

LAURA S. RUBERTO
lruberto@bsk.com
P: 315.738.1223
F: 315.724.2074

September 20, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Paul Smith, Assessor
Town of New Hartford
Butler Hall
48 Genesee Street
New Hartford NY 13413

Re: *Oneida County Industrial Development Agency 2011 Real Estate Lease
LT Group, LLC Facility*

Dear Mr. Smith:

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 March 1, 2012.

We direct your attention to the fact that all PILOT bills should be mailed 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



Laura S. Ruberto
Legal Assistant

LSR/lsr
Enclosures

cc: Attached Distribution List

Distribution List

Anthony J. Picente, Jr.
Oneida County Executive
800 Park Avenue
Utica, New York 13501

Patrick M. Tyksinski, Supervisor
Town of New Hartford
48 Genesee Street
New Hartford, New York 13413

Anthony R. Carvelli
Commissioner of Finance
Oneida County Finance Department
800 Park Avenue
Utica NY 13501

Receiver of Taxes
Town of New Hartford
48 Genesee Street
New Hartford, NY 13413

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

Robert J. Nole, Superintendent
New Hartford Central School District
33 Oxford Road
New Hartford, New York 13413

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

James L. Davis III, President
Board of Education
New Hartford Central School District
33 Oxford Road
New Hartford, New York 13413

Mary Mandel
Assistant Superintendent for Business
New Hartford Central School District
33 Oxford Road
New Hartford, New York 13413

Hilarie C. Elefante, Receiver of Taxes
New Hartford Central School District
48 Genesee Street
New Hartford, New York 13413

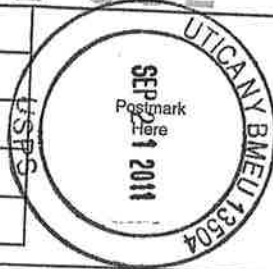
7010 3090 0001 8366 0275

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

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 1.04
Certified Fee	2.85
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.19



Sent To Paul Smith, Assessor
 Street, Apt. No. 48 Genesee Street
 or PO Box No.
 City, State, ZIP+4 New Hartford NY 13413

PS Form 3800, August 2005 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:
Paul Smith, Assessor
Town of New Hartford
48 Genesee Street
New Hartford NY 13413

2. Article Number
 (Transfer from service label) 7010 3090 0001 8366 0275

COMPLETE THIS SECTION ON DELIVERY

A. Signature Emel Fancett Agent Addressee

B. Received by (Printed Name) Emel Fancett Date of Delivery 9/22/11

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



**NYS DEPARTMENT OF TAXATION & FINANCE
OFFICE OF REAL PROPERTY TAX 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 Development Agency
 Street 584 Phoenix Drive
 City Rome NY 13441
 Telephone no. Day (315) 338-0393
 Evening () _____
 Contact Shawna M. Papale
 Title Executive Director

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)

Name LT Group, LLC
 Street 6007 Fair Lakes Road, Suite 100
 City East Syracuse NY 13057
 Telephone no. Day (315) 362-8816
 Evening () _____
 Contact Lawrence R. Adler
 Title Member

3. DESCRIPTION OF PARCEL

- a. Assessment roll description (tax map no./roll year) 328.000-3-7
- b. Street address 201 Woods Park Drive
New Hartford Business Park
- c. City, Town or Village New Hartford
- d. School District New Hartford CSD
- e. County Oneida
- f. Current assessment \$411,800 (78.5 acres)
- g. Deed to IDA (date recorded; liber and page)
Memorandum of Lease recorded 9/20/2011
Instrument No. R2011-000959

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

- a. Brief description (include property use) three-story 87-room Hampton Inn and Suites Hotel situated on 3.4± acres and public roadways to service the same
- b. Type of construction Wood frame
- c. Square footage 58,000±
- d. Total cost \$4,760,000
- e. Date construction commenced May 2011
- f. Projected expiration of exemption (i.e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA) December 31, 2022

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 100% of taxes during the term of the PILOT Agreement, to be allocated among the Taxing Authorities in accordance with an Agreement Allocating PILOT Payments to be entered into among the IDA, Oneida County, Town of New Hartford and New Hartford Central School District. See PILOT Agreement attached hereto.

