Name Title
Oneida County Industrial Development Agency hereby certify that the information
 Organization
 on this application and accompanying papers constitutes a true statement of facts.

April 29, 2004

Date



Signature

FOR USE BY ASSESSOR

1. Date application filed _____
2. Applicable taxable status date _____
- 3a. Agreement (or extract) date _____
- 3b. Projected exemption expiration (year) _____
4. Assessed valuation of parcel in first year of exemption \$ _____
5. Special assessments and special as valorem levies for which the parcel is liable:

Date

Assessor's signature

Exhibit A

Application for Real Property Tax Exemption
(Form RP-412-a)

**Oneida County Industrial Development Agency
(Griffiss Local Development Corp. VII Facility)
Parcels F3A and F3B**

4. Brief Description of Facility:

The acquisition from the United States of America, acting by and through the Secretary of the Air Force (the "Air Force"), demolition, construction, renovation and equipping of two (2) parcels of land known as "Parcel F3A" and "Parcel F3B" consisting of 87.596± acres and 14.041± acres, respectively, situate in the Griffiss Business & Technology Park, City of Rome, Oneida County, New York (the "Park"), and shown on a map entitled "Property Map Showing a Portion of Lands to be conveyed to the Oneida County Industrial Development Agency (Parcel F3), City of Rome, County of Oneida, State of New York" prepared by Michael P. Waters, P.L.S. No. 50027, dated December 3, 1997, and last revised March, 2004, which parcels are sometimes collectively referred to as "Parcel F3" including, without limitation, all or a portion of the following buildings and/or structures situate thereon: 2,073 square foot Water Pump Station (Facility No. 210); 191 square foot Water Supply Building (Facility No. 211); 13,904 square foot Survival Equipment Shop (Facility No. 212); 3,200 square foot Base Engineering Maintenance Shop (Facility No. 214); 3,200 square foot Base Engineering Maintenance Shop (Facility No. 215); 3,200 square foot Base Engineering Maintenance Shop (Facility No. 216); 3,200 square foot Base Engineering Maintenance Shop (Facility No. 218); 3,200 square foot Base Engineering Maintenance Shop (Facility No. 219); 3,200 square foot Base Engineering Maintenance Shop (Facility No. 222); 3,200 square foot Petroleum Operations Shop (Facility No. 223); 3,200 square foot Base Engineering Maintenance Shop (Facility No. 224); Auto Maintenance Shop (demolished) (Facility No. 226); 6,035 square foot MWR Supply and Storage (Facility No. 245); 144 square foot Communications Facility (Facility No. 246); 5,376 square foot Pesticide Storage (covered concrete pad) (demolished) (Facility No. 250); 18,279 square foot Base Engineer Maintenance Shop (demolished) (Facility No. 255); Officer's Club (demolished) (Facility No. 272); MWR Softball/Baseball Field (Facility No. 5460) and 864 square foot Outdoor Recreation Pavilion (Facility No. 6092), all current contents and equipment, and corridors for roadway improvements and parking lots, all to be used for the coordination of redevelopment efforts for the recently realigned Griffiss Air Force Base.