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October 2, 2012

VIA CERTIFIED MAIL

David H. Williams, Assessor
City of Utica
One Kennedy Plaza
Utica NY 13502

Re: *Oneida County Industrial Development Agency 2012 Real Estate Lease
(The Brooklyn Brewery Corporation Facility)*

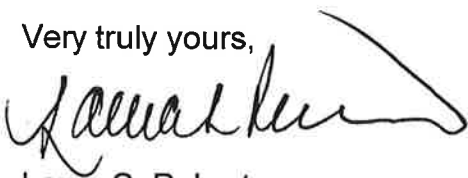
Dear Mr. Williams:

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 effective August 1, 2013. Also enclosed is a Closing Summary sheet summarizing the PILOT Payments to be made.

We direct your attention to the fact that all PILOT bills should be issued directly to the Company.

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/enclosure)

Distribution List

County:

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

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

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

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

City:

Robert Palmieri, Mayor
City of Utica
One Kennedy Plaza
Utica, New York 13502

Receiver of Taxes
City of Utica
One Kennedy Plaza
Utica, New York 13502

School District:

Christopher Salatino, President
Board of Education
Utica City School District
106 Memorial Parkway
Utica, New York 13501

Bruce J. Karam, Superintendent
Utica City School District
106 Memorial Parkway
Utica, New York 13501

Receiver of Taxes
Utica City School District
Attn.: Joanne Giotto
106 Memorial Parkway
Utica, New York 13501

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 checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>Dave Williams, Assessor City of Utica One Kennedy Plaza Utica NY 13502</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <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>7010 2780 0002 1706 0117</p>
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

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

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

UTICA NY 13502

Postage	\$ 1.50	0294 07 Postmark Here
Certified Fee	2.95	
Return Receipt Fee (Endorsement Required)	2.35	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$6.80	10/02/2012

Sent To: Dave Williams, Assessor
 Street, Apt. No., or PO Box No.: One Kennedy Plaza
 City, State, ZIP+4: Utica NY 13502

PS Form 3800, August 2006 See Reverse for Instructions

7010 2780 0002 1706 0117



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 Papale
Title Executive Director

2. OCCUPANT (IF OTHER THAN IDA)

(If more than one occupant attach separate listing)

Name The Brooklyn Brewery Corporation
Street 79 North 11th Street
City Brooklyn NY 11249
Telephone no. Day (718) 486-7422
Evening () _____
Contact Eric Ottaway
Title Chief Operating Officer

3. DESCRIPTION OF PARCEL

- a. Assessment roll description (tax map no./roll year) 329.10-1-30
- b. Street address 50 Campion Road
- c. City, Town or Village Utica
- d. School District Utica City School District
- e. County Oneida
- f. Current assessment \$115,000 / \$485,000
- g. Deed to IDA (date recorded; liber and page)
Memorandum of Lease Recorded 10/2/2012
Instrument No. R2012-001183

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

- a. Brief description (include property use) acquire and renovate a 41,400± sf warehouse building on a 2.256± acre parcel of land, to distribute and warehouse beer products
- b. Type of construction single-story Butler building
- c. Square footage 41,400±
- d. Total cost See attached
- 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)
June 30, 2024

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 pays 1/3 of taxes years 1 - 5; 2/3 of taxes years 6 - 10 and 100% of taxes after year 10. See PILOT Agreement attached.
- _____
- _____

- b. Projected expiration date of agreement June 30, 2024

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 The Brooklyn Brewery Corp.
 Title Eric Ottaway, COO
 Address 79 North 11th Street
Brooklyn NY 11249

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.

leasehold interest

Telephone 718-486-7422

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 10/2/12 (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 _____

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.

October 1, 2012
Date

David C. Grow
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
(The Brooklyn Brewery Corporation Facility)**

4(d). Total Cost of Facility:

Acquisition of Land	\$ 167,650
Acquisition of Building	707,350
Renovation Costs	225,000
Machinery and Equipment	400,00
Legal fees	20,000

Total: \$ 1,520,000

THE BROOKLYN BREWERY CORPORATION
and
ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Oneida County Industrial Development Agency
2012 Real Estate Lease
(The Brooklyn Brewery Corporation Facility)

Oneida County, City of Utica, Utica City School District

Tax Account Nos.: 329.10-1-30

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT, dated as of October 1, 2012, is by and between **THE BROOKLYN BREWERY CORPORATION**, a New York corporation having an office at 79 North 11th Street, Brooklyn, New York 11249 (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, the Company desires to acquire and renovate a single-story, 41,400± square foot warehouse building and other improvements (collectively, the "Improvements") located on a 2.256± acre parcel of land at 50 Campion Road, City of Utica, Oneida County, New York (the "Land") and acquire and install equipment in the Improvements, including but not limited to the installation of a 5,000± square foot cold box (collectively, the "Equipment"), all to be used for the purpose of distributing and warehousing beer (the Land, the Improvements and the Equipment referred to collectively as the "Facility"); and

WHEREAS, in order to induce the Company to develop the Facility, the Agency is willing to accept a leasehold interest in the Facility pursuant to a Lease Agreement dated of even date herewith and lease the Facility back to the Company pursuant to the terms and conditions contained in a Leaseback Agreement dated of even date herewith; and

WHEREAS, the Agency has agreed to accept a leasehold interest in 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 is 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 August

1, 2013, the taxable status date, (the "Exempt Taxes"), because the Agency has a leasehold interest in the Facility and the Facility is 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, 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 Leaseback 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 Leaseback 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 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 Utica, 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, the Utica 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 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:

(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 and 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. (a) 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:

(i) one-third of such taxes from the first through and including the fifth Exemption Year; and

(ii) two-thirds of such taxes from the sixth through and including the tenth Exemption Year; and

(iii) 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 Leaseback Agreement shall terminate and the Agency shall terminate its leasehold 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 dated as of October 1, 2012.

