

ROME COMMUNITY BROWNFIELD RESTORATION CORPORATION
and
ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Oneida County Industrial Development Agency
2004 Sale/Leaseback Transaction
(Former Rome Cable Corp. Facility, Bldg. 1 and 3)

Oneida County, Rome City School District

Tax Account Nos.: Portion of 242.000-1-7

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS AGREEMENT, dated as of December __, 2004, is by and between **ROME COMMUNITY BROWNFIELD RESTORATION CORPORATION**, a not-for-profit corporation duly organized and validly existing under the laws of the State of New York, having its principal office at 139 Dominick Street, Rome, New York 13340 (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").

WITNESSETH:

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 lease certain industrial development facilities in the City of Rome, County of Oneida, Buildings 1 and 3 at 421 Ridge Street, shown as a portion of tax map no. 242.000-1-7 (the "Premises"), to accommodate and serve the Company in its general business purposes (the "Facility"); and

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

WHEREAS, the Agency has agreed to accept a fee interest and enter into the Lease Agreement covering 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 July 26, 2005 (the "Exempt Taxes"), 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 to it by the Agency, will, in fact, have no Exempt Taxes to pay under the provisions of the Lease Agreement from January 1, 2006, through the term of the Lease Agreement (the "Exemption Term") (each year measured by the twelve month period commencing with the first day of March, 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 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 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. 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:

- (a) one-third of such taxes from the first through and including the fifth Exemption Year;
- (b) two-thirds of such taxes from the sixth through and including the tenth Exemption Year; and
- (c) one hundred percent of such taxes after the tenth 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 then terminate its leasehold interest in the Facility to the Company pursuant to the Lease Agreement.

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 actual and verifiable expenses of collection, including but not limited to, payment of reasonable 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 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. 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.
8. This Agreement is subject to the recapture provisions contained in Section 7.6 of the Lease Agreement which are hereby incorporated herein. In the event that the parties are unable to agree upon modification of the benefits, the Agency shall have the option of reconveying the Facility to the Company. The Company hereby appoints Agency as an attorney-in-fact with the power to sign all documents on behalf of the Company in order to effect such reconveyance.
9. 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.
10. 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.
11. This Agreement may not be effectively amended, changed, modified, altered or terminated except by an instrument in writing executed by the parties hereto.
12. 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
153 Brooks Road
Rome, New York 13441-4105
Attn: Robert R. Calli, Chairman

With a Copy to:

Michael H. Stephens, Esq.
Kernan and Kernan, PC
258 Genesee Street #10
Suite 600
Utica, New York 13502

If to the Company:

Rome Community Brownfield Restoration Corporation
139 W. Dominick Street
Rome, New York 13440
Attn: Christopher P. Destito, President

With a Copy to:

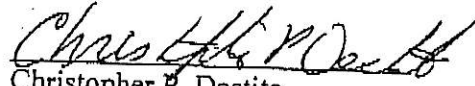
David J. Rapke, Esq.
Rapke and Plumley, LLP
320 North George Street
P. O. Box 928
Rome, NY 13442-0928

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.

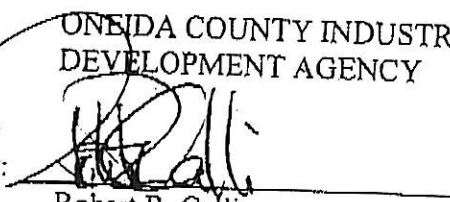
14. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

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

ROME COMMUNITY BROWNFIELD
RESTORATION CORPORATION

By: 
Christopher P. Destito
Its President

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: 
Robert R. Calli
Its Chairman

SCHEDULE A

ONEIDA COUNTY
Receiver of Taxes
City Hall
One Kennedy Plaza
Utica, New York 13501
Attn.: City Treasurer

CITY OF ROME
Receiver of Taxes
City Hall
Rome, New York 13440
Attn: John Nash

ROME CITY SCHOOL DISTRICT
Receiver of Taxes
City Hall
Rome, New York 13440
Attn: John Nash



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. Agy
Street 153 Brooks Road
City Rome, New York 13441
Telephone no. Day (315) 338-0393
Evening ()
Contact Shawna Papale
Title Sr. Vice President, Marketing and Economic Development

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)

Name Rome Community Brownfield Restoration Co
Street 139 W. Dominick Street
City Rome, NY 13440
Telephone no. Day ()
Evening ()
Contact Christopher P. Destito
Title President

3. DESCRIPTION OF PARCEL

- a. Assessment roll description (tax map no./roll year) - portion of 242.000-1-7.2
b. Street address 421 Ridge Street, 220 S. Madison St.
c. City, Town or Village Rome
d. School District Rome City School District
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) Buildings 1 and 3 used for manufacturing
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) January 1, 2016

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 Yrs. 1 through 5 - 1/3 of exempt taxes due
Yrs. 6 through 10 - 2/3 of exempt taxes due
Thereafter, 100% exempt taxes due
b. Projected expiration date of agreement January 1, 2016

RP-412-a (1/95)

c. Municipal corporations to which payments will be made

	Yes	No
County <u>Oneida</u>	X	
Town/City <u>Rome</u>	X	
Village <u>-----</u>		X
School District <u>Rome City</u>	X	

d. Person or entity responsible for payment

Name Christopher P. Destito
 Title President
 Rome Community Brownfield Restoration ()
 Address 137 W. Dominick Street
Rome, NY 13440

Telephone _____

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.

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 _____ (date) to the chief executive official of each municipality within which the project is located as indicated in Item 3.

CERTIFICATION

I, Michael H. Stephens, Esq., counsel of Oneida County Industrial Development Agency hereby certify that the information on this application and accompanying papers constitutes a true statement of facts.

01/06/05
Date

Michael H. Stephens
Signature

FOR USE BY ASSESSOR

- Date application filed 2/28/05
- Applicable taxable status date 7/26/05
- Agreement (or extract) date 1/6/05
- Projected exemption expiration (year) 1/1/2016
- Assessed valuation of parcel in first year of exemption \$ ~~170,500~~ 830,780
- Special assessments and special as valorem levies for which the parcel is liable:

3/1/05
Date

Joseph J. Swani
Assessor's signature