

GRIFFISS LOCAL DEVELOPMENT CORPORATION
and
ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Oneida County Industrial Development Agency
2020 Real Estate Lease
(Alion Science and Technology Corporation Facility)

Oneida County, City of Rome, Rome City School District

Tax Account Nos.: 243.000-00001-001.043

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of April 1, 2020, is by and between **GRIFFISS LOCAL DEVELOPMENT CORPORATION**, a New York not-for-profit local development corporation with an address of 584 Phoenix Drive, 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 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, GLDC has requested the Agency's assistance in connection with renovations to a vacant two-story, 19,800± square foot building (the "Improvements"), situated on a 0.989± acre parcel of land located at 775 Daedalian Drive, Griffiss Business and Technology Park, City of Rome, Oneida County, New York, also known as Building 778 (the "Land") and acquisition and installation of equipment in the Improvements (the "Equipment"), to accommodate a new tenant, Alion Science and Technology Corporation (the "Sublessee") for the purpose of the Sublessee providing technology and operational support to the Department of Defense (the Land, the Improvements and the Equipment are referred to collectively as the "Facility" and the renovation and equipping of the Improvements is referred to as the "Project"); and

WHEREAS, the Agency owns the Land and the Improvements constituting the Facility and leases them to GLDC pursuant to a Lease Agreement dated as of July 1, 2012 (the "2012 Lease Agreement"); and

WHEREAS, the Agency also owns a 28,092± square foot, one-story building known as Building 776 ("Building 776") located on a 1.510± acre parcel of land situate at 474 Phoenix Drive, Technology Heights, Griffiss Business and Technology Park, City of Rome, Oneida County, New York, and a 0.969+/- acre parcel of land situate on the southerly side of said Phoenix Drive (across the street from Building 776) improved by a parking lot (the "Parking Lot") (the 1.510+/- acre parcel of land and the 0.969+/- acre parcel of land being, collectively, the "Building 776 Land" and together with Building 776, the "Building 776 Facility), and leases the Building 776 Facility to GLDC pursuant to the 2012 Lease Agreement; and

WHEREAS, the Agency has agreed to continue its ownership of 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 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 or the interest therein of GLDC or the occupancy thereof by GLDC commencing July 31, 2012 (the "Exempt Taxes"), because the Agency owns the Facility and the Facility has been 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, GLDC has been making payments in lieu of the Exempt Taxes ("PILOT Payments") for the Facility and the Building 776 Facility pursuant to a Payment-In-Lieu-of-Tax Agreement dated as of July 1, 2012 (the "2012 PILOT Agreement"); and

WHEREAS, the Agency and GLDC wish to continue the provision of PILOT Payments for the Building 776 Facility under the terms of the 2012 PILOT Agreement, and provide for new provision of PILOT Payments for the Facility; and

WHEREAS, GLDC 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 GLDC deem it necessary and proper to enter into this agreement making provision for PILOT Payments relating to the Facility and such assessments by GLDC 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" more particularly set forth on Schedule A attached hereto and made a part hereof) in which any part of the Facility is or is to be located; and

WHEREAS, upon execution of this PILOT Agreement, GLDC will cease making PILOT Payments under the 2012 PILOT Agreement only with respect to the Facility, but will continue to make PILOT Payments under the 2012 PILOT Agreement only with respect to the Building 776 Facility; 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. GLDC 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) GLDC shall pay PILOT Payments during each Exemption Year as follows:

Exemption Year 1	\$34,843
Exemption Year 2	\$35,559
Exemption Year 3	\$36,250
Exemption Year 4	\$36,975
Exemption Year 5	\$37,715
Exemption Year 6	\$38,469
Exemption Year 7	\$39,238
Exemption Year 8	\$40,023
Exemption Year 9	\$40,824
Exemption Year 10	\$41,640
Exemption Year 11	\$42,473
Exemption Year 12	\$43,322
Exemption Year 13	\$44,189
Exemption Year 14	\$45,073
Exemption Year 15	\$45,974
Exemption Year 16	\$46,894
Exemption Year 17	\$47,831
Exemption Year 18	\$48,788
Exemption Year 19	\$49,764
Exemption Year 20 and thereafter	100% of Exempt Taxes

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

(b) Anything herein to the contrary, notwithstanding, this Agreement shall terminate on the date on which the Lease Agreement shall terminate and the Agency shall terminate its 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 by and between the Agency and GLDC dated as of April 1, 2020.