(b) 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.

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 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 Agency did not have a leasehold or other interest in 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 Agency did not have a leasehold or other interest in 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 interest in 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 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:

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 the Company: The Brooklyn Brewery Corporation
79 11th Street
Brooklyn, New York 11249
Attn.: Eric Ottaway, Chief Operating Officer

With a Copy To: Saunders Kahler, LLP
185 Genesee Street, Suite 1400
Utica, New York 13501
Attn.: Joseph E. Saunders, Esq.

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.

[Signature page follows]

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

THE BROOKLYN BREWERY CORPORATION

By:


Eric Ottaway
Chief Operating Officer

ONEIDA COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By:


David C. Grow
Chairman

EXHIBIT A

ALL THAT TRACT, PIECE OR PARCEL OF LAND, situate in the City of Utica, County of Oneida and State of New York, designated as Parcel "B" on a map entitled "Survey Map Showing Lands to be Conveyed to The Brooklyn Brewery Corporation Located on Campion Road & N.Y.S. Route 8, T.M. #329.10-1-30, City of Utica, Oneida County, State of New York" dated September 25, 2012, prepared by Steven A. Roseen, L.S. No. 050522, and to be filed in the Oneida County Clerk's Office, said tract, piece or parcel of land being more particularly described as follows:

COMMENCING at the intersection of the northeasterly highway boundary of Campion Road with the existing highway boundary of North-South Arterial and New York State Route 8; thence S 32° 00' 40" E, along said highway boundary of Campion Road 350.21 feet to the POINT OF BEGINNING of the herein described Parcel "B"; thence N 59° 25' 25" E along the division line between lands designated on said survey map as Parcel "A" on the northwest and lands designated on said survey map as Parcel "B" on the southeast 296.57 feet to a point; thence S 30° 34' 35" E 498.50 feet to a point; thence S 58° 10' 56" W 266.00 feet to a point; thence N 80° 12' 12" W 22.69 feet to a point on the aforementioned highway boundary of Campion Road; thence N 32° 24' 00" W 232 feet to a point; thence N 33° 27' 05" W 95.69 feet to the point of beginning, being 2.560± acres, more or less.

SUBJECT TO A PERMANENT EASEMENT FOR DRAINAGE RESERVED BY People of the State of New York in, on and over that portion of Parcel "B" described as follows:

COMMENCING at the point of the beginning of Parcel "B" described hereinabove; thence S 33° 27' 05" E along the northeasterly highway boundary of Campion Road 95.69 feet to a point; thence S 32° 24' 00" E along said highway boundary of Campion Road 58.81 feet to the EASEMENT POINT OF BEGINNING; thence N 58° 10' 56" E through the lands designated as Parcel "B" 288.82 feet to a point; thence S 30° 34' 35" E along the northerly boundary of Parcel "B" 50.01 feet to a point; thence S 58° 10' 56" W through lands designated as Parcel "B" a distance of 287.21 feet to a point on said highway boundary of Campion Road; thence N 32° 24' 00" W 50 feet to the EASEMENT POINT OF BEGINNING.

SCHEDULE A

COUNTY OF ONEIDA

Receiver of Taxes
800 Park Avenue
Utica, New York 13501

CITY OF UTICA

Receiver of Taxes
One Kennedy Plaza
Utica, New York 13502
Attn.: City Treasurer

UTICA CITY SCHOOL DISTRICT

Receiver of Taxes
106 Memorial Parkway
Utica, New York 13501

SCHEDULE B

EXEMPTION YEARS

Exemption Year (Assessment Roll Year)	County Taxes	City Taxes	School Taxes
Year One (08/01/2013)	01/01/2014 – 12/31/2014	04/01/2014 – 03/31/2015	07/01/2014 – 06/30/2015
Year Two (08/01/2014)	01/01/2015 – 12/31/2015	04/01/2015 – 03/31/2016	07/01/2015 – 06/30/2016
Year Three (08/01/2015)	01/01/2016 – 12/31/2016	04/01/2016 – 03/31/2017	07/01/2016 – 06/30/2017
Year Four (08/01/2016)	01/01/2017 – 12/31/2017	04/01/2017 – 03/31/2018	07/01/2017 – 06/30/2018
Year Five (08/01/2017)	01/01/2018 – 12/31/2018	04/01/2018 – 03/31/2019	07/01/2018 – 06/30/2019
Year Six (08/01/2018)	01/01/2019 – 12/31/2019	04/01/2019 – 03/31/2020	07/01/2019 – 06/30/2020
Year Seven (08/01/2019)	01/01/2020 – 12/31/2020	04/01/2020 – 03/31/2021	07/01/2020 – 06/30/2021
Year Eight (08/01/2020)	01/01/2021 – 12/31/2021	04/01/2021 – 03/31/2022	07/01/2021 – 06/30/2022
Year Nine (08/01/2021)	01/01/2022 – 12/31/2022	04/01/2022 – 03/31/2023	07/01/2022 – 06/30/2023
Year Ten (08/01/2022)	01/01/2023 – 12/31/2023	04/01/2023 – 03/31/2024	07/01/2023 – 06/30/2024