- b. Projected expiration date of agreement December 31, 2022

c. Municipal corporations to which payments will be made

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

d. Person or entity responsible for payment

Name LT Group, LLC
 Title Lawrence Adler, Member
 Address 6007 Fair Lakes Rd, Suite 100
East Syracuse NY 13057

e. Is the IDA the owner of the property? Yes No (check one)

If "No" identify owner and explain IDA rights or interest in an attached statement.

Telephone 315-362-8816

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 _____ assessment roll year _____

7. A copy of this application, including all attachments, has been mailed or delivered on 9/21/11 (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, David C. Grow, Chairman of _____ 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.

September 20, 2011
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 ad valorem levies for which the parcel is liable:

Date

Assessor's signature

LT GROUP, LLC

and

ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Oneida County Industrial Development Agency
2011 Real Estate Lease
(LT Group, LLC Facility)

Oneida County, Town of New Hartford, New Hartford Central School District

Tax Account Nos.: 328.000-3-7

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS AGREEMENT, dated as of September 1, 2011, is by and between **LT GROUP, LLC**, a limited liability company duly organized and validly existing under the laws of the State of New York, having an address of 6007 Fair Lakes Road, Suite 100 East Syracuse, New York 13057 (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 13441-4105 (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 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 Company desires to construct a three-story, 58,000-square foot, 87-room Hampton Inn Suite and Hotel and public roadways and utility infrastructure to service the same (collectively, the "Improvements") on a certain 3.4± acre parcel of land situated at 201 Woods Park Drive, New Hartford Business Park in the Town of New Hartford, Oneida County, New York (the "Land"), and acquire and install in the Improvements certain machinery and equipment (the "Equipment") (the Land, the Improvements and the Equipment being collectively referred to as the "Facility"), all to be used by the Company in connection with providing quality hotel facilities to service the New Hartford Office Park and surrounding area; and

WHEREAS, in order to induce the Company to develop the Facility, the Agency is willing to take a leasehold interest in the land and the personal property and improvements constituting the Facility and lease said land, improvements and personal property the Company pursuant to the terms and conditions of a Leaseback Agreement dated on or about the date hereof (the "Leaseback Agreement"); and

WHEREAS, the Agency has agreed to accept a leasehold interest 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 Facility will 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 or the

occupancy thereof by the Company commencing March 1, 2012, the taxable status date, (the "Exempt Taxes"), because the Agency has a leasehold or other interest in the Facility and the Facility is, or will be, 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 no Exempt Taxes to pay under the provisions of the Leaseback Agreement from March 1, 2012 through the term of the Leaseback Agreement (the "Exemption Term"); and

WHEREAS, each year of the Exemption Term is more particularly set forth on Schedule B attached hereto and made a part hereof, and each year shall be defined 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 that would otherwise be paid by the Company to the Town of New Hartford, Oneida County, New Hartford Central School District and appropriate special districts (hereinafter each a "Taxing Authority" and collectively the "Taxing Authorities"); and

WHEREAS, in accordance with and pursuant to the authority set forth in Section 858 (15) of the General Municipal Law, the Agency and the Taxing Authorities intend to enter into an Agreement Allocating PILOT Payments (the "Agreement Allocating PILOT Payments") that dictates the allocation of the PILOT Payments received by the Agency (and the interest income generated thereby, if any) among the Taxing Authorities; 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 Leaseback 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 at the addresses set forth on Schedule A attached hereto:

(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 Leaseback Agreement for which the Facility is not exempt, no later than the last day during which such payments may be made without penalty.

2. The Company shall pay to the Agency an amount in lieu of the Exempt Taxes (the "PILOT Payments") equal to one hundred percent (100%) of the Exempt Taxes during each Exemption

Year. The "Exempt Taxes" shall be deemed to include any tax benefits under Section 485(b) of the New York State Real Property Tax Law, if any, which the Company may be entitled to receive. The Agency shall promptly deposit the PILOT Payments in accordance with the instructions set forth in the Agreement Allocating PILOT Payments or, in the absence of an Agreement Allocating PILOT Payments, shall promptly deliver the PILOT Payments to the Taxing Authorities in the same allocation that the Exempt Taxes would be allocated if there were no PILOT Agreement in place.

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 leasehold interest in the Facility pursuant to the Leaseback Agreement. In the event of an early termination of the Leaseback Agreement for any reason, all PILOT Payments due hereunder for the full Lease Term shall immediately become due and payable.

Anything herein to the contrary, notwithstanding, upon the failure of the Company 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 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.