(c) Anything herein to the contrary, notwithstanding, upon the failure of GLDC 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, GLDC 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. GLDC 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 GLDC 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 GLDC under 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, GLDC is required to pay any tax which the payments specified herein are intended to be in lieu of, GLDC 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 GLDC 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 GLDC 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, GLDC 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 GLDC 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, GLDC does not have the right to bring a proceeding to review such assessment under the Real Property Tax Law or any other law, then GLDC 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 GLDC in all respects in any such proceeding at the sole cost and expense of GLDC. Notwithstanding anything herein to the contrary, for so long as this Agreement is in effect, GLDC hereby unconditionally and irrevocably waives its right, if any, to apply for and/or receive the benefit of any other real property tax exemption with respect to the Facility, including, without limitation, any real property tax exemption that may be available under Section 485-b and Section 485-e of the Real Property Tax Law.

8. All amounts payable by GLDC 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, or by a commercial overnight courier that guarantees next day delivery and provides a receipt, to the Agency and GLDC, 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 GLDC: Griffiss Local Development Corporation
584 Phoenix Drive
Rome, New York 13441
Attn.: Steven J. DiMeo, Authorized Representative

With a Copy To: Saunders Kahler, L.L.P.
185 Genesee Street, Suite 1400
Utica, New York 13501
Attn.: Camille T. Kahler, Esq.


provided, that the Agency and GLDC 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.

[signature page follows]

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

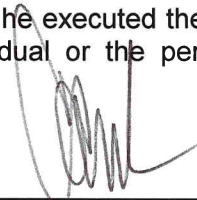
GRIFFISS LOCAL DEVELOPMENT CORPORATION

By: 

Steven J. DiMeo
Authorized Representative

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

On the 3^d day of April 2020 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.



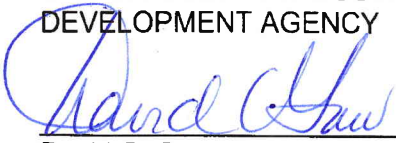
Notary Public

CAMILLE T. KAHLER
NOTARY PUBLIC, State of New York
Appointed in Oneida County
No. 02KA4804252
Commission Expires: October 31, 2020

SECOND SIGNATURE PAGE OF PILOT AGREEMENT
(OCIDA AND GLDC)

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By:


David C. Grow
Chairman

STATE OF NEW YORK

)

: ss.:

COUNTY OF ONEIDA

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On the 29 day of April 2020 before me, the undersigned a notary public in and for said state, personally appeared **David C. Grow**, 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

LORI L. PATRICK
Notary Public, State of New York
No. 01PA6034055
Qualified in Oneida County
My Commission Expires Dec. 6, 2021

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/City Taxes	School Taxes
Year One	01/01/2021 – 12/31/2021	07/01/2020 – 06/30/2021
Year Two	01/01/2022 – 12/31/2022	07/01/2021 – 06/30/2022
Year Three	01/01/2023 – 12/31/2023	07/01/2022 – 06/30/2023
Year Four	01/01/2024 – 12/31/2024	07/01/2023 – 06/30/2024
Year Five	01/01/2025 – 12/31/2025	07/01/2024 – 06/30/2025
Year Six	01/01/2026 – 12/31/2026	07/01/2025 – 06/30/2026
Year Seven	01/01/2027 – 12/31/2027	07/01/2026 – 06/30/2027
Year Eight	01/01/2028 – 12/31/2028	07/01/2027 – 06/30/2028
Year Nine	01/01/2029 – 12/31/2029	07/01/2028 – 06/30/2029
Year Ten	01/01/2030 – 12/31/2030	07/01/2029 – 06/30/2030
Year Eleven	01/01/2031 – 12/31/2031	07/01/2030 – 06/30/2031
Year Twelve	01/01/2032 – 12/31/2032	07/01/2031 – 06/30/2032
Year Thirteen	01/01/2033 – 12/31/2033	07/01/2032 – 06/30/2033
Year Fourteen	01/01/2034 – 12/31/2034	07/01/2033 – 06/30/2034
Year Fifteen	01/01/2035 – 12/31/2035	07/01/2034 – 06/30/2035
Year Sixteen	01/01/2036 – 12/31/2036	07/01/2035 – 06/30/2036
Year Seventeen	01/01/2037 – 12/31/2037	07/01/2036 – 06/30/2037
Year Eighteen	01/01/2038 – 12/31/2038	07/01/2037 – 06/30/2038
Year Nineteen	01/01/2039 – 12/31/2039	07/01/2038 – 06/30/2039