

GRIFFISS UTILITY SERVICES CORPORATION

and

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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PAYMENT-IN-LIEU-OF-TAX AGREEMENT

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Oneida County Industrial Development Agency  
2001 Real Estate Transfer  
(Griffiss Utility Services Corporation Facility)

City of Rome

and

Rome Central School District

Tax Account Numbers:

## PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS AGREEMENT, dated as of October 1, 2001, is by and between GRIFFISS UTILITY SERVICES 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 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 October 1, 2001 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 30, 2002, and each succeeding year commencing with the last Tuesday of 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 Central 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 Griffiss Local Development Corporation, 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, at the sole cost and expense of the Company.

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 Utility Services Corporation  
153 Brooks Road  
Rome, New York 13441-1405  
Attn: Daniel Maneen, President

With a copy to:

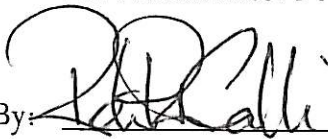
Camille T. Kahler, Esq.  
Hester Saunders Kahler Manion & Locke, L.L.P.  
185 Genesee Street, Suite 1400  
Utica, New York 13501

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 UTILITY SERVICES  
CORPORATION


By: \_\_\_\_\_  
Daniel Maneen  
Its President



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

*November*


On the 7 day of ~~October~~ 2001 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

LAURA S. RUBERTO  
Notary Public, State of New York  
ONEIDA COUNTY  
Commission Expires Aug. 1, 2002

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

On the 25<sup>th</sup> day of October 2001 before me, the undersigned a notary public in and for said state, personally appeared **Daniel Maneen**, 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

LAURA S. RUBERTO  
Notary Public, State of New York  
ONEIDA COUNTY  
Commission Expires Aug. 1, 2002

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

**LINDA E. ROMANO**

ATTORNEY & COUNSELOR AT LAW

501 MAIN STREET

P.O. BOX 4068

UTICA, NEW YORK 13501

(315) 738-1223

FACSIMILE (315) 724-2074

**LAURA S. RUBERTO**  
PARALEGAL

November 9, 2001

**VIA CERTIFIED MAIL**

Joseph Surace, Assessor  
City of Rome  
198 North Washington Street  
Rome New York

Re: Oneida County Industrial Development Agency 2001 Real Estate Transfer  
(Griffiss Utility Services Corporation Facility)

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 30, 2002.

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

Very truly yours,



Laura S. Ruberto  
Paralegal

Enclosure

c: Attached Distribution List (w/enclosures)

Distribution List

Mr. Ralph J. Eannace  
Oneida County Executive  
800 Park Avenue  
Utica, New York 13501

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

Mr. Joseph Griffo, 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



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 Industrial Dev't Agency  
Street 153 Brooks Road  
City Rome NY 13441  
Telephone no. Day (315) 338-0393  
Evening ( )  
Contact Joseph G. Karam  
Title Secretary

2. **OCCUPANT (IF OTHER THAN IDA)**

(If more than one occupant attach separate listing)

Name Griffiss Utility Services Corp.  
Street 153 Brooks Road  
City Rome NY 13441  
Telephone no. Day (315) 338-0393  
Evening ( )  
Contact Daniel Maneen  
Title President

3. **DESCRIPTION OF PARCEL**

a. Assessment roll description (tax map no./roll year)  
\_\_\_\_\_  
b. Street address 655 Ellsworth Road  
\_\_\_\_\_  
c. City, Town or Village Rome

d. School District Rome City  
e. County Oneida  
f. Current assessment \_\_\_\_\_  
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) See Exhibit A attached hereto  
\_\_\_\_\_  
b. Type of construction \_\_\_\_\_  
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) September 30, 2011

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 See PILOT Agreement attached hereto  
\_\_\_\_\_  
\_\_\_\_\_

b. Projected expiration date of agreement September 30, 2011

c. Municipal corporations to which payments will be made

|                       | Yes | No |
|-----------------------|-----|----|
| County _____          | x   |    |
| Town/City _____       | x   |    |
| Village _____         |     | x  |
| School District _____ | x   |    |

d. Person or entity responsible for payment

Name Daniel Maneen  
 Title President, GIUSC  
 Address 153 Brooks Road  
Rome NY 13441

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 \_\_\_\_\_

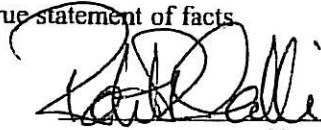
7. A copy of this application, including all attachments, has been mailed or delivered on \_\_\_\_\_ (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

**CERTIFICATION**

I, Robert R. Calli, \_\_\_\_\_, \_\_\_\_\_ 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

November 7, 2001

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 Utility Services Corporation Facility)**

4. Brief Description of Facility:

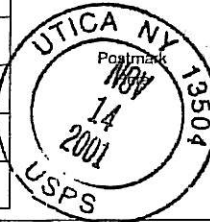
The acquisition from the United States Air Force, renovation and equipping of a parcel of land consisting of 17.779± acres, situate at Ellsworth Road in the Griffiss Business and Technology Park, Rome, Oneida County, New York (the "Park"), commonly known as the Central Heat Plant, including, without limitation, the following buildings and appurtenant structures: 13,120 sq. ft. Air Pollution Control Facility (Facility No. 16); 2,100 sq. ft. Water Pollution Control Facility (Facility No. 24); 500 sq. ft. Fuel Oil Pumphouse (Facility No. 25); 40,347 sq. ft. Main Steam Generating Facility (Facility No. 29); 4,572 sq. ft. Coal Unloading Facility (Facility No. 30); 544 sq. ft. Metals Removal Facility (Facility No. 35); 15,000 sq. ft. Coal Pad Canopy (Facility No. 36); 4,500 hydrant fueling pump house (Facility No. 772); two (2) aboveground storage tanks, each holding 420,000 gallons (Facility Nos. 8000 and 8001); 300 sq. ft. Generator Building (Facility No. 8002), together with an easement for the central steam distribution system including, without limitation, all supply and return lines, steam manholes, condensate lines and related fixtures, equipment, devices, buildings, structures and appurtenances on, over, under and across the Park and the former Griffiss Air Force Base, to be used for providing steam to the Griffiss Business and Technology Park.



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

Article Sent To:

Postage \$ 0.80  
 Certified Fee 2.10  
 Return Receipt Fee (Endorsement Required) 1.50  
 Restricted Delivery Fee (Endorsement Required)  
 Total Postage & Fees \$ 4.40



Name (Please Print Clearly) (to be completed by mailer)

Linda E Romano  
 Street, Apt. No., or PO Box No. 501 Main St.  
 City, State, ZIP+4 Utica, N.Y. 13501

PS Form 3800, July 1999

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- 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.

1. Article Addressed to:

Mr. Joseph Surace, Assessor  
City of Rome  
198 North Washington Street.  
Rome, N.Y. 13440

2. Article Number (Copy from service label)

7099 3400 0005 4981 2218

PS Form 3811, July 1999

Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

NOV 15 2001

C. Signature

X *Linda E Romano*

☐ Agent  
☐ Addressee

D. Is delivery address different from item 1?

If YES, enter delivery address below:

☐ Yes  
☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

102595-99-M-1789