Anything herein to the contrary, notwithstanding, upon the failure of the parties to enter into the Agreement Allocating PILOT Payments within ninety (90) days of the Closing Date (as said term is defined in the Leaseback Agreement), this Agreement shall terminate and the Agency shall terminate its leasehold interest in the Facility pursuant to the Leaseback Agreement.

3. The Company will make PILOT Payments hereunder for each Exemption Year by making the required payment to the Agency no later than the last day during which such Exempt Taxes could otherwise be made without penalty as if Agency did not have a leasehold or other interest in the Facility.

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 Leaseback Agreement if the Agency did not have a leasehold or other interest in 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 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 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 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. Notwithstanding anything herein to the contrary, for so long as this Agreement is in effect, the Company 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 the Company hereunder will be paid to the Agency 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 or the Company, as the case may be, addressed as follows:

If to the Agency:
Oneida County Industrial Development Agency
584 Phoenix Drive
Rome, New York 13441
Attn.: Chairman

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

If to the Company:
LT Group, LLC
6007 Fair Lakes Road, Suite 100
East Syracuse, New York 13057
Attn.: Lawrence R. Adler, Member

With a Copy to:
Carol A. Zenzel, PLLC
2507 James Street
Syracuse NY 13206

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.

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

10. Notwithstanding anything to the contrary herein contained, the Company shall not assign its rights or delegate its duties or obligations under this Agreement without the prior written consent of the Agency, which consent shall not be unreasonably withheld, conditioned or delayed. The Agency shall have the right to assign this Agreement to any person or entity. The Agency shall notify the Company of any assignment and send a copy of the assignment agreement to the Company.

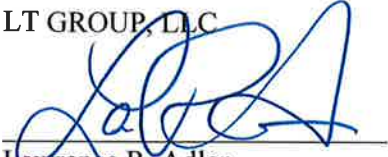
11. This Agreement shall remain in effect and the Company shall make PILOT Payments to the Agency in accordance with the provisions hereof until such time as the Facility is placed on the tax roll as a non-exempt property and Exempt Taxes first become due and payable.

12. Notwithstanding anything to the contrary contained herein, this Agreement shall survive until the performance of the obligations of the Company to make payments hereunder have been paid or otherwise satisfied.

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

LT GROUP, LLC

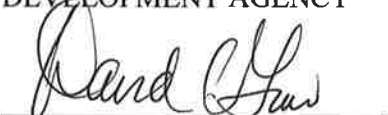
By:



Lawrence R. Adler
Member

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By:



David C. Grow
Chairman

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

On the 20th day of September 2011 before me, the undersigned a notary public in and for said state, personally appeared **Lawrence R. Adler**, 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

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

On the 19th day of September 2011 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

LAURA S. RUBERTO
Notary Public, State of New York
Appointed in Oneida County
Reg. No. 01RU5031396
Commission Expires August 1, 2014

SCHEDULE A

COUNTY OF ONEIDA
Receiver of Taxes
800 Park Avenue
Utica, New York 13501

TOWN OF NEW HARTFORD
Hilarie C. Elefante, Receiver of Taxes
Butler Hall
48 Genesee Street
New Hartford, New York 13413

NEW HARTFORD CENTRAL SCHOOL DISTRICT
Hilarie C. Elefante, Receiver of Taxes
Butler Hall
48 Genesee Street
New Hartford, New York 13413

SCHEDULE B

EXEMPTION YEARS

Exemption Year	Town and County Taxes	School Taxes
Year One	January 1, 2013 – December 31, 2013	July 1, 2012 – June 30, 2013
Year Two	January 1, 2014 – December 31, 2014	July 1, 2013 – June 30, 2014
Year Three	January 1, 2015 – December 31, 2015	July 1, 2014 – June 30, 2015
Year Four	January 1, 2016 – December 31, 2016	July 1, 2015 – June 30, 2016
Year Five	January 1, 2017 – December 31, 2017	July 1, 2016 – June 30, 2017
Year Six	January 1, 2018 – December 31, 2018	July 1, 2017 – June 30, 2018
Year Seven	January 1, 2019 – December 31, 2019	July 1, 2018 – June 30, 2019
Year Eight	January 1, 2020 – December 31, 2020	July 1, 2019 – June 30, 2020
Year Nine	January 1, 2021 – December 31, 2021	July 1, 2020 – June 30, 2021
Year Ten	January 1, 2022 – December 31, 2022	July 1, 2021 – June 30, 2022